IMPORTANT NOTICE

THIS PRELIMINARY OFFERING MEMORANDUM (THE "**OFFERING MEMORANDUM**") IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") WITHIN THE MEANING OF RULE 144A ("**RULE 144A**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") OR (2) PERSONS PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE (A "**MEMBER STATE**") OF THE EUROPEAN ECONOMIC AREA ("**EEA**") OR IN THE UNITED KINGDOM (THE "**UK**"), NOT RETAIL INVESTORS (AS DEFINED BELOW)).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Memorandum following this notice, whether received by e-mail, other electronic communication or otherwise and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Offering Memorandum. In accessing the attached Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

The Offering Memorandum has been prepared in connection with the proposed offer and sale of the securities described herein. The Offering Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER FOR SALE OR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND 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 U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS OR LAWS OF OTHER JURISDICTIONS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the securities described in the attached Offering Memorandum, either you or the customers you represent must be either (1) a QIB or (2) a person purchasing the Notes outside of the United States in an offshore transaction in reliance on Regulation S (provided that investors resident in a Member State of the EEA or the UK must not be retail investors (as defined below)). The Offering Memorandum is being sent at your request. By accepting this e-mail or other electronic transmission and by accessing the Offering Memorandum, you shall be deemed to have represented to us and the initial purchasers set forth in the attached Offering Memorandum (collectively, the "**Initial Purchasers**") that:

(1) you consent to delivery of such Offering Memorandum by electronic transmission, and

(2) either you or any customers you represent are:

  (a) QIBs; or

  (b) a person outside the United States and the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia (and, if you are a resident in a Member State of the EEA or in the UK, you are not a retail investor).

(3) if you and any customer you represent are a resident of a Member State of the EEA, you are not a retail investor. For the purposes of this paragraph (3), the expression "**retail investor**" means a person who is one (or more) of the following:

   (a) a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

   (b) 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

   (c) not a "qualified investor" as defined in Article 2(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

(4) if you and any customer you represent are a resident of the UK, you are not a retail investor. For the purposes of this paragraph (4), the expression "**retail investor**" means a person who is one (or more) of the following:

   (a) a "retail client" as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**");

   (b) a "customer" within the meaning of the provisions of and any rules or regulations made under, the Financial Services and Markets Act 2000, as amended (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or

   (c) not a "qualified investor" as defined in Article 2(e) of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**").

Prospective purchasers who are QIBs are hereby notified that the seller of the securities offered under the Offering Memorandum may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

Under no circumstances shall the Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser of the Notes or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such an Initial Purchaser or affiliate on behalf of Verde Bidco S.p.A. (the "**Issuer**") in such jurisdiction.

The Offering Memorandum is not being distributed by, nor has it been approved by, an authorized person in the UK and is for distribution only to (i) persons who have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), (ii) persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) persons outside the UK or (iv) persons to whom an invitation or inducement to engage in investment activity within the meaning of section 21 of 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**"). The 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 Offering Memorandum has not been submitted to the *Commissione Nazionale per le Società e la Borsa*, the Italian securities regulator ("**CONSOB**"), for clearance and will not be subject to formal review or clearance by the CONSOB pursuant to Italian securities legislation. The Notes may not be offered, sold or delivered, directly or indirectly, nor may copies of the Offering Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except (a) to qualified investors (*investitori qualificati*) as referred to in

Article 2(e) of the Prospectus Regulation; or (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended, and the applicable Italian laws and regulations.

The Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, or any person who controls any Initial Purchasers or the Issuer (as defined in the Offering Memorandum), or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you from the Initial Purchasers upon your request.

EEA MiFID II product governance / Professional investors and ECPs (as defined below) only target market: Solely for the purposes of the product approval process of each manufacturer, 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 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, and without prejudice to the Issuer's obligations in accordance with MiFID II, 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.

UK MiFIR product governance / Professional investors and ECPs only target market: Solely for the purposes of the product approval process of each manufacturer, 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 ECPs, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); 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 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.

Prohibition of sales to retail investors in the EEA: The securities described in the attached 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 in the EEA. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been or will be prepared and, therefore, offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

Prohibition of sales to retail investors in the UK: The securities described in the attached 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 in the UK. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the securities or otherwise making them available to retail investors in the UK has been or will be prepared and, therefore, offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The attached 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 UK Prospectus Regulation from a requirement to publish a prospectus for offers of such securities. The attached Offering Memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

This preliminary offering memorandum is being distributed for information purposes only and is subject to completion and amendment (which may be material) without notice. This preliminary offering memorandum shall not, and is not intended to constitute or contain any offer of invitation to sell or the solicitation of any offer to buy and may not be used as, or in connection with any offer or invitation to sell or a solicitation of any offer to buy any of the Notes.

SUBJECT TO COMPLETION, DATED SEPTEMBER 13, 2021

PRELIMINARY OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

ITELYUM

Verde Bidco S.p.A.

€450,000,000 % Sustainability-Linked Senior Secured Notes due 2026

Verde Bidco S.p.A. (formerly known as Noosa S.r.l.), a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy (the "**Issuer**"), is offering (the "**Offering**") €450,000,000 aggregate principal amount of its % Sustainability-Linked Senior Secured Notes due 2026 (the "**Notes**"), to be used as part of the financing for the proposed acquisition of SSCP Green Holdings S.C.A., a Luxembourg limited liability company (*société en commandite par actions*) (the "**Target**"), and its subsidiaries (together with the Target, the "**Target Group**") by the Issuer (the "**Acquisition**"). See "*Summary—The Transactions*" and "*Use of Proceeds.*" The Issuer is a holding company and will not control the Target prior to the consummation of the Acquisition.

The Issuer will pay interest on the Notes at a rate equal to % per annum. The Issuer will pay interest on the Notes semi-annually in arrears on and of each year, commencing on , 2022. The Notes will mature on , 2026. At any time on or after , 2023, the Issuer may redeem all or part of the Notes at the redemption prices set forth in this offering memorandum (this "**Offering Memorandum**"). At any time prior to , 2023, the Issuer may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, plus a "make-whole" premium, as described under *"Description of Notes—Optional Redemption."* The Issuer will also be required to pay a Step-up Premium (as defined herein) upon the redemption of the Notes at maturity and/or prior thereto in connection with certain optional redemptions of the Notes if we fail to achieve one or both of the Sustainability Performance Targets (as defined herein). See "*Description of Notes—Sustainability Performance Targets Step-up Redemption Premium.*" At any time prior to , 2023, the Issuer may redeem up to 40% of the aggregate principal amount of the Notes (including any additional Notes), using the net cash proceeds from certain equity offerings at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, provided that at least 50% of the original aggregate principal amount of the Notes (including any additional Notes) remains outstanding after each redemption. At any time prior to , 2023, the Issuer may redeem during each twelve-month period commencing on the Issue Date (as defined herein) up to 10% of the aggregate principal amount of the Notes issued (including any additional Notes) at its option, from time to time, at a redemption price equal to 103.000% of the principal amount of the Notes redeemed, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any.

If a change of control occurs, 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, to but excluding the date of purchase. In addition, the Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. See *"Description of Notes."*

If the Completion Date is anticipated to occur more than one business day after the Issue Date, the Initial Purchasers (as defined herein) will, concurrently with the closing of the Offering on the Issue Date, deposit the gross proceeds of this Offering of Notes into a segregated escrow account (the "**Escrow Account**") in the name of the Issuer. The Escrow Account will be controlled by Bank of America, National Association (the "**Escrow Agent**") and pledged in favor of the Trustee on behalf of the holders of the Notes. The release of the escrowed proceeds from the Escrow Account will be subject to the satisfaction of certain conditions. If the proceeds of the Notes are deposited into the Escrow Account and the conditions to the release of the escrowed proceeds have not been satisfied on or prior to January 31, 2022 (the "**Escrow Long-Stop Date**"), or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 100% of the initial issue price the Notes plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to, but excluding, the special mandatory redemption date. See *"Description of Notes—Escrow of Proceeds; Special Mandatory Redemption."* Following the Completion Date (as defined herein), we intend to use commercially reasonable efforts, subject to any relevant approval and/or authorization by any competent authority, to merge the Issuer with the Target and Itelyum Regeneration S.r.l. ("**Itelyum Regeneration**") in accordance with applicable provisions of Italian law and as further described herein (the "**Post Completion Merger**"), with MergerCo (as defined herein) being the surviving entity, as soon as reasonably practicable following the Completion Date. The Post Completion Merger is subject to certain conditions and may not be completed. See "*Risk Factors—Risks Related to Our Structure and the Financing—We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all.*"

On the Issue Date, the Notes will not be guaranteed. Subject to the Agreed Security Principles (as defined herein) and to certain significant limitations under Italian law, the Issuer (or MergerCo, as applicable) shall use commercially reasonable efforts to procure that, by no later than 90 days from the earlier of (i) the Post-Completion Merger and (ii) in the event the Post Completion Merger does not occur, the date falling fifteen months after the Completion Date (the "**Cut-Off Date**"), the Guarantors (as defined herein) guarantee the Notes.

If the Completion Date is anticipated to occur more than one business day after the Issue Date and the proceeds of the Notes are deposited into the Escrow Account, as of the Issue Date and prior to the Completion Date, the Notes will be secured by a first-ranking security interest in the Escrow Account. On or about the Completion Date, the Notes will be secured on a first-ranking basis, subject to the Agreed Security Principles and to certain significant limitations pursuant to applicable laws, by the Completion Date Collateral (as defined herein). Within 30 Business Days following the Completion Date, the Notes will also be secured on a first-ranking basis, subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws, by the Post Completion Date Collateral (as defined herein). Following the Post Completion Merger, within the terms set forth in this Offering Memorandum, the Notes will also be secured by the Post Merger Collateral (as defined herein). In the event that the Post Completion Merger does not occur on or prior to the Cut-Off Date, the Issuer shall use commercially reasonable efforts to procure that the Notes will be secured, subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws, by the Target Group Collateral (as defined herein) within 90 days of the Cut-Off Date.

Under the terms of the Intercreditor Agreement, the holders of Notes will receive proceeds from the enforcement of the Collateral (as defined herein) after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) have been repaid in full. The Guarantees (as defined herein) and the Collateral will be subject to certain material limitations pursuant to applicable laws and may be released under certain circumstances. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*," "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*," "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—There are circumstances other than the repayment or discharge of the Notes under which the Collateral will be released automatically without your consent or the consent of the Trustee or the Security Agent*," "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and *"Description of Notes—Security."*

Subject to and as set forth in *"Description of 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) ("**Decree No. 239**") 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 Notes—Withholding Taxes."*

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

There is currently no public market for the Notes. 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 thereof. There is no assurance that the Notes will be, or will remain, listed and admitted to trading on the Euro MTF Market.

The Notes will be issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on issue by one or more Global Notes (as defined herein), and the Initial Purchasers expect to deliver the Notes in book-entry form through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") on or about , 2021 (the "**Issue Date**"). See "*Book Entry, Delivery and Form.*"

Investing in the Notes involves risks. See "*Risk Factors*" beginning on page 41 of this Offering Memorandum.

Issue Price: % 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 "U.S. Securities Act") or the laws of any other jurisdiction. In the United States, the Offering is being made only to "qualified institutional buyers" ("QIBs") in reliance on the exemption provided by Rule 144A under the U.S. Securities Act ("Rule 144A"). Outside the United States, the Offering is being made in connection with offshore transactions in reliance on Regulation S under the U.S. Securities Act. Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See "*Plan of Distribution*" and *"Transfer Restrictions"* for additional information about eligible offerees and transfer restrictions.

Joint Global Coordinators and Joint Physical Bookrunners

BofA Securities **Credit Suisse**

Joint Bookrunners

IMI — Intesa Sanpaolo **UniCredit**

The date of this Offering Memorandum is , 2021

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IMPORTANT INFORMATION

This Offering Memorandum is confidential. The Issuer has prepared this Offering Memorandum solely for use in connection with the Offering. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Distribution of this Offering Memorandum to any person other than the offeree and any person retained to advise such offeree with respect to its purchase is unauthorized, and any disclosure of any of its contents, without the Issuer's prior written consent, is prohibited. By accepting delivery of this Offering Memorandum, you agree to the foregoing and to make no copies of this Offering Memorandum or any documents referred to herein.

You should rely only on the information contained in this Offering Memorandum. Neither the Issuer nor any of BofA Securities Europe SA, Credit Suisse Bank (Europe), S.A., Intesa Sanpaolo S.p.A. and UniCredit Bank AG (each an "**Initial Purchaser**" and, collectively, the "**Initial Purchasers**") has authorized anyone to provide you with any information or represent anything about the Issuer or any of their respective affiliates, their financial results or this Offering that is different from the information contained herein. If given or made, any such information or representation should not be relied upon as having been authorized by the Issuer or the Initial Purchasers. Neither the Issuer, any Guarantor nor any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where the Offering is not permitted. None of the Initial Purchasers make any representation or warranty, express or implied, as to the accuracy or completeness of the information set forth in this Offering Memorandum. Nothing contained in this Offering Memorandum is or should be relied upon as a promise or representation by any Initial Purchasers as to the past or the future. You agree to the foregoing by accepting delivery of this Offering Memorandum.

None of the Issuer, the Initial Purchasers, their respective affiliates nor the Issuer's and the Initial Purchasers' and their respective affiliates' employees, representatives or agents is responsible for any third-party social, environmental and sustainability assessment of the Notes. The Notes may not satisfy an investor's requirements or any future legal or industry standards for investment in assets with sustainability characteristics. Investors should conduct their own assessment of the Notes from a sustainability perspective.

Except as provided below, the Issuer accepts responsibility for the information contained in this Offering Memorandum. The Issuer has made all due inquiries and confirms that to the best of its knowledge and belief, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled *"Book-Entry, Delivery and Form*," is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning Euroclear and Clearstream, the Issuer does not accept further responsibility in respect of such information. In addition, this Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain documents referred to herein will be made available to prospective investors upon request to the Issuer as described under "*Listing and General Information*." The information in this Offering Memorandum is current only as of the date on its cover, and may change after that date. For any time after the cover date of this Offering Memorandum, the Issuer does not represent that its affairs are the same as described or that the information in this Offering Memorandum is correct, the Issuer does not imply those things by delivering this Offering Memorandum or selling Notes to you. The contents of our website, and of any other website referred to herein, are not incorporated into, and do not form part of, this Offering Memorandum.

By accepting delivery of this Offering Memorandum, you acknowledge that you have had an opportunity to request from the Issuer for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You further agree to the foregoing restrictions, to make no photocopies of this Offering Memorandum or any documents referred to herein and not to use any information included herein for any purposes other than considering an investment in the Notes. You also acknowledge that you have not relied on the Initial Purchasers, the Trustee, the Paying Agent, the Transfer Agent or the Registrar in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes. You should consult your own legal, tax and business advisors regarding an investment in the Notes. Information in this Offering Memorandum is not legal, tax or business advice.

You may not use any information herein for any purpose other than considering an investment in the Notes.

The Issuer reserves the right to withdraw this Offering at any time. The Issuer and the Initial Purchasers reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or for no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser.

This Offering Memorandum is not an offer to sell the Notes and it is not soliciting an offer to buy any Notes in any jurisdiction in which such offer or sale is not permitted. The distribution of this Offering Memorandum and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. None of the Issuer, the Guarantors or the Initial Purchasers represents that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. None of the Issuer, the Guarantors or the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements. In particular, no action has been taken by the Issuer, the Guarantors or the Initial Purchasers which would permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations.

Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Memorandum, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions, including the United States and the United Kingdom (the "**UK**"), and to persons connected therewith. See *"Transfer Restrictions."* The Issuer does not make any representation to you that the Notes are a legal investment for you.

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 thereof. There is no assurance that the Notes will be, or will remain, listed and admitted to trading on the Euro MTF Market. In the course of any review by the competent authority, the Issuer may be required (under applicable law, rules, regulations or guidance applicable to the listing of securities or otherwise) to make certain changes or additions to or deletions from the description of our business, financial statements and other information contained herein in producing listing particulars for such listing. The Issuer cannot guarantee that the application for the listing of the Notes on the Luxembourg Stock Exchange and admission to trading on the Euro MTF Market thereof will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing. Comments by the competent authority may require significant modification or reformulation of information contained in this Offering Memorandum or may require the inclusion of additional information in the listing particulars. The Issuer may also be required to update the information in this Offering Memorandum to reflect changes in our business, financial condition or results of operations and prospects since the publication of this Offering Memorandum. Any investor or potential investor in the European Economic Area should not base any investment decision relating to the Notes on the information contained in this Offering Memorandum after publication of the listing particulars and should refer instead to those listing particulars.

In connection with the Offering, the Initial Purchasers are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the Offering.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, BOFA SECURITIES EUROPE SA (THE "**STABILIZING MANAGER**") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC

DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES 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 PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO U.S. INVESTORS

This Offering Memorandum is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

For the Offering, the Issuer and the Initial Purchasers are relying upon exemptions from registration under the U.S. Securities Act for offers and sales of securities which do not involve a public offering, including Rule 144A under the U.S. Securities Act. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the provision of Section 5 of the U.S. Securities Act provided by Rule 144A. The Notes are subject to restrictions on transferability and resale. Purchasers of the Notes may not transfer or resell the Notes except as permitted under the U.S. Securities Act and applicable U.S. state securities laws. See *"Transfer Restrictions."*

The Notes and the Guarantees have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or regulatory authority in the United States, nor have the foregoing authorities approved this Offering Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

NOTICE TO CERTAIN INVESTORS IN THE EUROPEAN ECONOMIC AREA

Prohibition of Sales to EEA Retail Investors

This Offering Memorandum has been prepared on the basis that any offer of the Notes in the European Economic Area (the "**EEA**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of the Notes. The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each member state (each, a "**Member State**") of the EEA. This Offering Memorandum is not a prospectus for the purpose of the Prospectus Regulation.

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 the Issuer or the Initial Purchasers to produce a prospectus for such offer. Neither the Issuer nor the Initial Purchasers has authorized, nor do 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 the Notes contemplated in this Offering Memorandum.

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 EEA. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a "customer" within the meaning of Directive (EU) 2016/97 (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" within the meaning of Article 2(e) of the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been or will be prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

EEA MiFID II product governance/ Professional investors and ECPs only target market

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

Italy

The Offering has not been cleared by the *Commissione Nazionale per le 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 any other offering circular, prospectus, form of application, advertisement or other offering material or document relating to the Notes to be issued, may be distributed or published in the Republic of Italy either on the primary or on the secondary market, except (a) to qualified investors (*investitori qualificati*) as referred to in Article 2(e) of the Prospectus Regulation; or (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14,1999, as amended (the "**Issuer Regulation**"), and the applicable Italian 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 the Republic of 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 Italian Legislative Decree No. 58 of February 24, 1998, as amended (the "**Italian Financial Act**")), to the extent duly authorized to engage in the placement and/ or underwriting and/or purchase of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation No. 20307 of February 15, 2018, as amended ("**Regulation 20307**"), 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; and

(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.

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

NOTICE TO UK INVESTORS

Prohibition of Sales to Certain UK Investors

This Offering Memorandum has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**") from a requirement to publish a prospectus for offers of the Notes. This Offering Memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

Accordingly, any person making or intending to make any offer within the UK of the Notes should only do so in circumstances in which no obligation arises for the Issuer or the Initial Purchasers to produce a prospectus for such offer. Neither the Issuer nor the Initial Purchasers has authorized, nor do 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 the Notes contemplated in this Offering Memorandum.

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 one (or more) of: (i) a "retail client," as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a "customer" within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a "qualified investor" as defined in Article 2(e) of the UK Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation 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 or will be 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 is for distribution only to, and is only directed at, persons who (i) are outside the UK, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "**Financial Promotion Order**"), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully 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 this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. This Offering Memorandum has not been approved by the Financial Conduct Authority or any other competent authority. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

UK MiFIR product governance / Professional investors and ECPs only target market

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

NOTICE TO SWISS INVESTORS

The Offering in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more, and further because the Notes qualify as money market instruments.

The Notes have not been and will not be listed or admitted to trading on a trading venue (*i.e.* exchange or multilateral trading facility) in Switzerland. This Offering Memorandum does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Offering.

NOTICE TO HONG KONG INVESTORS

The Notes may not be offered or sold in Hong Kong by means of any document except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made thereunder; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

NOTICE TO SINGAPORE INVESTORS

This Offering Memorandum has not been registered as an offering memorandum 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 by a relevant person which is: (a) a corporation (which is not an accredited investor) 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 is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or 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; (2) where no consideration is given for the transfer; (3) by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulation 2018 of Singapore.

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Offering Memorandum, see "*Transfer Restrictions*."

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESEPCT TO AN INVESTMENT IN THE NOTES.

AVAILABLE INFORMATION

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and we are neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, we will furnish to any holder or beneficial owner of Notes, or to any prospective purchaser designated by any such registered holder, upon the written request of any such person, the information required to be delivered pursuant to Rule 144A(d)(4).

We are not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture and so long as the Notes are outstanding, we will furnish periodic information to the holders of the Notes. See *"Description of Notes—Certain Covenants—Reports*." We will also make available all reports required by the covenants described under *"Description of Notes—Certain Covenants—Reports*" (i) on the Itelyum Group's website and (ii) if and so long as the Notes are listed on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, at the specified office of the Paying Agent (as defined herein).

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements, including, without limitations, statements about our markets and our strategy, future operations, industry forecasts and expected investments. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "seek," "target" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements for many reasons, including the factors described in the section entitled "*Risk Factors*" in this Offering Memorandum. In addition, even if our actual results 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:

- adverse macroeconomic conditions and economic downturns, particularly in Italy;
- the impact of COVID-19 and related risks;
- competition from established companies as well as local specialized competitors;
- economic and political risks in the emerging markets in which we operate;
- increasingly demanding level of governmental regulations, especially in regards to the environment;
- our ability to successfully maintain EHS policies and procedures;
- our ability to obtain, renew or comply with the terms of the licenses, authorizations and permits required for our operations, and to develop and operate our facilities in compliance with conditions imposed by local governments;
- operational, health and safety risks;
- compliance with the chemical safety regulations applicable to our products and raw materials;
- potential liabilities in connection with environmental matters;
- changes in waste disposal patterns and commodity prices;
- our ability to retain and renew existing contracts and to win new contracts;
- the reputation of, and value associated with, our brand;
- unforeseen integration obstacles or costs of acquired businesses;
- counterparty risks and delayed payments or non-payments by our customers;
- our ability to keep pace with technological, regulatory and market developments;
- the incentives mechanisms provided by CONOU and its supply of waste oil;
- the development of the electric vehicle market and renewable fuel technologies;
- our ability to continue to retain and attract highly skilled employees;
- third party infringement on our intellectual property rights;
- our ability to maintain an effective system of internal controls;
- labor disputes and/or work stoppages;
- security breaches of or damage to our IT systems;
- more stringent regulations in the area of data privacy;
- fluctuations in foreign currency exchange rates;
- market perceptions concerning the stability of the euro;

- tax and social security audits;
- the potential impact of litigation;
- ownership of our vehicle fleet and equipment;
- the adequacy of our insurance coverage and the cost thereof;
- anti-corruption laws and regulations and economic sanctions programs;
- liabilities associated with our directors, employees or other agents;
- changes to the corporate tax system;
- other risks associated with our financial information, the Transactions, our structure, the Financing, the Notes, the Guarantees and the Collateral; and
- other factors discussed under "*Risk Factors*."

Accordingly, prospective investors should not rely on these forward-looking statements, which speak only as of the date of this Offering Memorandum or as otherwise indicated. We do not have any obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of such forward-looking statement or to reflect the occurrence of unanticipated events.

In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing. These forward-looking statements may be included in, but are not limited to, press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The factors listed above and the other risks described in the "*Risk Factors*" section of this Offering Memorandum are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors 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 factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, prospective investors should not place undue reliance on forward-looking statements as a prediction of actual results.

CERTAIN DEFINITIONS

In this Offering Memorandum, the following words and expressions have the following meanings, unless the context otherwise requires or unless otherwise so defined. In particular, capitalized terms set forth and used in the sections entitled *"Description of Notes"* may have different meanings from the meanings given to such terms and used elsewhere in this Offering Memorandum.

"**2016 Vendor Loan Agreement**"	refers to the vendor loan agreement entered into on February 24, 2016, between Itelyum Regeneration, as borrower, and SSCP Oil Holdings S.C.A. as lender, in connection with the acquisition of Itelyum Regeneration by the Target Group, in respect of which, on August 6, 2021, we entered into a settlement agreement, as described under "*Summary—Recent Developments—Settlement Agremeents Relating to the Vendor Loan Liabilities*."
"**2017 Vendor Loan Agreement**"	refers to vendor loan agreement entered into on August 3, 2017, between the Target, as borrower, and Lauro Quarantasei S.p.A., as lender, in connection with the acquisition of Itelyum Purification by the Target Group, in respect of which, on August 9, 2021, we entered into a settlement agreement, as described under "*Summary—Recent Developments—Settlement Agremeents Relating to the Vendor Loan Liabilities*."
"**Acquired Companies**"	refers collectively to the following companies which we acquired controlling stakes in, or the entire share capital of, in the period from January 1, 2018 to June 30, 2021 (excluding Castiglia, which we acquired on July 2, 2021): (i) Centro Risorse S.r.l., Innovazione Chimica S.r.l., Keoma S.r.l., Area S.r.l., Ecoserve S.r.l. and Ecoausilia S.r.l (each consolidated from May 2018); (ii) Carbo-Nafta Ecologia S.r.l. (consolidated from January 2020); (iii) Idroclean S.r.l., Labiolab S.r.l., Agrid S.r.l. and ASMia S.r.l. (each consolidated from March 2020); (iv) Intereco S.r.l. (consolidated from July 2020); (v) Seta S.r.l. (consolidated from October 2020); and (vi) Ferolmet S.r.l. and Rirae S.r.l. (each consolidated from November 2020). For additional details on the acquisition of the Acquired Companies, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Acquisitions*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions*."
"**Acquisition**"	refers to the acquisition by the Issuer of all of the equity interests in the Target pursuant to the Acquisition Agreement as described in this Offering Memorandum under "*Summary—The Transactions.*"
"**Acquisition Agreement**"	refers to the share purchase agreement relating to all of the equity interests in the Target dated August 13, 2021, among Verde Holdings S.C.A., as purchaser, and the Sellers, as sellers, together with all annexes thereto, and as may be amended prior to the Completion Date.
"**Agreed Security Principles**"	refers to the agreed security principles as set forth in an annex to the Indenture and summarized in *"Description of Notes—Security—General."*
"**Assurance Letter**"	has the meaning ascribed to it under "*Description of Notes—Sustainability Performance Targets Step-up Redemption Premium.*"
"**Castiglia**"	refers to Castiglia S.r.l., a company acquired by the Itelyum Group on July 2, 2021. See "*Summary—Recent Developments—Acquisition of Castiglia.*"

"**CAGR**"	refers to the year over year average growth rate over a specified period of time.
"Certification Date"	has the meaning ascribed to it under "*Description of Notes—Sustainability Performance Targets Step-up Redemption Premium.*"
"**Clearstream**"	refers to Clearstream Banking, S.A. as currently in effect or any successor securities clearing agency.
"Co-Investor Sellers"	refers to certain management and other co-investors of the Itelyum Group that entered into the Acquisition Agreement as sellers.
"**Collateral**"	refers to the Completion Date Collateral, the Post Completion Date Collateral, the Post Merger Collateral and the Target Group Collateral, as applicable, together with any and all assets in respect of which from time to time a security interest will be granted pursuant to a Security Document (as defined herein) to secure the obligations under the Indenture or the Notes and/or any Guarantee, in each case as may be in existence from time to time, as further described under "*Summary—The Offering—Security.*"
"**Completion Date**"	refers to the date on which the Acquisition will be consummated.
"**Completion Date Collateral**"	has the meaning ascribed to it under "*Summary—The Offering—Security.*"
"**CONOU**"	refers to the Italian consortium for management, collection and processing of used mineral oils *(Consorzio nazionale per la gestione, raccolta e trattamento degli oli minerali usati).*
"**CONOU Operating Regulation**"	refers to operating regulation lastly approved by CONOU in September 2020 governing, *inter alia*, the terms of the CONOU regeneration treatment fee, as described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—CONOU incentive mechanisms*."
"**Cut-Off Date**"	refers to the date falling fifteen months after the Completion Date.
"**DBAG**"	refers to DBAG Fund VII SCSp, DBAG Fund VII B SCSp, DBAG Fund VII Konzern SCSp, DBAG Fund VII Konzern B SCSp and DBG Team VII GmbH & Co. KG, acting through their manager DBG Management GP (Guernsey) Limited, which will be a non-controlling indirect shareholder of the Issuer following the Transactions.
"**Environment**"	refers to our environment business unit. See "*Business—Our Business—Environment.*"
"**Escrow Account**"	refers to the segregated escrow account in the name of the Issuer and controlled by the Escrow Agent pursuant to the terms of the Escrow Agreement into which the gross proceeds of the Offering will be deposited on the Issue Date. The Escrow Agreement will not be entered into if the Completion Date is anticipated to occur within one business day of the Issue Date.
"**Escrow Agent**"	refers to Bank of America, National Association, in its capacity as escrow agent.
"**Escrow Agreement**"	refers to the escrow agreement to be dated on or prior to the Issue Date between the Issuer, the Trustee and the Escrow Agent relating to the Escrow Account.

"**Escrow Longstop Date**" .... refers to January 31, 2022.

"**EU**" .... refers to the European Union.

"**EURIBOR**" .... refers to the Euro Interbank Offered Rate.

"**euro**" or "**€**" or "**EUR**" .... refers to the lawful currency of the participating member states of the European Economic and Monetary Union.

"**Euroclear**" .... refers to Euroclear Bank SA/NV, as currently in effect or any successor securities clearing agency.

"**Equity Contribution**" .... has the meaning ascribed to it under "*Summary—The Transactions—The Financing.*"

"**Existing Itelyum Debt**" .... refers to the existing indebtedness of Itelyum Regeneration and Itelyum Purification, respectively, consisting of the liabilities under (i) the Itelyum Regeneration Senior Facilities Agreement, (ii) the Itelyum Purification Senior Facilities Agreement, (iii) liabilities under the Vendor Loan Agreements and (iv) certain liabilities in respect of derivative instruments, for an aggregate amount of €178.2 million, which is expected to be repaid with the proceeds of the Offering on or about the Completion Date.

"**External Reviewer**" .... refers to a qualified provider of third-party assurance or attestation services appointed by the Issuer to review its performance against its Sustainability Performance Targets and provide related assurance services.

"**Financing**" .... has the meaning ascribed to it under "*Summary—The Transactions—The Financing.*"

"**GDPR**" .... refers to the General Data Protection Regulation (Regulation (EU) 2016/679).

"**Gross CO_2 Avoided Emissions Target**" .... has the meaning ascribed to it under "*Summary—Sustainability-Linked Features.*"

"**Guarantees**" .... has the meaning ascribed to it under "*Summary—The Offering—Guarantees*."

"Guarantors" .... has the meaning ascribed to it under "*Summary—The Offering—Guarantees.*"

"**Holdco**" .... refers to Verde Midco S.r.l., a limited liability company (*società a responsabilita' limitata*) incorporated under the laws of the Republic of Italy and the Issuer's sole direct shareholder.

"**ICIS**" .... refers to the Independent Commodity Intelligence Services.

"**IFRS**" .... refers to International Financial Reporting Standards as adopted by the European Union.

"**Indenture**" .... refers to the indenture that will govern the Notes, to be dated as of the Issue Date, by and among, *inter alios*, the Issuer, Holdco, the Trustee and the Security Agent.

"**Initial Purchasers**" .... refers to, collectively, BofA Securities Europe SA, Credit Suisse Bank (Europe), S.A., Intesa Sanpaolo S.p.A. and UniCredit Bank AG.

"**Intercreditor Agreement**"	refers to the intercreditor agreement to be entered into on or about the Issue Date among, *inter alios*, the Issuer, Holdco, the Trustee, the agent under the Revolving Credit Facility Agreement and the Security Agent, as further described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and as amended, supplemented and restated from time to time.
"**ISIN**"	refers to International Securities Identification Number.
"**Issue Date**"	refers to the date on which the Notes offered hereby are originally issued, expected to be on or around , 2021.
"**Issuer**"	refers to Verde Bidco S.p.A. (formerly known as Noosa S.r.l.), a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy. Following the Post Completion Merger, any reference herein to the Issuer shall be deemed to be made to MergerCo.
"**Italian Civil Code**"	refers to the Italian civil code (*codice civile*), enacted by Royal Decree No. 262 of March 16, 1942, as subsequently amended and supplemented.
"**Italian GAAP**"	refers to the Italian laws governing the preparation of financial statements, as interpreted and integrated by the accounting principles established by the *Organismo Italiano di Contabilità—OIC*.
"**Italian Golden Power Legislation**"	refers to 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; 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; and 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, each as subsequently amended and supplemented, and including the relevant implementing decrees adopted in relation to the abovementioned laws and regulations.
"**Itelyum Group**," "**us**," "**we**" and "**our**"	refers to, prior to the Completion Date, the Target Group, following the Completion Date but prior to the Post Completion Merger, the Issuer and its subsidiaries, and, following the completion of the Post Completion Merger, MergerCo and its subsidiaries, unless otherwise specified or unless the context requires otherwise.
"Itelyum Proceeds Loans"	refers to the Itelyum Regeneration Proceeds Loan and the Itelyum Purification Proceeds Loan.
"Itelyum Purification"	refers to Itelyum Purification S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy.
"Itelyum Purification Proceeds Loan"	refers to the intercompany loan for an initial principal amount of approximately €68.1 million to be made by the Issuer to Itelyum Purification on or about the Completion Date with a portion of the proceeds of the Notes, as described under "*Summary—The Transactions*," as amended, accreted or partially repaid from time to time.
"Itelyum Purification Senior Facilities Agreement"	refers to the senior facilities agreement entered into on July 26, 2017, by and among, *inter alia*, Trainee S.r.l. (now, Itelyum Purification), as

borrower, and the financial institutions named therein, as lenders, providing for term facilities and a revolving credit facility.

"Itelyum Regeneration"	refers to Itelyum Regeneration S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy. Following the Post Completion Merger, any reference herein to Itelyum Regeneration shall be deemed to be made to MergerCo.
"Itelyum Regeneration Proceeds Loan"	refers to the intercompany loan for an initial principal amount of approximately €82.3 million to be made by the Issuer to Itelyum Regeneration on or about the Completion Date with a portion of the proceeds of the Notes, as described under "*Summary—The Transactions*," as amended, accreted or partially repaid from time to time.
"Itelyum Regeneration Senior Facilities Agreement"	refers to the senior facilities agreement entered into on February 23, 2016, by and among, *inter alia*, Spaccatura S.r.l. (now, Itelyum Regeneration), as borrower, and the financial institutions named therein, as lenders, providing for term facilities and a revolving credit facility.
"**Legislative Decree No. 231/2001**"	refers to Italian Legislative Decree No. 231 of June 8, 2001, governing the administrative liability of legal entities.
"**Management Investors**"	has the meaning ascribed to it under "*Principal Shareholders*."
"**MergerCo**"	refers to the surviving entity of the Post Completion Merger, which is expected to be Itelyum Regeneration.
"**Notes**"	refers to the Issuer's notes offered hereby.
"**Offering**"	refers to the offering of the Notes pursuant to this Offering Memorandum.
"**Offering Memorandum**"	refers to this offering memorandum related to the Offering.
"**Post Completion Date Collateral**"	has the meaning ascribed to it under "*Summary—The Offering—Security.*"
"**Post Completion Merger**"	has the meaning ascribed to it under "*Summary—The Transactions.*"
"**Post Merger Collateral**"	has the meaning ascribed to it under "*Summary—The Offering—Security.*"
"**Pre Merger Collateral**"	has the meaning ascribed to it under "*Summary—The Offering—Security.*"
"**Purchase Agreement**"	refers to the Purchase Agreement to be entered into by and among the Issuer, Holdco and the Initial Purchasers in connection with the sale of the Notes.
"**Purification**"	refers to our purification business unit. See "*Business—Our Business—Purification.*"
"**Quantity of Waste for Circular Treatments Target**"	has the meaning ascribed to it under "*Summary—Sustainability-Linked Features.*"

"**Refinancing**"	refers to the repayment and discharge of certain outstanding debt of the Target Group as part of the Transactions, as described under "*Summary—The Transactions—The Refinancing.*"
"**Regeneration**"	refers to our regeneration business unit. See "*Business—Our Business—Renegeration.*"
"**Revolving Credit Facility**"	refers to the €50.0 million revolving credit facility available pursuant to the Revolving Credit Facility Agreement, which is described in more detail under "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."
"**Revolving Credit Facility Agreement**"	refers to the revolving credit facility agreement, which sets out the terms of the Revolving Credit Facility and is expected to be entered into on or prior to the Issue Date among, *inter alios*, the Issuer, the Security Agent and the original lenders named therein, which is described in more detail under "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."
"**SLB Baselines**"	has the meaning ascribed to it under "*Summary—Sustainability-Linked Features.*"
"SSCP" or "Stirling Square Capital Partners"	refers to Stirling Square Capital Partners LLP and its affiliates.
"**SSCP Fund III**"	refers to Stirling Square Capital Partners Third Fund A Limited Partnership and Stirling Square Capital Partners Third Fund B Limited Partnership.
"**SSCP Fund IV**"	refers to Stirling Square Capital Partners Fourth Fund A LP, Stirling Square Capital Partners Fourth Fund B LP and Stirling Square Capital Partners Fourth Fund C LP, acting through their manager Stirling Square Capital Partners Jersey AIFM Limited.
"SSCP Sellers"	has the meaning ascribed to it under "*Summary—The Transactions.*"
"**Security Agent**"	refers to UniCredit S.p.A. , in its capacity as security agent under the Indenture, the Intercreditor Agreement and the Revolving Credit Facility Agreement and as representative (*rappresentante*) 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**"	refers to any pledges, agreements and related documents that will be signed and entered into in connection with the granting of the Collateral to secure, *inter alia*, the obligations of the Issuer under the Notes in accordance with the terms of the Indenture and the Intercreditor Agreement (see also *"Description of Notes—Security*").
"**Sellers**"	refers to the SSCP Sellers and the Co-Investor Sellers.
"**SSCP Sellers**"	Stirling Square Capital Partners Third Fund A Limited Partnership, Stirling Square Capital Partners Third Fund B Limited Partnership, SSCP Third Fund S.àr.l. and Stirling Square Capital Partners Viscolube Co-Investment LP.
"**Step-up Premium**"	has the meaning ascribed to it under "*Description of Notes—Sustainability Performance Targets Step-up Redemption Premium.*"

"Sustainability Performance Targets" . . . . refers to the Quantity of Waste for Circular Treatments Target and the Gross CO_2 Avoided Emissions Target, collectively.

"Sustainability-Linked Bond Framework" . . . . refers to the sustainability-linked bond framework adopted by the Itelyum Group in September 2021, in connection with this Offering and which is described in more detail under "*Summary—Sustainability-Linked Features*." The Sustainability-Linked Bond Framework can be found on our website at http://www.itelyum.com. A second party opinion on the alignment of our Sustainability-Linked Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA, has been provided by the Institutional Shareholder Services, and is available at www.iss-esg.com and on our website at http://www.itelyum.com. Institutional Shareholder Services, a provider of environmental, social and governance research and analysis, evaluated the terms of the Issuer's offering of the Notes in this Offering Memorandum and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the Sustainability Linked Bond Framework, which views are intended to inform investors in general, and not for a specific investor. Notwithstanding anything in this Offering Memorandum to the contrary, neither our sustainability reports (including our Sustainability-Linked Bond Framework) nor any other information on our website is incorporated by reference in this Offering Memorandum.

"**Target**" . . . . refers to SSCP Green Holdings S.C.A., a Luxembourg limited liability company (*société en commandite par actions*). Following the Post Completion Merger, any reference herein to the Target shall be deemed to be made to MergerCo.

"**Target Group**" . . . . refers to the Target and its consolidated subsidiaries.

"**Target Group Collateral**" . . . . has the meaning ascribed to it under "*Summary—The Offering—Security.*"

"**Transactions**" . . . . has the meaning ascribed to it under "*Summary—The Transactions.*"

"**Trustee**" . . . . refers to The Law Debenture Trust Corporation p.l.c., as trustee and legal representative of the holders of the Notes (*mandatario con rappresentanza*) under the Indenture and common representative (*rappresentante comune*) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code.

"**U.S. dollars**," "**USD**" and "**$**" . . . . refers to the lawful currency of the United States of America.

"**U.S. Securities Act**" . . . . refers to the U.S. Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

"Unaudited *Pro forma* Financial Data" . . . . has the meaning ascribed to it under "*Summary Historical Financial and Other Data—Unaudited Pro forma Financial Data.*"

"**United States**" or "**U.S.**" . . . . refers to the United States of America, its territories and possessions, and any state of the United States of America and the District of Columbia.

"**VAT**" . . . . refers to value-added tax.

"Vendor Loan Liabilities" . . . . refers to the aggregate amount of our liabilities, reported in our Consolidated Financial Statements, in connection with the 2016 Vendor Loan Agreement and the 2017 Vendor Loan Agreement, which will be repaid and canceled with a portion of the proceeds from the Offering.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

The Issuer

The Issuer is a holding company which was indirectly acquired by Itelyum Co-investment LP on August 3, 2021 for the purpose of the Acquisition. As of the date of this Offering Memorandum, the Issuer has no revenue-generating activities of its own, it has not been involved in any operating activity since its incorporation and does not hold any material assets or liabilities. After the Issue Date and prior to the Completion Date, the Issuer will not have any subsidiaries and will have no assets (other than the proceeds of the offering of the Notes which will be deposited into the Escrow Account and will be pledged in favor of the Trustee on behalf of the holders of the Notes if the Completion Date is anticipated to occur more than one business day after the Issue Date). The Issuer's only material assets and liabilities upon the Completion Date are expected to be its equity interests in the Target and its outstanding indebtedness and inter-company balances incurred in connection with the Transactions, including its receivables under the Itelyum Proceeds Loans and its indebtedness under the Notes and the Revolving Credit Facility Agreement, if any. As a result, this Offering Memorandum does not present any financial information of the Issuer, except for certain limited "as adjusted" financial data presented on a consolidated basis as adjusted to reflect certain effects of the Transactions on a *pro forma* basis. Prior to the Post Completion Merger, the Issuer is currently not expected to engage in any activities other than those related to the Transactions and any other future potential transactions permitted by the Indenture.

Target Group

The historical financial information contained in this Offering Memorandum is the consolidated financial information of the Target and its consolidated subsidiaries (the "**Target Group**"). Accordingly, unless otherwise stated, all references to "**we**," "**us**," "**our**" or the "**Group**" in respect of historical financial information in this Offering Memorandum are to the Target Group on a consolidated basis. The historical financial information of the Target Group included in this Offering Memorandum has been extracted or derived from:

(i) the audited consolidated financial statements of the Target Group as of and for the years ended December 31, 2020, 2019 and 2018 (the "**Audited Financial Statements**"); and

(ii) the unaudited half-yearly condensed consolidated financial statements of the Target Group as of and for the six months ended June 30, 2021, which include unaudited comparative financial data for the six months ended June 30, 2020 (the "**Unaudited Interim Financial Statements**" and, together with the Audited Financial Statements, the "**Consolidated Financial Statements**").

The Audited Financial Statements were prepared in accordance with Italian laws governing the preparation of financial statements, as interpreted and integrated by the accounting principles established by the *Organismo Italiano di Contabilità—OIC* ("**Italian GAAP**"), and the Unaudited Interim Financial Statements have been prepared in accordance with OIC 30, "Interim Financial Reporting," the Italian accounting standard that governs the preparation of interim financial statements. Our Audited Financial Statements have been audited by Deloitte & Touche S.p.A. ("**Deloitte**"). In preparing the Consolidated Financial Statements, certain line items were reclassified and renamed in order to render them more easily comparable to the financial information of companies that apply IFRS.

In making an investment decision, you must rely upon your own examination of the terms of the Offering and the financial information contained in this Offering Memorandum. Prospective investors should consult their professional advisors for an understanding of (i) the differences between Italian GAAP, IFRS and other systems of generally accepted accounting principles and how these differences might affect the financial information included in this Offering Memorandum and (ii) the impact that future additions to, or amendments of, Italian GAAP principles, or the adoption of IFRS principles, may have on our results of operations and/or financial condition, as well as on the comparability of prior periods. See "*Annex A—Summary of Certain Differences between Italian GAAP and IFRS*."

The preparation of financial statements in conformity with Italian GAAP requires the use of certain critical accounting estimates. It also requires the board of directors to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our financial statements, are disclosed in our Consolidated Financial Statements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Use of Estimates*."

Our Consolidated Financial Statements have not been adjusted to reflect the impact of any changes to the income statement, balance sheet or cash flow statement that might occur as a result of purchase accounting adjustments to be applied as a result of the Transactions. However, the Issuer (prior to the completion of the Post Completion Merger) and MergerCo (following the completion of the Post Completion Merger), as applicable, will account for the Acquisition using the acquisition method of accounting under Italian GAAP and will apply purchase accounting adjustments in connection with the Acquisition to the financial statements for accounting periods subsequent to the Completion Date. The application of purchase accounting could result in different carrying values for existing assets and liabilities and we may add additional assets to our balance sheet, which may include, *inter alia*, intangible assets, such as goodwill. We may also recognize different amortization and depreciation expenses. Due to these and other potential adjustments, especially if we decide to provide consolidated financial statements for periods after the Completion Date at the level of the Issuer or (following the Post Completion Merger) MergerCo (instead of the Target), our future financial statements could be materially different once the adjustments are made and may not be comparable to our Consolidated Financial Statements included in this Offering Memorandum. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Results of Operations*."

Unaudited Financial Information for the Twelve Months Ended June 30, 2021

The unaudited consolidated financial information of the Target Group for the twelve months ended June 30, 2021 presented in this Offering Memorandum is calculated by adding each relevant income statement line item for the six months ended June 30, 2021 to the corresponding income statement line item for the full year ended December 31, 2020 and subtracting from such sum the corresponding income statement line item for the six months ended June 30, 2020. This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of the Target Group's financial reporting and has not been audited or reviewed by the Target Group's independent auditors.

Impact of Bolt-on Acquisitions Made By the Itelyum Group

Our operating results and their comparability for the historical periods covered by the Consolidated Financial Statements are impacted by the effects of the bolt-on acquisitions of several companies acquired by the Itelyum Group in such periods (collectively, the "**Acquired Companies**"). Between January 1, 2018 and June 30, 2021, we acquired controlling stakes in or the entire share capital of ten companies (excluding the transactions where we only increased our stake in previously acquired companies and companies that were already controlled by the acquired companies). In particular, we made five such acquisitions in 2018 and five in 2020. Due to the changes in our scope of consolidation as a consequence of each of such acquisitions, our results of operations reflected in the Consolidated Financial Statements for the periods under review may not be entirely comparable. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Acquisitions*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions*."

Perimeter Adjusted Financial Data

We have prepared certain perimeter adjusted financial data in this Offering Memorandum, including Unaudited *Pro forma* Financial Data, Adjusted EBITDA, *Pro forma* Adjusted EBITDA, *pro forma* revenue and adjusted recurring capital expenditure.

Unaudited *Pro forma* Financial Data, Adjusted EBITDA, *pro forma* revenue and adjusted recurring capital expenditure provide more granularity regarding the performance of our business after adjusting for additions to our scope of consolidation, assuming that the Acquired Companies had been part of our consolidation perimeter since January 1, 2018. The Acquired Companies are companies we acquired in the period between January 1, 2018 and June 30, 2021 and, therefore, do not include Castiglia, which we acquired on July 2, 2021. No reconciliation has been provided in this Offering Memorandum from the Unaudited *Pro forma* Financial Data to the Target Group's Consolidated Financial Statements. See "*Summary—Summary Historical Financial Information and Other Data—Other Financial Data*" and "*—Unaudited Pro forma Financial Data*."

This Offering Memorandum also contains management estimates in the calculation of our *Pro forma* Adjusted EBITDA and *pro forma* revenue with respect to the additional Adjusted EBITDA and revenue, respectively, we expect to generate from the acquisition of Castiglia. See "*Summary Historical Financial Information and Other Data—Other Pro forma Financial Data*" and "*Summary—Recent Developments—Acquisition of Castiglia*."

While we believe that this perimeter adjusted financial data can be useful to potential investors seeking to evaluate our performance over time, such financial data is not intended to be compliant with Italian GAAP or any other accounting standards. Such perimeter adjusted financial data has been prepared by, and is the responsibility of, management. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the perimeter adjusted financial data for the purpose of their inclusion in this Offering Memorandum. The perimeter adjusted financial data has not been prepared in accordance with the published guidelines of the SEC, the guidelines published by any other regulatory or industry body regarding estimates, the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Regulation or the UK Prospectus Regulation.

The perimeter adjusted financial data is based on a number of assumptions and estimates that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon. The preparation of the perimeter adjusted financial data requires management to exercise judgment and make assumptions with respect to issues such as the reconciliation of accounting policies (such as in respect of revenue recognition). For these reasons, the perimeter adjusted financial data is only a simulation of the Itelyum Group's results had the relevant acquired businesses been owned for the whole period assumed and is not an indication of what our results would have been if the relevant acquired businesses had been part of the Target Group for such period. The perimeter adjusted financial data is subject to significant business, economic, financial and competitive risks and uncertainties that could have caused actual results to differ materially had the relevant acquired businesses been owned for the entire period and there are significant differences between the perimeter adjusted financial data and the Consolidated Financial Statements.

We did not own or control the Acquired Companies prior to the dates on which control passed in accordance with the relevant acquisition agreements. In some cases, such Acquired Companies were not operated as standalone businesses and therefore certain allocation of headquarters and similar costs have been estimated. Additionally, upon taking control of the Acquired Companies, we implemented our own industrial and distribution strategy which in some cases may have differed in material ways from the prior owners' strategy.

In addition, the *pro forma* adjustment relating to the impact of the acquisition of Castiglia used to calculate *Pro forma* Adjusted EBITDA is based on the information available to us in connection with the acquisition of Castiglia, together with our management's assumptions and estimates. Such adjustment is inherently uncertain and subject to a wide variety of significant uncertainties. Such adjustment does not reflect the costs we will incur to, among other things, integrate Castiglia into the Target Group or any potential synergies or other impacts related to or expected to derive from the acquisition of Castiglia, and, therefore, is not meant to represent what the Adjusted EBITDA contribution of Castiglia would have been for the twelve months ended June 30, 2021, if we had acquired Castiglia on July 1, 2020. Accordingly, there can be no assurance that the estimated results will be realized.

See "*Risk Factors—Risks Related to Our Financial Information—The perimeter adjusted financial data included in this Offering Memorandum, including Adjusted EBITDA and Pro forma Adjusted EBITDA, is for information purposes only, is only intended to simulate what our results of operations would have been had the relevant acquired businesses been included in our scope of consolidation for the entire period assumed and has been prepared on the basis of certain estimates and assumptions which we consider reasonable, but it is not a substitute for the Consolidated Financial Statements included elsewhere in this Offering Memorandum.*"

As Adjusted Financial Information for the Transactions

We present in this Offering Memorandum certain financial information on an adjusted basis, to give *pro forma* effect to the Transactions, as if the Transactions had occurred on June 30, 2021 for the as adjusted balance sheet information and on July 1, 2020 for the as adjusted income statement information. For a description of the *pro forma* effect of the Transactions, including the issuance of the Notes offered hereby and the application of the proceeds therefrom, see "*Summary Historical Financial Information and Other Data—Other Pro forma Financial Data*," "*Capitalization*" and "*Use of Proceeds*." Such 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. It is for informational purposes only and does not purport to present what our results or other metric would actually have 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. This as adjusted information has not been prepared in accordance with the requirements of Regulation S-X under the U.S. Exchange Act, the Prospectus Regulation, the UK Prospectus Regulation or any generally accepted accounting principles, including U.S. GAAP, IFRS and Italian GAAP. The independent auditors of the Target

Group have not audited, reviewed, compiled or performed any procedures with respect to the adjustments nor the resulting as adjusted financial information. The as adjusted information should be read in conjunction with our Consolidated Financial Statements, including the notes thereto, included elsewhere in this Offering Memorandum, and "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

Non-GAAP Financial Measures

In this Offering Memorandum, we present certain financial measures that are not recognized by Italian GAAP or any other generally accepted accounting principles and that may not be permitted to appear on the face of the Consolidated Financial Statements or notes thereto, including EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA (including normalized COVID-19 impact), *Pro forma* Adjusted EBITDA, *Pro forma* Adjusted EBITDA margin, *pro forma* revenue, net working capital, adjusted recurring capital expenditure, adjusted operating cash flow and cash flow conversion rate (collectively, the "**Non-GAAP Measures**"). We use such measures to assess the financial performance and liquidity of our business. We believe that these and similar measures are used widely by the investment community, securities analysts and other interested parties, as supplemental measures of performance and liquidity and are intended to assist in the analysis of our results of operations, profitability and ability to service debt.

An explanation of the relevance of each of the Non-GAAP Measures, a reconciliation of the Non-GAAP Measures to the most directly comparable measures calculated and presented in accordance with Italian GAAP and a discussion of their limitations is set out in this Offering Memorandum. See "*Summary Historical Financial Information and Other Data*." We do not regard these Non-GAAP Measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with Italian GAAP or other generally accepted accounting principles or those calculated using financial measures that are calculated in accordance with Italian GAAP or other generally accepted accounting principles.

Our primary Non-GAAP Measures are defined as follows:

- "**EBITDA**" is defined as profit (loss) for the period excluding income taxes, financial income, financial expenses and depreciation and amortization.
- "**EBITDA margin**" is defined as EBITDA for the relevant period divided by revenue for the same period.
- "**Adjusted EBITDA**" is defined as EBITDA for the relevant period, adjusted for the CONOU regeneration treatment fee normalization, extraordinary provision for environmental liabilities, IAS 17 leases normalization, one-off costs and expenses relating to acquisitions and mergers, other one-off items and perimeter adjustments. For additional information, see "*Summary Historical Financial and Other Data—Other Financial Data*."
- "**Adjusted EBITDA margin**" is defined as Adjusted EBITDA for the relevant period divided by *pro forma* revenue for the same period.
- "**Adjusted EBITDA (including normalized COVID-19 impact)"** is defined as Adjusted EBITDA for the relevant period, further adjusted for normalized COVID-19 impact. Adjusted EBITDA (including normalized COVID-19 impact) is identical to Adjusted EBITDA for the periods under review other than for the six months ended June 30, 2020 and the year ended December 31, 2020.
- "***Pro forma* Adjusted EBITDA**" is defined as Adjusted EBITDA for the twelve months ended June 30, 2021, further adjusted to give *pro forma* effect to the acquisition of Castiglia as if it occurred on July 1, 2020. For additional information, see "*Summary Historical Financial and Other Data—Other Pro forma Financial Data*."
- "***Pro forma* Adjusted EBITDA margin**" is defined as *Pro forma* Adjusted EBITDA divided by *pro forma* revenue (including Castiglia revenue).
- "***pro forma* revenue**" is defined as revenue for the relevant period, adjusted to give *pro forma* effect to the acquisitions of the Acquired Companies as if each of the Acquired Companies had been acquired on January 1, 2018, instead of their actual respective acquisition dates, which has been derived from the Unaudited *Pro forma* Financial Data. *Pro forma* revenue for the twelve months ended June 30, 2021, has been further adjusted to give *pro forma* effect to the acquisition of Castiglia as if it occurred on July 1, 2020. For additional information, see "*Summary Historical Financial and Other Data—Other Financial Data*," "*Summary Historical Financial and Other Data—Other Pro forma Financial Data"* and "*Summary Historical Financial and Other Data—Unaudited Pro forma Financial Data.*"

- "**net working capital**" is defined as the sum of trade receivables, inventories, trade payables, accrued income and prepaid expenses, accrued expense and deferred income and other current assets and other current liabilities.
- "**adjusted recurring capital expenditure**" is defined as additions in property, plant and equipment and additions in other intangible assets, minus extraordinary capital expenditure and growth capital expenditure, and taking into account perimeter adjustments.
- "**adjusted operating cash flow**" is defined as Adjusted EBITDA (including normalized COVID-19 impact) for the relevant period less adjusted recurring capital expenditure.
- "**cash flow conversion rate**" is defined as the ratio of adjusted operating cash flow to Adjusted EBITDA (including normalized COVID-19 impact).

By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortization, historical cost and age of assets, financing and capital structures and taxation positions or regimes, we believe EBITDA-based measures and other Non-GAAP Measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, we believe EBITDA-based measures and other Non-GAAP Measures are regularly used by the investment community as a means of comparison of companies in our industry.

Different companies and analysts may calculate EBITDA-based measures and other Non-GAAP Measures differently, so comparisons among companies on this basis should be done carefully. EBITDA-based measures and other Non-GAAP Measures are not measures of performance under Italian GAAP and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of our operations in accordance with Italian GAAP.

Our Non-GAAP Measures and ratios are not measurements of our performance or liquidity under Italian GAAP or any other generally accepted accounting principles and should not be considered as alternatives to performance measures derived in accordance with Italian GAAP or any other generally accepted accounting principles. Each of our Non-GAAP Measures is defined and reconciled to its closest comparable Italian GAAP measure under "*Summary Historical Financial Information and Other Data*." Our Non-GAAP Measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under Italian GAAP or any other generally accepted accounting principles. Some of the limitations of Non-GAAP Measures are that:

- they do not reflect our cash expenditures or future requirements for capital investments 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 cash requirements necessary to service interest or principal payments on our debt;
- they do not reflect any cash income taxes that we may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in our consolidated income statement;
- they do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and
- other companies in our industry and analysts may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, our Non-GAAP Measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our Consolidated Financial Statements and using these Non-GAAP Measures only supplementally to evaluate our performance.

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 Consolidated Financial Statements or our accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of these measures may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these measures should not be considered in isolation or as an alternative measure of performance under Italian GAAP or any other generally accepted accounting principles.

Rounding

The figures included in this Offering Memorandum are expressed in millions of euros (except where otherwise indicated), as this is the currency used in the conduct of the Itelyum Group's operations. Certain amounts reported in this Offering Memorandum, including financial information and certain operating data, have been subject to rounding adjustments due to the presentation of figures in millions of euros. Accordingly, in certain cases, the sum of the numbers in a column or a row in tables may not correspond exactly to the total figure given for that column or row.

INDUSTRY AND MARKET DATA

All references to market share, market data, industry statistics and industry forecasts in this Offering Memorandum consist of estimates compiled by industry professionals, competitors, organizations or analysts, of publicly available information or of the Itelyum Group's assessment of its sales and markets.

This Offering Memorandum contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Itelyum Group's business and markets. Unless otherwise indicated, such information is based on the Itelyum Group's analysis of multiple sources, including a market report commissioned from a reputable market consultant analyst (the "**Market Consultant Analyst**"). Such information has been accurately reproduced and, as far as the Itelyum Group is aware and able to ascertain, no facts have been omitted which would render the reproduced information provided inaccurate or misleading

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third party information has been sourced in this Offering Memorandum, the source of such information has been identified.

This Offering Memorandum contains certain statements regarding the Itelyum Group's competitive market position. The Itelyum Group believes these statements to be true, based on market data and industry statistics, but the Itelyum Group has not independently verified the information. The Itelyum Group cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the competitors of the Itelyum Group may define their markets and their own relative positions in these markets differently than the Itelyum Group does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Itelyum Group's figures.

Neither we nor any of the Initial Purchasers can assure you of the accuracy and completeness of, or take any responsibility for, such data. See "*Risk Factors*," "*Industry*" and "*Business*" for further discussion regarding our industry and market data and the risks related thereto.

SUMMARY

This summary highlights information from this Offering Memorandum. This summary is not complete and does not contain all of 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. You should read this Offering Memorandum carefully in its entirety, to understand the business of the Group and the nature and terms of the Notes, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry" and "Business," as well as the Consolidated Financial Statements and the related notes therein.

Overview

We are a leading European circular economy player specialized in the collection, management and recycling of complex streams of waste, with a distinctive focus on recycling and regeneration activities of industrial hazardous waste. Leveraging upon our distinctive chemical and recycling competences across our business units, we provide circular economy solutions to a wide and diversified client base across a variety of industries, including the automotive and pharmaceutical industries. Our mission is to act as a one-stop shop across all value chain steps for the industrial waste streams, with particular focus on recycling and regeneration activities.

Our services include the collection of waste, preliminary sorting and storage of waste, second level treatment of wastewater and oil emulsions, the preparation of waste for energy recovery or any other final destination plant through specific and specialized chemical treatments, waste oil re-refining (or regeneration) and waste solvent purification. Our products include lubricant-based oils, bitumen additives and gas oil, as well as a wide range of complex recovered waste-based thinners, solvent from waste and pure solvents. We also provide environmental consulting and chemical analysis services in respect of different types of matrices (*e.g.*, water, soil and air) through our in-house network of accredited laboratories, and offer complimentary services of commercial brokering and trading of hazardous and non-hazardous special waste and solvents.

We are the leader in the Italian oil regeneration industry, with an approximately 89% market share as of December 31, 2019, and one of the market leaders in Europe by oil regeneration volumes, with a 15% market share (measured by maximum regenerated lubricant oil output as of December 31, 2019). We are also the leader in the Italian waste solvent purification industry, with a 50% market share by revenue and an approximately 37% market share by production capacity as of December 31, 2019, and in the pure aliphatics segment in Europe, with a 34% market share as of December 2019. In addition, we managed approximately 6% of the total volume of hazardous waste in Italy in 2019 through our Environment business unit.

The industrial hazardous waste market in Italy accounted for approximately 9.9 million tons in 2019 and benefits from higher barriers to entry compared to the industrial non-hazardous waste and urban waste markets due to strict regulatory approvals and more advanced technical skills required for the waste management processes. Supported by these features, the industrial hazardous waste market in Italy has demonstrated a high level of profitability and resiliency, including during periods of economic difficulties, recording a CAGR of approximately 1.3% over the period 2010-2014 compared to a negative CAGR registered by the Italian GDP over the same period.

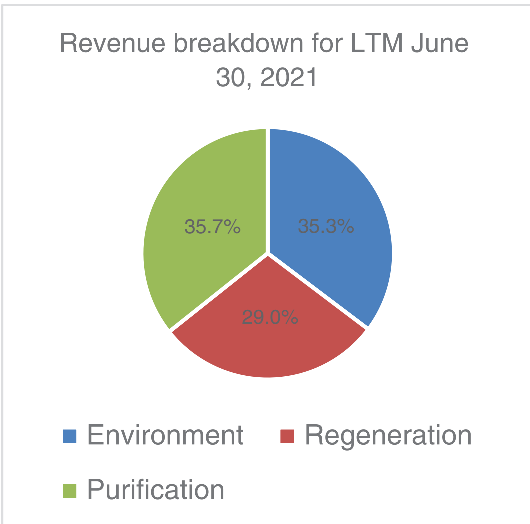
For the twelve months ended June 30, 2021, we generated revenue, Adjusted EBITDA and *Pro forma* Adjusted EBITDA of €406.1 million, €85.0 million and €92.0 million, respectively.

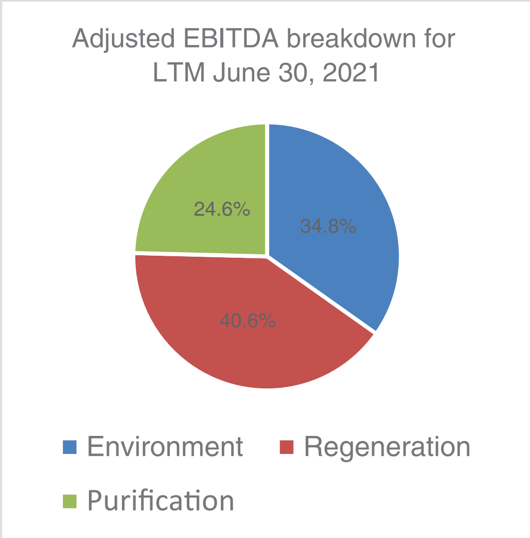
We have a large, diversified and established customer base comprising approximately 30,000 customers, ranging from large corporates to family-owned SMEs. We have long-standing relationships with the large majority of our top 20 customers, in certain cases spanning over a decade. For the twelve months ended June 30, 2021, our top 20 customers (excluding CONOU) accounted for 23.6% of our revenue. Our customers include oil companies and blenders, pharmaceutical and chemical companies, including blue chip brands such as Eni, Total, Petronas, Boehringer Ingelheim and Sanofi. While all of our operating sites are located in Italy, we benefit from a global commercial reach, serving over 60 countries through a network of local distributors. We have a strong geographical footprint in Italy, especially in its Northern regions. We currently operate 12 waste storage sites and 13 waste treatment and recycling facilities, including four plants for industrial wastewater treatment, two plants for lubricant oil regeneration, two plants for purification and blending of solvents and five treatment and pre-treatment plants. We have approximately 800 full-time employees (accounting for the acquisition of Castiglia in July 2021).

We offer our products and services through three business units:

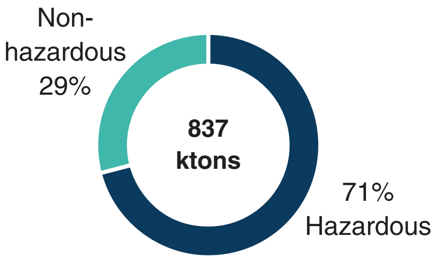
- **Environment.** Our Environment business unit consists of an integrated platform offering a comprehensive range of environmental services, mostly in hazardous waste management and, to a lesser extent, in non-hazardous waste management covering a broad spectrum of the value chain, with an emphasis on recycling and recovery activities. Our Environment portfolio includes sustainable services and solutions for the industrial waste market such as (i) collection, transportation, first level treatment and storage, (ii) consulting services and laboratory analysis carried out through our network of ten accredited laboratories, (iii) industrial wastewater treatment and (iv) solid waste treatment. In addition, we offer complimentary services of commercial brokering and trading of hazardous and non-hazardous special waste. Our exposure to third-party-operated landfills and incinerators is limited, accounting for approximately 12% of the total volume of our end-of-waste destinations for the twelve months ended June 30, 2021. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Environment business unit were €143.5 million and €29.6 million, respectively, representing 35.3% and 34.8%, respectively, of our revenue and Adjusted EBITDA.
- **Regeneration.** Our Regeneration business unit benefits from over 50 years of experience in the production of quality lubricating bases through a proprietary re-refining process that transforms waste oil, a hazardous waste, into a valuable product. Our used oil regeneration plants in Pieve Fissiraga and Ceccano primarily produce regenerated lubricant bases and, to a lesser extent, diesel oil and other by-products. We believe that the high quality and price competitiveness of our regenerated lubricant bases (comparable to virgin oils), underpinned by our proprietary re-refining technology enabling the Group to process a wide spectrum of feedstock qualities, represents a strong competitive advantage over many of our competitors. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Regeneration business unit were €117.8 million and €34.5 million, respectively, representing 29.0% and 40.6%, respectively, of our revenue and Adjusted EBITDA.
- **Purification.** Our Purification business unit comprises the production and sale of a variety of solvents derived both from the valorization of chemical waste, including thinners and solvents from waste ("**SFW**"), and virgin raw materials, including pure aliphatics. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Purification business unit were €144.8 million and €20.9 million, respectively, representing 35.7% and 24.6%, respectively, of our revenue and Adjusted EBITDA.

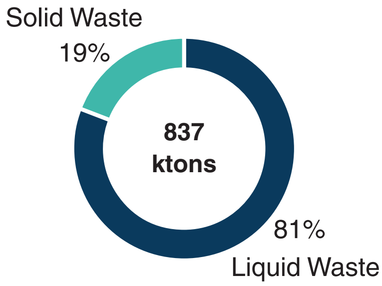
The following charts set forth our revenue and Adjusted EBITDA breakdown by business unit for the twelve months ended June 30, 2021.





We believe that the breadth of the services we offer and products we produce through our business units has enabled us to build a significant competitive advantage within the Italian waste management market, establishing our position as a leading one-stop shop service provider of circular economy solutions for a wide range of customers across various industries. For the twelve months ended June 30, 2021, we directly managed approximately 837 thousand tons of waste materials, primarily consisting of lubricant oil, solvents, industrial hazardous water, waste treatment for energy valorization and other waste (excluding intermediated waste), with hazardous and non-hazardous waste accounting for 71% and 29%, respectively, of these volumes, and solid and liquid waste accounting for 19% and 81%, respectively, of these volumes. For the same period, we managed and processed approximately 1,174 thousand tons of waste (including intermediated waste). The following charts set forth the breakdown of waste volumes treated by us for the twelve months ended June 30, 2021.

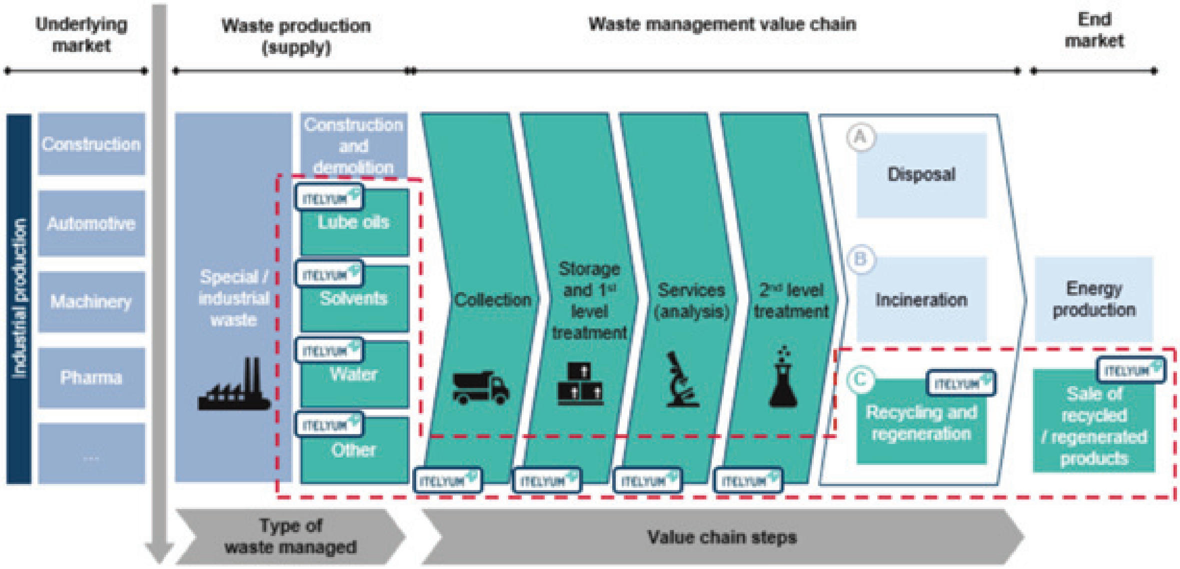




Our Strengths

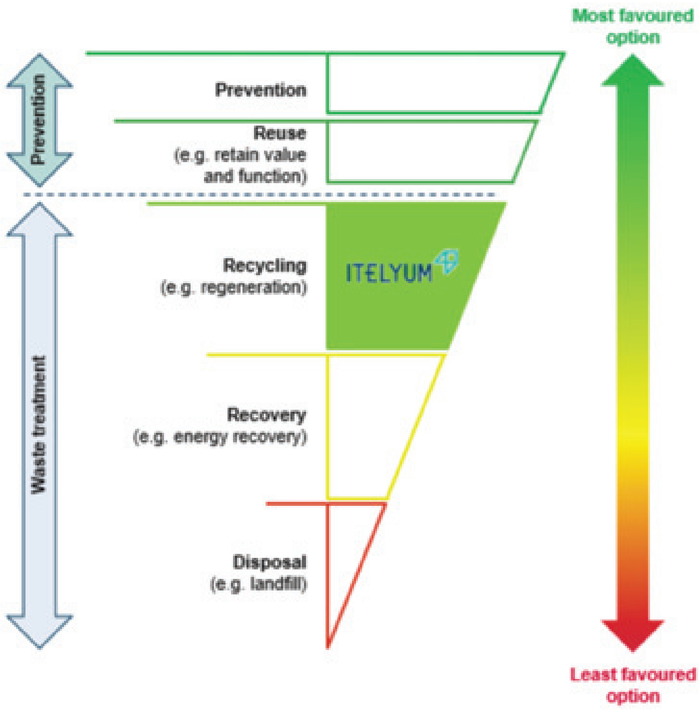
Front-runner in the circular economy solutions market, with distinctive competences in industrial hazardous waste recycling

We act as a one-stop shop across all value chain steps for the industrial waste streams through our proprietary technologies and a strong network of partners for specific types of waste. We have a distinctive focus on recycling and regeneration activities that enable us to offer circular solutions underpinned by the use of recycled products as industrial inputs. Our integrated platform: (i) drives significant commercial synergies across our business units, particularly in relation to sale channels, distributions and technological solutions; (ii) reinforces our value proposition to customers by covering a broad spectrum of waste management services; (iii) enables vertical integration by securing a steady supply of waste; (iv) facilitates centralized procurement efforts and capital expenditure optimization; (v) reduces transportation costs through fleet and route optimization; and (vi) drives efficiencies in our operations through the sharing of proprietary technologies and best practices. In addition, our scale and organizational structure often give us a competitive advantage over smaller players who may experience difficulties complying with increasingly stringent regulations. This is particularly the case of regulations imposing strict obligations on waste producers in relation to the waste cycle from collection to end-of-waste destinations. In these instances, structured players like us are able to provide customers with enhanced regulatory certainty and reduced compliance risks. The graphic below sets out our positioning across the waste management value chain for each relevant industry.



We are at the forefront of the circular economy model. The integrated nature of our platform and the circularity of our business model enable us to provide sustainable solutions across our three business units. Supported by strong technological and operational competencies, we are able to extract value out of industrial waste for the production of sustainable products and resources. For the year ended December 31, 2020, approximately 88%, 95% and 95% of the waste we managed in the Environment, Regeneration and Purification business units, respectively, was transformed into products, returned to the environment as purified water or sent to energy recovery, resulting in an overall circularity index of approximately 90%. Over this period, (i) within our Environment business unit, 48% of the waste managed was sent to recovery, 27% of the waste managed underwent water treatment, 13% of the waste managed underwent oil emulsion treatment and 12% of the waste managed was sent to other destinations, (ii) within our Regeneration business unit, 66%, 14%, 8% and 7% of lubricant oils processed were used to produce lubricant bases, bitumen additives, water and gas oil, respectively, while we outsourced 4% and 1% of lubricant oils processed for disposal and recovery, respectively, and (iii) within our Purification business unit, 60%, 25% and 10% of industrial streams and virgin raw materials processed were used to produce SFW, pure solvents from virgin raw materials and purified water, respectively, while we outsourced 4% and 1% of the materials processed for disposal and recovery, respectively. The remaining portion of the waste is delivered to third-party landfill sites and incinerators. For the year ended December 31, 2020, 72% of waste collected was internally treated (including waste oil for our Regeneration business unit), 13% was internally pre-treated and 16% was collected for sorting and storage. Our Regeneration business solutions enable us to reduce the impact on the environment compared to primary production, resulting in a reduction of approximately 90% in the consumption of fossil fuel resources, an approximately 200% reduction in CO_2 emissions, an approximately 400% reduction in emissions of fine dusts and an approximately 500% reduction in the emission of acidifying substances (NOx, SO2 and NH3), in each case as compared to primary production. Furthermore, our Purification business solutions significantly reduce the impact of solvent recycling compared to primary production, resulting in an approximately 1,000% reduction in CO_2 emissions.

In addition, our integrated platform enables us to benefit from solid and attractive market dynamics, leveraging upon the ongoing regulatory shift from a “linear economy” in favor of a “circular economy.” We benefit from favorable regulation within the EU and Italy on waste treatment and used oil regeneration. Further to the enactment of EU Directive 2008/98/EC (supplemented by EU Directive 2018/850), the EU required member states to significantly reduce waste disposal in favor of recycling, by establishing a specific waste management hierarchy. Italy implemented the EU-prescribed waste hierarchy through national legislation and set up a system of recycling authorizations, imposing stringent restrictions on authorized production capacity for special waste that has reinforced our market position by creating high entry barriers. In addition, these stringent regulatory requirements are enablers of our strong market position as waste producers are incentivized to rely on our advanced recycling and waste management solutions as a way of managing high compliance and regulatory costs relating to the disposal and treatment of industrial waste, including risks of economic penalties and criminal sanctions. The graphic below presents our advantageous position across the waste management hierarchy.



Furthermore, our Regeneration business benefits from the favorable regulatory framework established in Italy, one of the most virtuous countries in Europe in terms of collection and regeneration of used oil, where regenerated lubricant oil accounted for 99% of collected volumes in Italy in 2019, compared to an average of 51% in the EU over the same period. We benefit from incentive mechanisms established by CONOU (*Consorzio nazionale per la gestione, raccolta e trattamento degli oli minerali usati*), a private Italian consortium, to support our Regeneration business. The CONOU regeneration treatment fee, which is inversely correlated to the market price of lubricant oil (*i.e.*, the fee increases upon a decrease in lubricant oil market price and vice versa, although in no event, such as instances of high lubricant oil market prices, does the incentive mechanism require us to pay a regeneration treatment fee to CONOU), ensures that we have downside protection against fluctuations of crude oil and lubricant oil prices and supports a minimum profitability threshold in the sale of our oil-based products, under normal circumstances. This framework has been in place for over ten years and has also been subject to modifications favorable for oil regeneration companies over the years to better reflect market dynamics and support collection and regeneration activities. In particular, based on the latest amendment in October 2020, the regeneration treatment fee is no longer subject to a set cap that historically limited the amount of compensation granted to oil regeneration companies during periods of significantly low oil prices, such as in the first halves of 2016 and 2020; therefore supporting a profitability floor even in significantly unfavorable oil price scenarios. We expect that further amendments to the formula may only be effective after December 2024, except in exceptional circumstances indicated in the CONOU Operating Regulation which, in any event, cannot be retroactive. We estimate that the removal of the set cap as well as other amendments to the formula, on a *pro forma* basis for the year 2020, would have had an estimated positive impact of €1.9 million on our EBITDA for the year ended December 31, 2020.

The quality and breadth of our role as a circular economy player enabled us to achieve a strong market position in Italy, where we managed approximately 6% of the total volume of hazardous waste through our Environment business unit for the year ended December 31, 2019. Given the highly fragmented nature of the hazardous waste management market in Italy, we were the second largest company by volume over the same period, with the leading company accounting for approximately 7% of the total volume of hazardous waste. In addition, we are the number one player in the Italian oil regeneration space, with an approximately 89% market share as of December 31, 2019, and a market leader in Europe in terms of oil regeneration volumes, with a 15% market share measured by maximum regenerated lubricant oil output in 2019. We are also the leading company in the Italian waste solvent purification space, with a 50% market share by revenue, and the largest European player by capacity in 2019, with an approximately 37% share of the Italian market.

Leadership position in defensive and profitable markets, benefiting from high entry barriers

We operate in markets characterized by high barriers to entry. The industrial hazardous waste market in Italy accounted for approximately 9.9 million tons in 2019 and benefits from higher barriers to entry compared to industrial non-hazardous waste and urban waste due to strict regulatory approvals and more advanced technical skills required for the waste management processes. Supported by these features, the industrial hazardous waste market in Italy has shown profitability and resiliency during periods of economic difficulties, recording a CAGR of approximately 1.3% over the period 2010-2014, compared to a negative CAGR of 2.2% and a CAGR of 0.2% during the same period for the Italian urban waste market and non-hazardous waste market, respectively, and a negative CAGR registered by the Italian GDP over the same period. The resilience of our business in a challenging macro-economic environment was also displayed by our results for the year ended December 31, 2020 when despite the impact of the COVID-19 pandemic, our revenue remained relatively flat as compared to 2019, on a like-for-like basis.

Leveraging upon our strong and strategic local presence, especially in the most industrialized areas of Italy, we believe that our Environment business unit is advantageously positioned as a one-stop shop for producers of hazardous waste, alongside our Regeneration and Purification business units. We believe that our longstanding experience with hazardous waste, highly skilled staff and advanced waste management plants give us a strong competitive advantage over national competitors. In addition, the complexity of the authorization, certification, compliance and operational requirements in the waste management industry (especially with regard to the hazardous waste market), along with our geographical proximity to customers, also serve as natural barriers to entry.

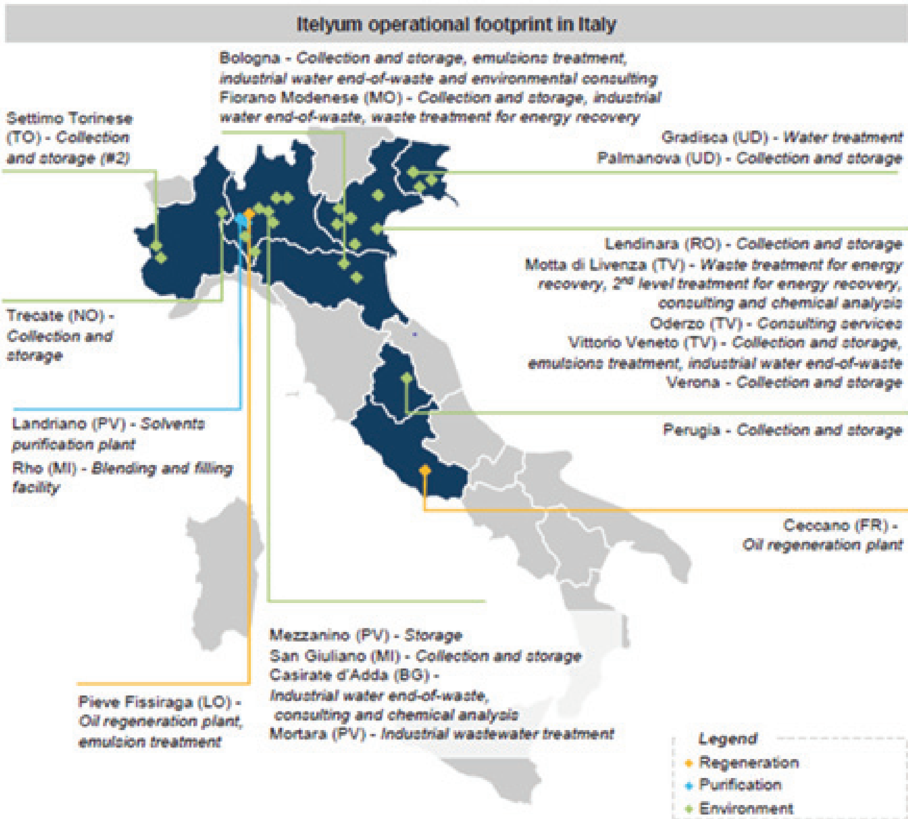
Through our Regeneration business unit, we hold a market leading position in Italy. We held approximately 89% of the market share of the Italian oil regeneration market by volume in 2019, and we are a leading company in Europe in terms of oil regeneration volumes, with a 15% market share measured by maximum regenerated lubricant oil output in 2019. We believe that our economies of scale, proprietary technologies and contracted waste streams, also in light of the CONOU framework, provide us with a strong competitive advantage. Furthermore, the Italian used oil regeneration market requires significant upfront investment and is also characterized by complex authorization, certification and operational requirements, which serve as additional barriers to entry.

Our Purification business has the largest installed capacity in the European waste solvent purification industry, at approximately 100 thousand tons per year, and we held 50% of the market share of the Italian waste solvent purification market by revenue in 2019. Reinforced by our circular partnership and established relationships with leading players in the pharmaceutical sector, we have also built strong positions in international end-markets, including leading positions in the waste-based thinner segments in Africa and the Middle East (with a market share of 38% and 37% by volumes, respectively, in 2019) and in the pure aliphatics segment in Europe (with a 34% market share in 2019). We believe that our economies of scale, know-how, proprietary technologies and long-term partnerships with a loyal customer base have enabled our Purification business unit to secure and maintain market leading positions in Italy and Europe. In addition, the Italian solvent purification market is characterized by high barriers to entry, underpinned by requirements for significant upfront investment and the complexity of the authorization, certification, compliance and operational processes.

We believe our competitors' limited ability to replicate our business model also resides in our advanced R&D capabilities across our business units. Over the years, we have internalized value-adding processes, and developed products and waste treatment methods in partnership with our customers. This has created an intangible barrier, which does not solely rely on commercial relationships, but on years of expertise matured in close collaboration with our customers (such as, for example, our collaboration with API producers for the joint development of formulas for waste optimization in our Purification business unit). Furthermore, our ability to produce high-purity aliphatic solvents from virgin materials, combined with our trading activities relating to these products, allows us to establish increasingly solid and synergistic relationships with our customers and present our Purification business unit as a one-stop shop for high-purity aliphatic solvents. Our Purification business unit benefits from an authorized capacity for the production of non-waste finished products, such as virgin materials, of additional 100 thousand tons per year.

State-of-the-art plants and well-proven proprietary technology

We operate 13 waste treatment and recycling facilities in Italy and 12 waste storage sites. Our strong geographical footprint and the density of our operational network in Northern Italy, especially in the Northern regions of Lombardia, Veneto, Piemonte, Friuli Venezia Giulia and Emilia Romagna, allow us to benefit from economies of scale in managing complex logistics and the input sourcing reach of our production. These factors also improve our efficiency by minimizing the logistical burden and costs of transporting our raw materials to our facilities. In addition, our wide-reaching asset base enables geographical proximity to our customer base and ensures extensive coverage of the Italian market. Set forth below is a chart representing the location of our waste management sites as of June 30, 2021.



We also operate two stand-alone laboratories for chemical and environmental analysis. Supported by a network of 18 waste management companies, our Environment business has an overall authorized capacity of approximately 900 thousand tons per year. Approximately 559 thousand tons of waste were processed through the waste storage and treatment plants of our Environment business unit for the twelve months ended June 30, 2021, while additional 338 thousand tons were sold through the trading activities of our Environment business unit during the same period. Underpinned by over 50 years of experience in the production of quality lubricating bases through a proprietary re-refining process, our Regeneration plants in Pieve Fissiraga and Ceccano have a combined treatment capacity of 214 thousand tons per year. Approximately 184 thousand tons of used oil were processed through our oil regeneration plants for the twelve months ended June 30, 2021. Our Purification business unit comprises two plants for purification and blending of solvents with an authorized capacity of 99 thousand tons per year for solvent and chemical purification deriving from waste, 100 thousand tons per year for solvent purification (*e.g.*, for virgin materials) and chemical synthesis and 75 thousand tons per year for our blending plant in Rho, near Milan. For the twelve months ended June 30, 2021, we treated 94 thousand tons for solvent and chemical purification deriving from waste (of which 57 thousand tons were subsequently blended and packed in our blending plant as well) and we treated 38 thousand tons for solvent purification (e.g., for virgin materials) and chemical synthesis.

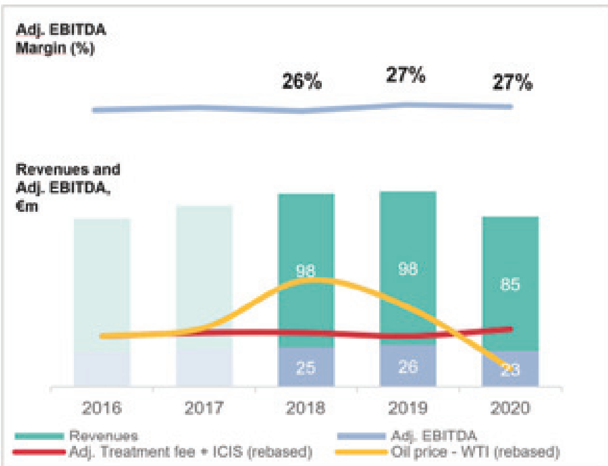
In connection with our waste management operations, we also own and maintain a fleet of more than 120 collection trucks and other industrial vehicles. Our fleet helps secure the waste we collect, allows us to adapt to individual client needs, improves our service offering and makes regulatory compliance easier, particularly regarding the different transportation requirements for specific types of waste.

Our state-of-the-art plants, extensive chemical know-how, designed industrial processes and proprietary technologies, underpinned by 14 registered patents, allow us to act as a one-stop shop across all value chain steps for industrial waste streams. Our Regeneration business benefits from a patented proprietary process for the productions of lubricant bases, which is now widely used by leading lubrication companies worldwide. See also "*Business—Research & Development, Technology and Innovation*."

In addition, we seek continuous technological improvement by leveraging upon several established partnerships with leading Italian universities.

Highly resilient business with outstanding growth backed by diversified revenues streams, solid profitability and cash generation

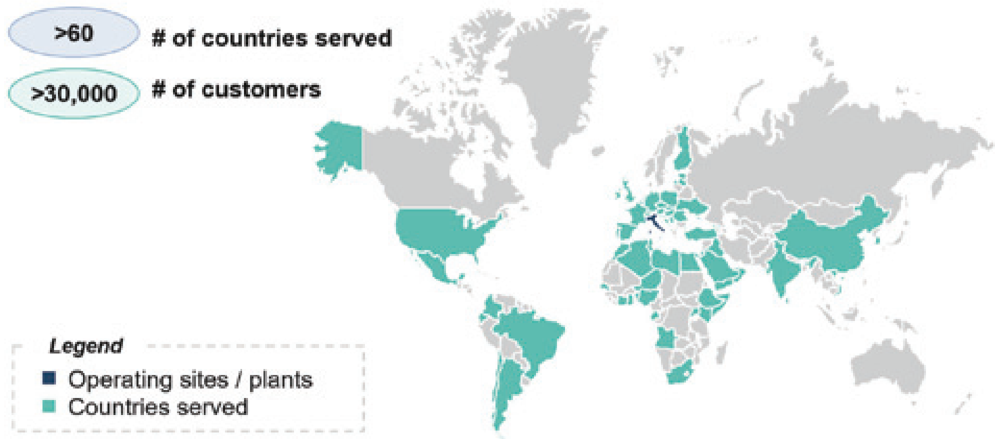
The strengths described above, coupled with attractive industry fundamentals, have enabled us to deliver strong and consistent financial performance. The solid relationships with our clients, their end-market diversification, along with the pricing stability levers inherent in our business, have allowed us to build a resilient business model with high visibility over revenue and profitability performance and operating cash generation. Anticipated structural growth in our end-markets (with an estimated CAGR of approximately 7% in the Italian hazardous waste market over the period 2021-2025), supported by structural imbalance between demand and supply, high switching costs for our customers and our entrenched presence in the most densely industrialized regions of Italy, are expected to generate premium economics in our business units. The CONOU regeneration treatment fee, which is inversely correlated to the market price of lubricant oil (*i.e.*, the fee increases upon a decrease in lube oil market price and vice versa), provides our Regeneration segment with downside protection against periods of low prices of crude oil and lubricant oil and supports a minimum profitability threshold in the sale of our oil-based products. The chart below shows the resilience of our Regeneration business unit despite fluctuations of oil prices over the period 2018-2020.



Since 2018, we have achieved revenue and profitability growth through organic initiatives and acquisitions. Our revenue increased by 15.6%, from €279.3 million for the year ended December 31, 2018 to €330.9 million for the year ended December 31, 2020. Our EBITDA increased by 10.6%, from €45.2 million for the year ended December 31, 2018 to €50.2 million for the year ended December 31, 2020. In addition to being a highly cash generative business, we have limited capital expenditure requirements, with our adjusted recurring capital expenditure being equivalent to less than 3% of our revenue on average over the period from 2018 to 2020.

The resilience of our business model was underscored during the year ended December 31, 2020, when despite the impact of the COVID-19 pandemic, our revenue, Adjusted EBITDA and Adjusted EBITDA margin on a constant perimeter basis remained broadly in line with results recorded during the year ended December 31, 2019 and with two of our three business units (*i.e.*, Environment and Purification) delivering growth.

Furthermore, while our operating sites and plants are exclusively based in Italy, we benefit from a large international commercial footprint underpinned by a strong network of international distributors acting locally within key jurisdictions worldwide, which enables us to geographically diversify our revenue streams. For the twelve months ended June 30, 2021, 21.1% of our revenue was generated abroad in over 60 countries. The graphic below presents the breadth of our international commercial footprint.



ESG-centric corporate mission, making sustainability the cornerstone of an advanced circular economy model

Sustainability is at the core of our corporate mission. Our business model is focused on maximizing (i) the use of recycled raw materials, (ii) the transformation efficiency of industrial processes and (iii) the most sustainable destinations for generated waste. Our business model is underpinned by robust Environmental, Social and Governance ("**ESG**") programs, with the circularity index of our business standing at approximately 90%. We have prepared an annual Sustainability Report for the last 15 years and constantly track ESG metrics. We have introduced a Sustainability Steering Committee ("**SSC**") in 2020 to serve as the cornerstone of sustainability management within the Itelyum Group, being tasked with reviewing and updating our sustainability strategies, verifying the state of implementation of our initiatives and deploying operational mandates to our group companies. The SSC is chaired by an independent and highly reputable advisor and comprises the members of our board of directors and the Chief Sustainability Officer. For the year ended December 31, 2020, we avoided the generation of approximately 470 thousand tons of CO_2 necessary for the production of virgin products substituted by recycled products and one thousand tons of air pollutants, generated annual savings of approximately 14 million cubic meters of water and avoided the consumption of 400 hectares of land. We promote self-production of electricity and partially rely on the electricity generated by our three photovoltaic plants, with an installed capacity of over 800 kilowatts, and our high-efficiency cogeneration plant, with an average production capacity of over 46 million kilowatt-hours, to sustain our operations. In addition, in accordance with our newly established Sustainability Performance Targets, we aim to achieve (i) a 25% increase in gross CO_2 avoided emissions for the year ending December 31, 2025, compared to the baseline of 430,449.6 tons of CO_2 for the year ended December 31, 2020; and (ii) a 25% increase in the quantity of waste collected and delivered to circular treatment for the year ending December 31, 2025, compared to the baseline of 574,184 tons of waste for the year ended December 31, 2020. Furthermore, through our sustainability policy, we aim to contribute to the achievement of the following nine major Sustainable Development Goals ("**SDGs**"):

We remain focused on promoting internationally recognized human rights and guaranteeing working conditions based on equal opportunities and development of skills in a context that considers diversity as a true source of value. We are committed to allocating considerable resources to the creation of social value through business integrity and stakeholder relations, including through new training initiatives that propose to increase sustainability-focused trainings for our staff from 17 hours per year per individual in 2019 to 30 hours per year per individual by 2025. We also believe that safety, protection and promotion of health and well-being of individuals are fundamental values to be integrated in all our activities. This principle extends to employees, companies, suppliers, visitors, local communities and any other stakeholder included in our sphere of influence. We are committed to taking concrete measures aimed at eliminating accidents, injuries and illnesses caused by work activities and reducing risks in all our activities. In 2020, our frequency index risk (calculated as number of accidents (with absence from work for more than 24 hours) per million hours of work) was 5.8.

We have also implemented strong operational risk management and compliance systems aimed at risk prevention, and strive to continuously improve our environmental performance and management systems. Our environmental management system is equipped with established standards and processes and is built around the principles of ISO 45001 and ISO 14001, which certifies our commitment to sustainable solutions and advanced health and safety standards. Most of our waste management facilities, including the oil regeneration plants of Ceccano and Pieve Fissiraga, hold ISO 14001 certifications of compliance with advanced environmental standards.

As a member of the United Nations Global Compact, we strive to implement the best practices in terms of governance through internal committee monitoring, independent supervision as well as the adoption of relevant codes, protocols and policies. Leveraging upon 13 globally recognized management systems, reference protocols and certifications, we have implemented a formal code of ethics and an organizational, management and control model across each of our group companies, and have also appointed an independent supervisory board to oversee our robust governance practices. See also "*Business—Sustainability, Environment, Social and Governance*."

Experienced management team widely recognized in the industry, supported by a solid organizational structure

We have an experienced senior management team providing strong leadership across all functional areas of our business, overseen by our chief executive officer ("**CEO**") who has over 20 years of experience in leading national and international companies. With an average of more than ten years of industry experience, our management team is aligned to execute on the Itelyum Group's growth strategy and has a proven track record in delivering growth and profitability by identifying profitable growth opportunities and effective integration processes, which we believe provide us with a significant competitive advantage over our competitors. In addition, our chairman, CEO and three senior managers on our board of directors are members of a number of industry-recognized Italian and international associations, including Federchimica, UNEM (*Unione Energie per la Mobilità*), GEIR (*Groupement Européen de l'Industrie de la Régénération*), ESRG (European Solvent Recycler Group), CONOU, COBAT (*Consorzio nazionale batterie esauste*) and the UN Global Compact Italy.

Our Strategy

Focus on organic growth driven by promoting synergies across business units

We plan to drive organic growth by continuing to optimize our integrated platform across our business units. In particular, we have launched, and expect to launch over the medium term, a number of key initiatives aimed at unlocking commercial synergies in our end-to-end waste management solutions and promoting cross-divisional opportunities for the optimization of waste supply and cost management.

These key initiatives include, among others: (i) leveraging on our wide Environment platform network to reinforce the value proposition offered to our customer base across our Regeneration and Purification business units through increased marketing, distribution and procurement synergies; (ii) securing an optimized feedstock supply via collection integration; (iii) enhancing the sharing of technology solutions and best practices to allow continuous improvement and operational efficiency; (iv) creating a centralized warehouse for spare parts and maintenance team, thus reducing unexpected unavailability or operational difficulties, in particular for our Pieve Fissiraga and Ceccano oil regeneration plants; and (v) rationalizing our vehicle fleet and optimizing routes for inbound and outbound transportation of waste and raw materials.

Leverage strategic and expansion projects with highly visible financial impact to increase production capacity, improve profitability and expand product offering

We plan to continue pursuing special operational projects with highly visible financial impact, especially aimed at increasing treated and recycled waste volumes and expanding the authorized capacity of our plants. One of these projects relates to the expansion of our waste water treatment capacity by approximately 120 thousand tons per year, mainly relating to captive volumes generated by Temix Oleo S.r.l. We also seek to expand our waste storage, treatment and tank capacity through expansion projects at our existing plants.

In addition, we expect to diversify the product range of our Regeneration business unit and broaden its client base by increasing our focus on high value-added lubricant oils. We also aim to maximize our plant capacity by pursuing continuous technological improvements, upgrades to our production equipment and investments in R&D projects.

Furthermore, we expect to expand the revenue generating capacity of our Purification business unit by investing in special projects, primarily aimed at expanding capacity at our purification and blending plants and adding new product lines to our portfolio. For example, we plan to invest approximately €17 million over the period 2021-2025 to (i) expand the production capacity of thinners and SFW products by increasing the production capacity of our existing plants and the acquisition of new plants and (ii) establish new product lines for our starting material for active pharmaceutical ingredients ("**API**").

Pursue value-accretive and strategic acquisitions to expand and consolidate our platform

We intend to continue to deploy an acquisition strategy that focuses on acquiring and integrating small and medium-sized regional and national businesses. Our latest acquisition, Castiglia, is headquartered in Puglia, a region in the south of Italy, and provides integrated services for environmental protection and sustainability with a particular focus on the management of waste deriving from water purification processes. Through the acquisition of Castiglia, we expect to enhance our market position in the Southern regions of Italy.

We believe that our reputation and track record in the Italian waste management market leads to us being chosen by specialist and generalist waste management businesses as a natural market consolidator. Once an acquisition is executed, we seek to implement a well-defined integration process that includes coordinating administration, finance and treasury, IT, human resources and other support functions with our central management functions, and seek to leverage our national network and commercial structure in order to increase the waste volumes processed at the sites that are acquired.

The Italian waste management market remains highly fragmented, with more than 90% of companies that operate in the market employing fewer than 50 full-time employees, which offers growth opportunities for leading players such as Itelyum. Our strong geographical footprint and diverse product portfolio create opportunities for acquisitions that bolster our existing platform. Excluding acquisitions made in the last 24 months, we estimate that the Adjusted EBITDA of companies we acquired grew at an average CAGR of more than 60% over the two years that followed the relevant acquisitions. We intend to selectively consider further bolt-on or strategic acquisitions to capitalize on our competitive strengths, extend our territorial coverage and preserve or improve our financial performance and profitability. We may seek to consolidate our leading positioning in our core verticals or expand into new, complementary verticals. In addition, we may in the future enter new geographies and seek to leverage our core expertise and know-how by penetrating new European markets, such as the industrial waste management, the oil regeneration or the pharmaceutical purification markets. We plan to continue to take a disciplined approach to evaluating potential investments and maintain prudent overall liquidity and leverage.

Principal Shareholders

The Issuer is a direct wholly-owned subsidiary of Holdco. The ultimate controlling party of the Issuer is Verde Holdings S.C.A., an entity whose controlling shareholder is Itelyum Co-investment LP, whose ultimate general partner is Bay Fox Verde GP Limited.

Stirling Square Capital Partners is a London-based European private equity investment firm. Founded in 2002, the firm manages €2.5 billion of assets across four funds and a number of co-investment positions. The firm has completed approximately 30 transactions across 13 countries in a broad range of sectors, including specialty industrials, business services and healthcare services. In addition to the Itelyum Group, Stirling Square Capital Partners has a strong track record of investments in Italian assets, such as Microtecnica, Metroweb and Isoclima.

On or shortly after the Completion Date, we expect that approximately 29% and 7% of the share capital of the Issuer will be indirectly owned by DBAG and the Management Investors, respectively, while SSCP Fund IV, together with other SSCP-controlled co-investors, will indirectly control the remaining share capital.

DBAG is a provider of private equity for mid-sized companies across several sectors. Publicly listed since 1985, DBAG has 33 portfolio companies and approximately €2.5 billion of assets under management.

For further information, see *"Principal Shareholders*."

The Issuer

The Issuer is a joint stock company (*società per azioni*) incorporated and existing under the laws of Italy. The Issuer was formed as a limited liability company (*società a responsabilità limitata*) on July 12, 2019, and subsequently converted into a joint stock company (*società per azioni*) on September 1, 2021. The Issuer is registered with the Companies' register of Milan, Monza, Brianza and Lodi under registration number and fiscal code 10911290962. The registered office of the Issuer is at Via Alessandro Manzoni n. 38, Milan, Italy.

Sustainability-Linked Features

Our strategic goal is to create shared value for business partners, society as a whole and the environment by offering sustainable solutions for the regeneration of used lubricating oils, purification of solvents and chemical waste and environmental services for the management of industrial waste.

In September 2021, we adopted a sustainability-linked bond framework (the "**Sustainability-Linked Bond Framework**"). We identified the following key performance targets, in each case calculated as set forth in our Sustainability-Linked Bond Framework:

- a 25% increase in gross CO_2 avoided emissions for the year ending December 31, 2025, compared to the baseline of 430,449.6 tons of CO_2 for the year ended December 31, 2020 (the "**Gross CO_2 Avoided Emissions Target**"). We believe the Gross CO_2 Avoided Emissions Target provides helpful insight on the impact of our activities on CO_2 emission, and is calculated as the CO_2 emissions avoided through our regenerated and purified products in substitution of virgin ones. Our regenerated and purified products contribute to avoiding emissions, limiting the increase of global emissions and substituting primary fossil material ones. The baseline of 430,449.6 tons of CO_2 (the "**CO_2 Baseline**") has been calculated by the Itelyum Group in good faith but has not been independently verified or audited by any third party; and

- a 25% increase in the quantity of waste collected and delivered to circular treatment for the year ending December 31, 2025, compared to the baseline of 574,184 tons of waste for the year ended December 31, 2020 (the "**Quantity of Waste for Circular Treatments Target**" and, together with the Gross CO_2 Avoided Emissions Target, the "**Sustainability Performance Targets**"). We believe the Quantity of Waste for Circular Treatments Target provides helpful insight on the impact of our activities on the circular economy, and is calculated as the quantity of waste collected and delivered to circular treatments measured in tons per year as set forth in our Sustainability-Linked Bond Framework. Circular treatments include regeneration, recycling, waste water treatment and recovery. The baseline of 574,184 tons of waste (the "**Circular Treatment Baseline**") has been calculated by the Itelyum Group in good faith and has been independently verified by a third party. In this Offering Memorandum, we refer to the Gross CO_2 Avoided Emissions Target and the Circular Treatment Baseline, collectively, as the "**SLB Baselines**."

In the event the Issuer redeems the Notes pursuant to (i) the second or fifth paragraph of "*Description of Notes—Optional Redemption*" at any time on or after June 30, 2022, and/or (ii) "*Description of Notes—Redemption at Maturity*," and, in each case, unless the Group has met both of the Sustainability Performance Targets on the relevant testing date, as certified by the Issuer to the Trustee (with a copy to the Paying Agent) in an officer's certificate, which shall also include an Assurance Letter, on or prior to the relevant Certification Date, the applicable Step-up Premium will be payable in connection with the applicable redemption. For further information on the Step-Up Premium mechanics, see "*Description of Notes—Sustainability Performance Targets Step-up Redemption Premium*."

We intend to report annually on our performance with respect to Sustainability Performance Target for the preceding calendar year. This report will be separate from, and in addition to, the reporting required under the Indenture for the Notes. Our Sustainability-Linked Bond Framework can be found on our website at http://www.itelyum.com. A second party opinion on the alignment of our Sustainability-Linked Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA, has been provided by the Institutional Shareholder Services, and is available at www.iss-esg.com and on our website at http://www.itelyum.com. Institutional Shareholder Services, a provider of environmental, social and governance research and analysis, evaluated the terms of the Issuer's offering of the Notes in this Offering Memorandum and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the Sustainability Linked Bond Framework, which views are intended to inform investors in general, and not for a specific investor. Notwithstanding anything in this Offering Memorandum to the contrary, neither our sustainability reports (including our Sustainability-Linked Bond Framework) nor any other information on our website is incorporated by reference in this Offering Memorandum.

See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—No assurance or representation is given by us, the Trustee, the Initial Purchasers, any second party opinion provider or any External Reviewer as to the suitability or reliability for any purpose whatsoever of any opinion, report (including our Sustainability Reports and Sustainability-Linked Bond Framework), certification or validation of any third party in connection with the Offering or the Sustainability Performance Targets to fulfil any green, social, sustainability, sustainability-linked and/or other criteria. The Notes are not "green bonds." Moreover, the CO_2 Baseline presented herein has not been independently verified or audited by any third party. There will be limited consequences under the Indenture for our failure to meet the Sustainability Performance Targets.*"

The Transactions

The Acquisition

On August 13, 2021, Verde Holdings S.C.A., an indirect holding company of the Issuer, as purchaser, entered into a sale purchase agreement (the "**Acquisition Agreement**") with, *inter alios*, Stirling Square Capital Partners Third Fund A Limited Partnership and Stirling Square Capital Partners Third Fund B Limited Partnership (together, "**SSCP Fund III**"), SSCP Third Fund S. à r.l., Stirling Square Capital Partners Viscolube Co-Investment LP (collectively with SSCP Fund III and SSCP Third Fund S. à r.l., the "**SSCP Sellers**"), and certain management and other co-investors of the Itelyum Group (the "**Co-Investor Sellers**" and, together with the SSCP Sellers, the "**Sellers**") relating to the acquisition of all of the equity interests in the Target.

On the Completion Date, (i) the Issuer will become the direct owner of 100% of the entire issued and outstanding share capital of the Target, (ii) SSCP Fund IV and other SSCP-controlled co-investors will indirectly control the Target Group through Itelyum Co-Investment LP, which will indirectly own 64% of the share capital of the Target and (iii) certain minority investors, comprised of private investment firm DBAG and the Management Investors, will indirectly own approximately 29% and 7%, respectively, of the share capital of the Target. For further information, see *"Principal Shareholders."*

The purchase price for the Acquisition to be paid by the Issuer to the Sellers on the Completion Date will be €543.2 million, *plus* €142.5 thousand per calendar day from January 1, 2021 to and including the Completion Date. The purchase price so calculated will be adjusted in the event the Target or any direct or indirect parent entity of the Target pays or effects certain dividend or distribution in cash in favor of the Sellers (collectively, the "**Leakages**"). As a result, the ultimate consideration under the Acquisition Agreement will in part be dependent on the timing of the Completion Date. It is expected that part of the consideration payable to certain management Co-Investor Sellers will be reinvested by the Co-Investor Sellers as equity interests in the Itelyum Group pursuant to the terms of the relevant Management Agreements (as defined below).

On September 3, 2021, we received a declaration that the transactions contemplated by the Acquisition Agreement do not fall within the scope of the Italian Golden Power Legislation, from the Italian Presidency of the Council of Ministries (*Presidenza del Consiglio dei Ministri*). As of the date of this Offering Memorandum, we do not expect the finalization of the Acquisition to be subject to any further conditions precedent.

The Financing

We expect to finance the Transactions (as defined below) through: (i) the gross proceeds from the Offering of the Notes in an aggregate principal amount of €450.0 million and (ii) an estimated €312.5 million of shareholder funding in the form of an equity contribution to be made by SSCP Fund IV, other SSCP co-investors and DBAG to the Issuer through intermediate holding companies on or prior to the Completion Date (the "**Equity Contribution**" and, together with the Offering, the "**Financing**").

The proceeds from the Financing will be used by the Issuer to:

- fund the consideration payable under the Acquisition Agreement by using (x) proceeds from the Equity Contribution, and (y) an estimated €269.6 million representing a portion of the proceeds from Tranche A (as defined under "*—Sources and Uses*" below) under the Notes;
- fund the Itelyum Regeneration Proceeds Loan by using an estimated €82.3 million representing all the proceeds from Tranche B (as defined under "*—Sources and Uses*" below) under the Notes;
- fund the Itelyum Purification Proceeds Loan by using an estimated €68.1 million representing all the proceeds from Tranche C (as defined under "*—Sources and Uses*" below) under the Notes; and
- pay certain fees and expenses in connection with the Transactions, including estimated fees and expenses to be incurred in connection with the Offering, by using an estimated €30.0 million representing a portion of the proceeds from Tranche A under the Notes.

The Refinancing

As mentioned under "*—The Financing*" above, a portion of the proceeds from the Offering will be used by the Issuer to make the Itelyum Proceeds Loans. As further described under "*Description of Certain Financing Arrangements—Itelyum Proceeds Loans*," the Itelyum Proceeds Loans are expected to be for an aggregate estimated principal amount of €150.4 million, deriving from the proceeds under Tranche B for an amount of €82.3 million representing the Itelyum Regeneration Proceeds Loan and from the proceeds under Tranche C for an amount of €68.1 million representing the Itelyum Purification Proceeds Loan.

The proceeds from the Itelyum Proceeds Loans, along with cash on balance sheet of the Target Group, will be used by each of Itelyum Regeneration and Itelyum Purification on the Completion Date or shortly thereafter to repay, discharge and ultimately cancel all the outstanding amounts under certain existing indebtedness of Itelyum Regeneration and Itelyum Purification, respectively, consisting of (i) amounts borrowed under the Itelyum Regeneration Senior Facilities Agreement, (ii) amounts borrowed under the Itelyum Purification Senior Facilities Agreement, (iii) liabilities under the Vendor Loan Agreements and (iv) certain liabilities in respect of hedging derivative instruments, for an aggregate amount of €178.2 million (collectively, the "**Existing Itelyum Debt**") (the "**Refinancing**").

On or about the Issue Date, the Issuer will enter into the Revolving Credit Facility Agreement, which provides for the €50.0 million Revolving Credit Facility. We do not expect any amounts to be drawn under the Revolving Credit Facility on the Issue Date. See "*Description of Certain Financing Agreements—Revolving Credit Facility Agreement*."

We refer to the Financing, the Acquisition, the Refinancing, the entering into the Revolving Credit Facility Agreement, the Intercreditor Agreement, the Security Documents and the Settlement Agreements (as defined under "*—Recent Developments—Settlement Agremeents Relating to the Vendor Loan Liabilities*" below), and any actions or steps related thereto, collectively, as the "**Transactions**."

Escrow Account

If the Completion Date is anticipated to occur more than one business day after the Issue Date, the Initial Purchasers will, concurrently with the closing of the Offering on the Issue Date, deposit the gross proceeds from the Notes into the Escrow Account, which will be pledged in favor of the Trustee on behalf of the holders of the Notes. The release of the proceeds from escrow will be subject to the satisfaction of certain conditions, including the completion of the Acquisition pursuant to the terms of the Acquisition Agreement within one business day following the release of the funds from the Escrow Account. If the proceeds of the Notes are deposited into the Escrow Account and the conditions to the release of the Escrowed Property have not been satisfied on or prior to the Escrow Longstop Date, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 100% of the initial issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to, but excluding, the special mandatory redemption date. Amounts may be released from the Escrow Account prior to the Completion Date to pay negative interest charged on the Escrow Account (if any) and to pay interest on the Notes on any interest payment date in respect thereof occurring prior to the release of the proceeds from escrow. See *"Description of Notes—Escrow of Proceeds; Special Mandatory Redemption*."

If the gross proceeds of the Offering are not deposited into the Escrow Account on the Issue Date and the Completion Date does not occur within one business day of the Issue Date, then, unless the Completion Date occurs on the following business day, the Issuer will promptly either (i) redeem the Notes pursuant to the special mandatory redemption described above in the case that (x) in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date or (y) an event of default described under clause (5) of the first paragraph under the heading titled *"Description of Notes—Events of Default"* with respect to the Issuer occurs or (ii) deposit the gross proceeds of the Offering into the Escrow Account pursuant to the Escrow Agreement.

Sources and Uses

The expected estimated sources and uses of the funds necessary to consummate the Transactions are shown in the table below. Actual amounts are subject to adjustment and may differ from estimated amounts at the time of the consummation of the Acquisition, depending on several factors, including differences from our estimate of fees and expenses and the timing of the Completion Date. This table should be read in conjunction with "*Use of Proceeds*" and "*Capitalization*."

Sources (€ million)		**Uses** (€ million)	
Notes offered hereby[(1)]	450.0	Purchase price for the Acquisition[(4)]	582.1
Equity Contribution[(2)]	312.5	Repayment of Existing Itelyum Debt[(5)]	178.2
Cash on balance sheet[(3)]	27.8	Transaction fees and expenses[(6)]	30.0
Total sources	**790.3**	**Total uses**	**790.3**

(1) Represents the gross proceeds from the Offering, assuming the Notes are issued at par.

(2) Represents the equity investment expected to be made by Itelyum Co-Investment LP, whose ultimate general partner is Bay Fox Verde GP Limited and whose partnership interests are held by SSCP Fund IV and SSCP co-investors, and DBAG, which will be contributed as equity through intermediate holding companies to the Issuer on or prior to the Completion Date for purposes of the Acquisition. For further information, see "*Summary Corporate and Financing Structure*," "*—The Transactions—The Acquisition*" and *"Principal Shareholders*."

(3) Represents a portion of available cash at the Target Group. For further information, see footnote (1) under "*Capitalization*."

(4) Represents the estimated purchase price payable to the Sellers for the equity interests in the Target to be acquired under the Acquisition Agreement assuming that the Completion Date will occur on September 30, 2021, to be financed by using the proceeds from the Equity Contribution and a portion of the proceeds from virtual tranche A ("**Tranche A**") under the Notes for an estimated €269.6 million, as further described under "*—The Transactions—The Financing.*" The purchase price payable at the Completion Date may differ from the amount presented, depending on the actual timing of the Completion Date and the potential occurrence of certain Leakages, as further described under "*—The Transactions—The Acquisition*."

(5) Represents the following amounts outstanding as of June 30, 2021: (i) existing indebtedness of Itelyum Regeneration under the Itelyum Regeneration Senior Facilities Agreement, liabilities under the 2016 Vendor Loan Agreement and liabilities under certain hedging derivative instruments, to be fully repaid and canceled via the Itelyum Regeneration Proceeds Loan with the funds available under tranche B under the Notes ("**Tranche B**") for an aggregate amount of approximately €82.3 million and cash on balance sheet of the Target Group and; and (ii) indebtedness of Itelyum Purification under the Itelyum Purification Senior Facilities Agreement, liabilities under the 2017 Vendor Loan Agreement and liabilities under certain hedging derivative instruments, to be fully repaid and canceled via the Itelyum Purification Proceeds Loan with the funds available under tranche C under the Notes ("**Tranche C**") for an aggregate amount of approximately €68.1 million and cash on balance sheet of the Target Group, as further described under "*—The Transactions—The Refinancing*."

(6) Represents the estimated fees and expenses associated with the Transactions, including any underwriting or discount fees and commissions, financial advisory fees and other transaction costs and professional fees), to be financed with the proceeds from Tranche A under the Notes. The actual amount of fees and expenses will vary from the estimated amounts depending on several factors, including differences in the amount of fees and expenses actually incurred compared to our estimates.

For the avoidance of doubt, the "virtual tranching" of the Notes is aimed at identifying the separate portions of the proceeds from the Offering to be used by the Issuer to, consummate the Acquisition and make the Itelyum Proceeds Loan for purposes of, *inter alia*, the Refinancing, and will not entail issuing separate identifiers (ISINs or Common Codes) for each such virtual tranche under the Notes. See "*Use of Proceeds*," "*Capitalization*" and "*Description of Notes*."

Post Completion Merger

The Issuer intends to use commercially reasonable efforts, subject to any relevant approval and/or authorization by any competent authority, to implement the Post Completion Merger in accordance with Articles 2501-bis and following of the Italian Civil Code and other applicable provisions of Italian law, with MergerCo being the surviving entity, as soon as reasonably practicable following the Completion Date. As of the date of this Offering Memorandum, we expect that Itelyum Regeneration will be the surviving entity of the Post Completion Merger. Failure to complete the Post Completion Merger shall not constitute a Default or an Event of Default under the Indenture. The Post Completion Merger is subject to certain conditions and may not be completed. See "*Risk Factors—Risks Related to Our Structure and the Financing—We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all*."

In the event the Post Completion Merger does not occur on or prior to the Cut-Off Date, the Issuer shall use commercially reasonable efforts to procure that (i) the Guarantors guarantee the Notes and (ii) the Notes are secured by security interests granted on a first-priority basis over the Post Merger Collateral, in each case, within 90 days of the Cut-Off Date and subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws. See *"Description of Notes—Guarantees*," *"Description of Notes—Security*," "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitation on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*."

Recent Developments

Current Trading

The below information is based on preliminary results and estimates and is not intended to be a comprehensive statement of our financial or operational results. Such information has not been audited, reviewed or verified by our independent auditors. The preliminary results mentioned below are based on our unaudited management accounts. Accordingly, you should not place undue reliance on such preliminary information, and no opinion or any other form of assurance is provided with respect thereto. Our preliminary results are based on our preliminary review of our results of operations and are inherently subject to modification during the preparation of our financial statements, and are not intended *to be a comprehensive statement of our financial or operational results for the periods they relate to. As a result, our actual results could vary from these estimates and these differences could be material. See "Forward-Looking Statements."*

Based on preliminary results derived from our unaudited management accounts and other information currently available, we estimate that our revenue for July 2021 recorded an increase in the single digits compared to July 2020, while our volumes of waste serviced recorded a marginal decrease compared to July 2020, which benefited from exceptionally high volumes as activity levels significantly recovered in the second half of 2020 after the first wave of the COVID-19 pandemic.

Acquisition of Castiglia

On July 2, 2021, we acquired 70% of the equity interests in Castiglia, a company providing integrated services for environmental protection and sustainability in the Southern regions of Italy, with a particular focus on the management of waste deriving from water purification processes. Its portfolio of services includes transport and integrated waste management solutions and plant management services. Through the acquisition of Castiglia, we expect to enhance our market position in the Southern regions of Italy. The purchase price for Castiglia was €19.4 million, consisting of €13.6 million paid on July 2, 2021 and €5.8 million of deferred consideration to be paid within 18 months of such date. In this Offering Memorandum, we present certain *pro forma* financial information, adjusted to give *pro forma* effect, among other adjustments, to the acquisition of Castiglia as if such acquisition had occurred on July 1, 2020. See "*—Summary Historical Financial Information and Other Data—Other Pro forma Financial Data—Pro forma Adjusted EBITDA" and "Risk Factors—Risks Related to Our Business—Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects," "Risk Factors—Risks Related to Our Business—Our business is exposed to operational risks, and our employees and others on our and our customers' operations are exposed to health and safety risks" and "Business—Legal and Other Proceedings."*

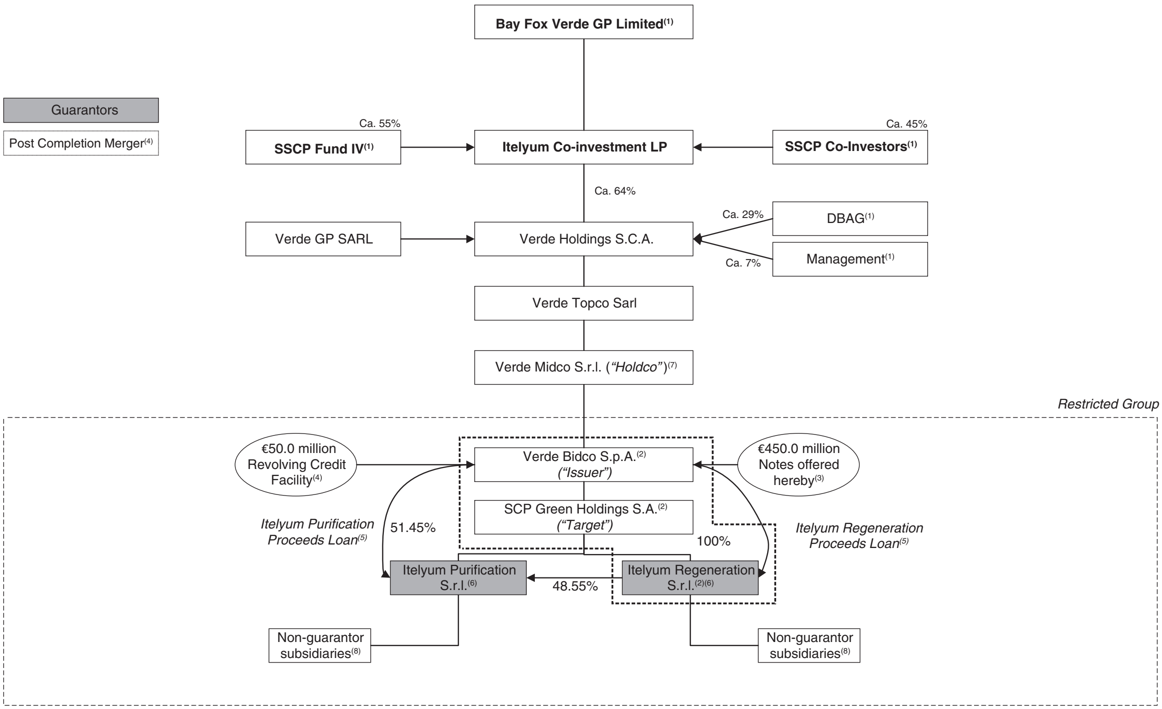
Settlement Agremeents Relating to the Vendor Loan Liabilities

On August 9, 2021, in connection with the Transactions, we entered into a settlement agreement with Lauro Quarantasei S.p.A. (the "**Lauro Settlement Agreement**") in respect of the 2017 Vendor Loan Agreement, which the Target, as borrower, entered into on August 3, 2017, with Lauro Quarantasei S.p.A., as lender, in connection with the acquisition of Itelyum Purification by the Target Group. Pursuant to the Lauro Settlement Agreement, we undertook to pay the amount of €16.0 million, adjusted for certain potential leakages, in full settlement of the outstanding amounts under the 2017 Vendor Loan Agreement, which were equal to €24.2 million as of June 30, 2021. We expect to make such payment on or about the Completion Date with a portion of the proceeds of the Notes, as part of the Refinancing. The Lauro Settlement Agreement is expected to result in approximately €8.0 million of reduction in net total financial debt, against which we undertook to bear the costs of certain environmental remediation activities relating to the Landriano purification site, estimated to be approximately €8.0 million as of the date of this Offering Memorandum. Such amount is expected to be budgeted as provision for environmental liabilities on our balance sheet. We expect to incur these costs over the period 2021-2030. Concurrently with the settlement of the obligations under the Lauro Settlement Agreement, an amount of €2.8 million will be released from escrow and become available to Itelyum Purification in settlement of certain commercial receivables owed to us by Lauro Quarantasei S.p.A. For further information on such environmental remediation activities relating to the Landriano purification site, see "*Risk Factors—Risks Related to Our Business—We may face liabilities in connection with environmental matters.*"

On August 6, 2021, in connection with the Transactions, we also entered into a settlement agreement with Stirling Square Capital Partners Special Opportunities (n. 1) Limited Partnership (the "**SSCP Settlement Agreement**" and, together with the Lauro Settlement Agreement, the "**Settlement Agreements**") in respect of the 2016 Vendor Loan Agreement, which Itelyum Regeneration, as borrower, entered into on February 24, 2016, with SSCP Oil Holdings S.C.A., as lender, in connection with the acquisition of Itelyum Regeneration by the Target Group. Pursuant to the SSCP Settlement Agreement, we undertook to repay all outstanding amounts under the 2016 Vendor Loan Agreement, which were equal to approximately €6.1 million (net of certain indemnification obligations) as of June 30, 2021. We expect to make such payment on or about the Completion Date with a portion of the proceeds of the Notes, as part of the Refinancing.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram summarizes our corporate and principal outstanding financing arrangements after giving *pro forma* effect to the Transactions as described in "*Use of Proceeds*." The chart does not include all of our subsidiaries or all the debt obligations thereof. For a summary of the debt obligations referenced in this diagram, see "*Description of Certain Financing Arrangements*" and "*Description of Notes*." Entities shown in the chart are wholly owned, unless otherwise indicated. For further information, see our Consolidated Financial Statements and the respective notes thereto.



(1) Following the consummation of the Acquisition, SSCP Fund IV, a fund whose ultimate general partner is Stirling Square Capital Partners Fourth Fund GP Limited, will be, together with certain SSCP-controlled co-investors, the indirect controlling shareholder of the Target Group. DBAG and the Management Investors will indirectly own approximately 29% and 7%, respectively, of the share capital of the Target Group. For a description of our principal shareholders and the shareholder agreement we expect to enter into in connection with the Transactions, see "*Principal Shareholders*."

(2) The Issuer is a holding company and is incorporated as a joint stock company (*società per azioni*) under the laws of Italy. The Issuer will not control the Target prior to the consummation of the Acquisition. The Issuer is currently not expected to engage in any activities other than those related to the Transactions, the management of the Target Group following the Acquisition and any other future potential transactions permitted by the Indenture. The Issuer shall use commercially reasonable efforts, subject to any relevant approval and/or authorization by any competent authority, to merge with the Target and Itelyum Regeneration, in accordance with Articles 2501-bis and following of the Italian Civil Code and other applicable provisions of Italian law, with MergerCo being the surviving entity, as soon as reasonably practicable following the Completion Date. The Post Completion Merger is subject to certain conditions and may not be completed. See "*Risk Factors—Risks Related to Our Structure and the Financing—We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all*" and "*Risk Factors—Risks Related to Our Structure and the Financing—The Issuer is a holding company that has no revenue generating operations of its own and prior to the Post Completion Merger will depend exclusively on cash from the operating companies of the Target Group to be able to make payments on the Notes*."

(3) The Notes 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. If the Completion Date is anticipated to occur more than one business day after the Issue Date and the proceeds of the Notes are deposited into the Escrow Account, as of the Issue Date and prior to the Completion Date, the Notes will be secured by a first-ranking security interest in the Escrow Account. On or about the Completion Date, the Notes will be secured on a first-ranking basis, subject to the Agreed Security Principles, by the Completion Date Collateral. Within 30 Business Days following the Completion Date, the Notes will also be secured on a first-ranking basis, subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws, by the Post Completion Date Collateral. Following the Post Completion Merger, within the terms set forth in this Offering Memorandum, the Notes will also be secured by the Post Merger Collateral. In the event that the Post Completion Merger does not occur on or prior to the date falling fifteen months after the Completion Date (the "***Cut-Off Date***"), the Issuer shall use commercially reasonable efforts to procure that the Notes will be secured, subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws, by the Target Group Collateral within 90 days of the Cut-Off Date. The Collateral will also secure on a first-ranking basis the Revolving Credit Facility and certain

hedging obligations (if any). Under the terms of the Intercreditor Agreement, the holders of Notes will receive proceeds from the enforcement of the Collateral after the lenders under the Revolving Credit Facility and counterparties to such hedging obligations (if any) have been repaid in full. The security interests in the Collateral may be released under certain circumstances and, subject to the Agreed Security Principles and to the terms of the Indenture and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. The Collateral will be subject to certain material limitations pursuant to applicable laws. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*," "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability,*" "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—There are circumstances other than the repayment or discharge of the Notes under which the Collateral will be released automatically without your consent or the consent of the Trustee or the Security Agent*," "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and *"Description of Notes—Security.*"

(4) On or about the Issue Date, the Issuer will enter into the Revolving Credit Facility Agreement, which provides for the €50.0 million Revolving Credit Facility. The initial borrower under the Revolving Credit Facility will be the Issuer. Subject to certain limitations, other subsidiaries of the Issuer, including, following the Acquisition, the Target and its subsidiaries, may become borrowers under the Revolving Credit Facility. The Revolving Credit Facility, subject to the Agreed Security Principles, will be guaranteed on a senior basis by the same entities that guarantee the Notes and will be secured on a first-priority basis over the same Collateral securing the Notes and certain hedging obligations (if any), subject to the applicable contractual and legal limitations. Under the terms of the Intercreditor Agreement, the holders of Notes will receive proceeds from the enforcement of the Collateral after the lenders under the Revolving Credit Facility and counterparties to such hedging obligations (if any) have been repaid in full. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement.*"

(5) On or about the Completion Date, the proceeds under Tranche B (as defined in "*Use of Proceeds*") of the Notes will be used by the Issuer to make the Itelyum Regeneration Proceeds Loan for an estimated aggregate principal amount of €82.3 million and the proceeds under Tranche C (as defined in "*Use of Proceeds*") of the Notes will be used by the Issuer to make the Itelyum Purification Proceeds Loan for an estimated aggregate principal amount of €68.1 million, as further described under "*—The Transactions—The Financing*." The proceeds from the Itelyum Proceeds Loans, together with cash on balance sheet of the Target Group, will be used for the completion of the Refinancing as described under "*—The Transactions—The Refinancing" and* "*Use of Proceeds*." The amount of the Itelyum Proceeds Loans is estimated as of the date of this Offering Memorandum and may change depending on several factors, including the timing of the Completion Date.

(6) On the Issue Date, the Notes will not be guaranteed. Subject to the Agreed Security Principles and to certain significant limitations under Italian law, the Issuer (or MergerCo, as applicable) shall use commercially reasonable efforts to procure that, no later than 90 days from the earlier of (i) the Post-Completion Merger and (ii) in the event the Post Completion Merger does not occur, the date falling fifteen months after the Completion Date (the "**Cut-Off Date**"), certain subsidiaries of the Issuer (or MergerCo, as applicable) guarantee the Notes. Pursuant to the Indenture and subject to the Intercreditor Agreement and the Agreed Security Principles, each subsidiary of the Issuer that guarantees the Revolving Credit Facility or certain other indebtedness, in each case of the Issuer or a Guarantor (as defined below), that is a subsidiary of the Issuer, shall enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement as a debtor. For purposes of this Offering Memorandum, the term "**Guarantors**" shall refer to any subsidiary of the Issuer that may guarantee the Notes from time to time pursuant to the Indenture on or after the Completion Date and the term "**Guarantees**" shall refer to the guarantees of the Notes by the Guarantors. See *"Description of Notes—Guarantees*." As of the date of this Offering Memorandum, the subsidiaries of the Target that are expected to guarantee the Notes are Itelyum Regeneration and Itelyum Purification**.** For the twelve months ended June 30, 2021, Itelyum Regeneration and Itelyum Purification accounted for 64.3% of the Target Group's revenue, 64.9% of the Target Group's Adjusted EBITDA and, as of June 30, 2021, Itelyum Regeneration and Itelyum Purification owned 75.6% of the Target Group's total assets (net of intercompany balances). Prior to the granting of the Guarantees by the Guarantors, the Notes will be structurally subordinated to any existing or future indebtedness or obligations of each of the subsidiaries of the Issuer (including the Target and its subsidiaries). The Guarantees will be subject to certain material contractual and legal limitations. By virtue of these limitations, a Guarantor's obligation under its Guarantee will be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*," "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" and "*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*." The Guarantees will be subject to the terms of the Intercreditor Agreement and may be subject to release under certain circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and *"Description of Notes—Guarantees*."

(7) Although Holdco is outside the "Restricted Group," it will be subject to certain limited covenants under the Indenture as a third-party security provider. For further information, see "*Description of Notes*."

(8) Not all of the subsidiaries of the Issuer will guarantee the Notes. As of June 30, 2021, after giving *pro forma* effect to the Transactions, the Issuer's (or MergerCo's, as applicable) subsidiaries which are not expected to guarantee the Notes would have had €9.7 million in outstanding financial debt (excluding liabilities under recourse factoring of €11.6 million and excluding debt owed by Castiglia), of which €2.8 million was secured over assets other than the Collateral, which would have ranked structurally senior to the Notes and the Guarantees. Claims of creditors of non-guarantor subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those subsidiaries, and claims of preferred stockholders (if any) of those subsidiaries and minority stockholders of such subsidiaries generally will have priority with respect to the assets and earnings of those subsidiaries

over the claims of creditors of the Issuer and the Guarantors, including holders of the Notes. The Notes and each Guarantee therefore will be structurally subordinated to creditors (including trade creditors), preferred stockholders (if any) and minority stockholders of such non-guarantor subsidiaries. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Notes will be structurally subordinated to the existing or future indebtedness or obligations of all of the Issuer's subsidiaries that do not guarantee the Notes*."

THE OFFERING

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

Issuer	Verde Bidco S.p.A. (formerly known as Noosa S.r.l.), a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy. Following the Post Completion Merger, any reference herein to the Issuer shall be deemed to be made to MergerCo.
Notes Offered	€450.0 million aggregate principal amount of Sustainability-Linked Senior Secured Notes due 2026 (the "**Notes**") to be issued by the Issuer under the Indenture.
Issue Date	On or about , 2021.
Issue Price	% plus accrued and unpaid interest, if any, from the Issue Date.
Maturity Date	, 2026.
Initial Interest Rate	The interest rate on the Notes will be equal to % per annum.
Interest Payment Dates	Interest on the Notes will accrue from the Issue Date and will be payable semi-annually in arrears on and of each year, commencing on , 2022.
Form and Denomination	The Issuer will issue the Notes in global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof, maintained in book-entry form.
Ranking of the Notes	The Notes will: • be general senior obligations of the Issuer and, subsequent to the Post Completion Merger, MergerCo; • rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes (including the obligations of the Issuer under the Revolving Credit Facility and certain hedging obligations, if any); • rank senior in right of payment to any future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes; • be secured by the Collateral (as described below under "—*Security*") on a first-priority basis along with obligations under the Revolving Credit Facility and certain hedging obligations, if any (but pursuant to the Intercreditor Agreement holders of the Notes will receive proceeds from the enforcement of security over the Collateral only after all obligations under the Revolving Credit Facility and certain hedging obligations, if any, have been paid in full); • be effectively subordinated to any existing or future Indebtedness of the Issuer and its subsidiaries that is secured by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such Indebtedness; and

	• be structurally subordinated to any existing or future indebtedness or other obligations of subsidiaries of the Issuer (or MergerCo, as applicable) that do not guarantee the Notes.
Guarantees	On the Issue Date, the Notes will not be guaranteed. Subject to the Agreed Security Principles and to certain significant limitations under Italian law, the Issuer (or MergerCo, as applicable) shall use commercially reasonable efforts to procure that, no later than 90 days from the earlier of (i) the Post Completion Merger and (ii) in the event the Post Completion Merger does not occur, the date falling fifteen months after the Completion Date (the "**Cut-Off Date**"), Itelyum Purification and, to the extent the Post Completion Merger does not occur, Itelyum Regeneration, guarantee the Notes. Pursuant to the Indenture and subject to the Intercreditor Agreement and the Agreed Security Principles, each subsidiary of the Issuer that guarantees the Revolving Credit Facility or certain other indebtedness, in each case of the Issuer or a Guarantor (as defined below) that is a subsidiary of the Issuer, shall enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement as a debtor. For purposes of this Offering Memorandum, the term "**Guarantors**" shall refer to any subsidiary of the Issuer that may guarantee the Notes from time to time pursuant to the Indenture after the Completion Date and the term "**Guarantees**" shall refer to the guarantees of the Notes by the Guarantors. As of the date of this Offering Memorandum, the subsidiaries of the Target that are expected to guarantee the Notes are Itelyum Regeneration and Itelyum Purification. As of and for the twelve months ended June 30, 2021, Itelyum Regeneration and Itelyum Purification accounted for 64.3% of the Target Group's revenue, 64.9% of the Target Group's Adjusted EBITDA and 75.6% of the Target Group's total assets (net of intercompany balances). Prior to the granting of the Guarantees by the Guarantors, the Notes will be structurally subordinated to any existing or future indebtedness or obligations of each of the subsidiaries of the Issuer (including the Target and its subsidiaries) The Guarantees will be subject to certain material contractual and legal limitations. By virtue of these limitations, a Guarantor's obligation under its Guarantee will be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations,*" "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" and "*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.*" The Guarantees will be subject to the terms of the Intercreditor

	Agreement and may be subject to release under certain circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement" and "Description of Notes—Guarantees.*" Not all of the subsidiaries of the Issuer (or MergerCo, as applicable) will guarantee the Notes. As of June 30, 2021, after giving *pro forma* effect to the Transactions, the Issuer's (or MergerCo's, as applicable) subsidiaries which are not expected to guarantee the Notes would have had €9.7 million in outstanding financial debt (excluding liabilities under recourse factoring of €11.6 million and excluding debt owed by Castiglia), of which €2.8 million secured over assets other than the Collateral, which would have ranked structurally senior to the Notes and the Guarantees. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Not all of our subsidiaries will guarantee the Notes, and the Guarantees will be structurally subordinated to all of the claims of creditors of those subsidiaries that do not guarantee the Notes.*"
Ranking of the Guarantees	The Guarantee of each Guarantor will, at the time the relevant Guarantor grants such Guarantee: • be a general senior obligation of the relevant Guarantor; • rank *pari passu* in right of payment with any existing or future indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Guarantor's Guarantee; • rank senior in right of payment to any existing or future indebtedness of that Guarantor that is expressly subordinated in right of payment to such Guarantor's Guarantee; • be effectively subordinated to any existing or future indebtedness of that Guarantor that is secured by property or assets that do not secure that Guarantor's Guarantee, to the extent of the value of the property or assets securing such indebtedness; • be structurally subordinated to any existing or future indebtedness or obligation (including obligations to trade creditors) of the subsidiaries of such Guarantor that do not guarantee the Notes; and • be subject to the limitations described under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations" and "Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitation on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*."
Security	If the Completion Date is anticipated to occur more than one business day after the Issue Date and the proceeds of the Notes are deposited into the Escrow Account, on the Issue Date and prior to the Completion Date, the Notes will be secured by a first-ranking security interest in the Escrow Account. On or about the Completion Date, the Notes will be secured, subject to the Agreed Security Principles, certain perfection

requirements and any Permitted Collateral Liens, by security interests granted on an equal and ratable first-priority basis over the following property, rights and assets:

(1) 100% of the share capital of the Issuer;

(2) the material current bank accounts of the Issuer opened in Italy;

(3) certain material structural receivables owed to Holdco by the Issuer (if any); and

(4) certain material structural receivables owed to the Issuer by any members of the Target Group, including receivables in respect of the Itelyum Proceeds Loans (collectively, the "**Completion Date Collateral**").

Within 30 Business Days after the Completion Date, the Notes will be secured, subject to the Agreed Security Principles, certain significant limitations pursuant to applicable laws and certain perfection requirements and any Permitted Collateral Liens, by security interests granted on an equal and ratable first-priority basis over the following property, rights and assets:

(1) 100% of the share capital of the Target (the "**Target Share Pledge**"); and

(2) 100% of the share capital of each of Itelyum Regeneration and Itelyum Purification (together with the Target Share Pledge, the "**Post Completion Date Collateral**" and, together with the Completion Date Collateral, the "**Pre Merger Collateral**").

No later than 30 Business Days following the completion of the relocation of the Target's legal seat and tax residence from Luxembourg to Italy, subject to and on the terms consistent with the Agreed Security Principles, the Issuer will reconfirm the Target Share Pledge or, to the extent required under Italian law, grant an Italian law share pledge in respect of 100% of the share capital of the Target.

In addition, subject to the Agreed Security Principles, certain significant limitations pursuant to applicable laws, certain perfection requirements and any Permitted Collateral Liens:

(1) within 90 days following completion of the Post Completion Merger, MergerCo will grant (or reconfirm, as applicable) (x) security over any shares held by MergerCo in any Guarantor (if any); (y) an Italian law pledge in respect of certain material current bank accounts of MergerCo opened in Italy; and (z) security over certain material structural receivables owed to MergerCo by any Guarantor (if any); and

(2) within 90 days following completion of the Post Completion Merger, Holdco will grant or reconfirm, as applicable, (x) an Italian law share pledge in respect of 100% of Holdco's shares in MergerCo and (y) an Italian law security assignment agreement in respect of certain material structural receivables owed to HoldCo by MergerCo (if any) (the Collateral described under clauses (1) and (2), collectively, the "**Post Merger Collateral**").

In the event that the Post Completion Merger does not occur on or prior to the Cut-Off Date, the Issuer shall use commercially reasonable efforts to procure that the Notes will be secured, subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws as described under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations," "Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitation on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" and "*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*," by security interests granted on a first-priority basis over any shares held by each of the Issuer and the Guarantors, as applicable, in any Guarantors, certain material structural receivables owed to each of the Issuer and the Guarantors by any Guarantor (if any) and certain material current bank accounts of each of the Issuer and the Guarantors (if any) (the "**Target Group Collateral**"), in each case within 90 days of the Cut-Off Date.

The Completion Date Collateral, the Post Completion Date Collateral, the Post Merger Collateral and the Target Group Collateral, as applicable, together with any and all assets in respect of which from time to time a security interest has been or will be granted pursuant to any Security Document to secure the obligations under the Indenture or the Notes, in each case as may be in existence from time to time, is referred to in this Offering Memorandum as the "**Collateral**."

The Collateral will also secure on a first-ranking basis the Revolving Credit Facility and certain hedging obligations (if any). Under the terms of the Intercreditor Agreement, the holders of Notes will receive proceeds from the enforcement of the Collateral after the lenders under the Revolving Credit Facility and counterparties to such hedging obligations (if any) have been repaid in full.

The security interests in the Collateral may be released under certain circumstances and, subject to the terms of the Indenture and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. The Collateral will be subject to certain material limitations pursuant to applicable laws and may be released under certain circumstances. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations," "Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability," "Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—There are circumstances other than the repayment or discharge of the*

Notes under which the Collateral will be released automatically without your consent or the consent of the Trustee or the Security Agent," "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of Notes—Security.*"

Post Completion Merger	The Issuer intends to use commercially reasonable efforts, subject to any relevant approval and/or authorization by any competent authority, to implement the Post Completion Merger in accordance with Articles 2501-bis and following of the Italian Civil Code and other applicable provisions of Italian law, with MergerCo being the surviving entity, as soon as reasonably practicable following the Completion Date. Failure to complete the Post Completion Merger shall not constitute a Default or an Event of Default under the Indenture. The Post Completion Merger is subject to certain conditions and may not be completed. See "*Risk Factors—Risks Related to Our Structure and the Financing—We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all.*"
Escrow of Proceeds; Special Mandatory Redemption	If the Completion Date is anticipated to occur more than one business day after the Issue Date, pending consummation of the Acquisition and the satisfaction of certain other conditions, the Initial Purchasers will, concurrently with the closing of this Offering on the Issue Date, deposit the gross proceeds from the Notes into the Escrow Account, which will be pledged in favor of the Trustee on behalf of the holders of the Notes. If the proceeds of the Notes are deposited into the Escrow Account, the release of the proceeds from escrow will be subject to the satisfaction of certain conditions, including the completion of the Acquisition pursuant to the terms of the Acquisition Agreement within one business day following the release of the funds from the Escrow Account. If the proceeds of the Notes are deposited into the Escrow Account and the conditions to the release of the Escrowed Property have not been satisfied on or prior to January 31, 2022 (the "**Escrow Longstop Date**"), or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 100% of the initial issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to, but excluding, the special mandatory redemption date. Amounts may be released from the Escrow Account prior to the Completion Date to pay negative interest charged on the Escrow Account (if any) and to pay interest on the Notes on any interest payment date in respect thereof occurring prior to the release of the proceeds from escrow. See "*Description of Notes—Escrow of Proceeds; Special Mandatory Redemption.*" If the proceeds of the Notes are deposited into the Escrow Account, pursuant to a shortfall agreement between the Issuer and Holdco, Holdco will be required to fund the accrued and unpaid interest and additional amounts, if any, payable to holders of the Notes in the event of a special mandatory redemption. We cannot assure you that Holdco will have the financial resources to meet that obligation. See "*Risk Factors—Risks Related to the Transactions—If the conditions to the*

	escrow are not satisfied on or prior to the Escrow Longstop Date, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes. In addition, the Issuer might not have sufficient funds to pay all of the amounts due to the holders of the Notes in the event of a Special Mandatory Redemption."
	If the gross proceeds of the Offering are not deposited into the Escrow Account on the Issue Date and the Completion Date does not occur within one business day of the Issue Date, then, unless the Completion Date occurs on the following business day, the Issuer will promptly either (i) redeem the Notes pursuant to the special mandatory redemption described above in the case that (x) in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date or (y) an event of default described under clause (5) of the first paragraph under the heading titled "*Description of Notes—Events of Default*" with respect to the Issuer occurs or (ii) deposit the gross proceeds of the Offering into the Escrow Account pursuant to the Escrow Agreement.
Optional Redemption	At any time on or after , 2023, the Issuer may redeem all or part of the Notes at the redemption prices as described under "*Description of Notes—Optional Redemption*," plus the applicable Step-up Premium (as defined herein), if any, plus accrued and unpaid additional amounts if any, to but not including the applicable redemption date.
	At any time prior to , 2023, the Issuer may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, plus a "make-whole" premium (including the applicable Step-up Premium, if any), as described under "*Description of Notes—Optional Redemption*."
	At any time prior to , 2023, the Issuer may redeem up to 40% of the aggregate principal amount of the Notes (including any additional Notes), using the net cash proceeds from certain equity offerings at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any; *provided* that at least 50% of the original aggregate principal amount of the Notes (including any additional Notes) remains outstanding after each redemption and the redemption occurs within 180 days after the closing of any such equity offering, as described under "*Description of Notes—Optional Redemption*."
	In addition, at anytime prior to , 2023, the Issuer may redeem during each twelve-month period commencing on the Issue Date up to 10% of the aggregate principal amount of the Notes issued (including any additional Notes) at its option, from time to time, at a redemption price equal to 103.000% of the principal amount of the Notes redeemed, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any, as described under "*Description of Notes—Optional Redemption*."

Step-Up Premium	In the event the Issuer redeems the Notes pursuant to (i) the second or fifth paragraph of "*Description of Notes—Optional Redemption*" at any time on or after June 30, 2022, and/or (ii) "*Description of Notes—Redemption at Maturity*," and, in each case, unless the Group has met both of the Sustainability Performance Targets on the relevant testing date, as certified by the Issuer to the Trustee (with a copy to the Paying Agent) in an officer's certificate, which shall also include an Assurance Letter, on or prior to the relevant Certification Date, the applicable Step-up Premium will be payable in connection with the applicable redemption. See *"Description of Notes—Sustainability Performance Targets Step-up Redemption Premium."*
Change of Control	Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to repurchase all of the outstanding Notes at a purchase price of 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. See "*Description of Notes—Change of Control*"
Optional Redemption for Taxation Reasons	If certain changes in the law (or in its interpretation) of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem such Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See "*Description of Notes—Redemption for Taxation Reasons*."
Withholding Taxes	Except as provided in "*Description of Notes*," all payments made by or on behalf of the Issuer or the Guarantors under or with respect to the Notes or the Guarantees, will be made without withholding or deduction for, or on account of, any present or future taxes unless such withholding or deduction is required by law. If withholding or deduction for any such taxes imposed by a relevant taxing jurisdiction is required to be made with respect to a payment under or with respect to the Notes or the Guarantees, subject to certain exceptions, the Issuer or the Guarantors, as the case may be, will pay the additional amounts necessary so that the net amount received after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction. See "*Description of Notes—Withholding Taxes*." The Issuer is incorporated 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 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, in the case of Decree No. 239 or Decree No. 461, where the procedures required under Decree No. 239 or Decree No. 461 in order to benefit from an exemption have not been

complied with due solely to the actions or omissions of the Issuer or their agents. See "*Description of Notes—Withholding Taxes*." 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 Italy (as identified currently in Ministerial Decree of September 4, 1996 as subsequently amended and supplemented 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 or in Decree No. 461 after the date of this Offering Memorandum, including any change in the White List. See "*Certain Tax Considerations—Certain Italian Tax Considerations*."

Certain Covenants . . . . The Indenture will, among other things, restrict the ability of the Issuer and its restricted subsidiaries and, in certain cases, Holdco, to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer or its restricted subsidiaries;
- repay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or any of their restricted subsidiaries;
- sell, lease or transfer certain assets including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;
- impair the security interests for the benefit of holders of the Notes; and
- amend certain documents relating to the Notes.

The Indenture will also restrict the ability of the Issuer to carry out certain activities prior to the Post Completion Merger.

Each of these covenants are subject to a number of important limitations and exceptions as described under "*Description of Notes—Certain Covenants*."

Certain of the covenants will be suspended if and for as long as we achieve investment-grade ratings. See "*Description of Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status*." There can be no

	assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Certain covenants will be suspended upon the occurrence of a change in our ratings*."
Transfer Restrictions	The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer) under the securities laws in any jurisdiction. See "*Transfer Restrictions*" and "*Plan of Distribution*."
Use of Proceeds	The proceeds from the Offering will be used, directly or indirectly, together with the proceeds from the Equity Contribution and cash on balance sheet of the Target Group, to fund the purchase price for the Acquisition, to repay the Existing Itelyum Debt in full and to pay costs and expenses incurred in connection with the Transactions, as further described under "*Use of Proceeds*."
No Established Market	The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have informed 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, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	Application has been made to admit the Notes to listing on the official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market thereof. There is no assurance that the Notes will be, or will remain, listed and admitted to trading on the Euro MTF Market.
Governing Law	The Indenture, the Notes and the Guarantees will be governed by the laws of the State of New York. The Intercreditor Agreement and the Revolving Credit Facility Agreement will be governed by English law. The security documents will be governed by the applicable law of the jurisdiction under which the security interests are granted.
Trustee	The Law Debenture Trust Corporation p.l.c.
Paying Agent and Transfer Agent	The Bank of New York Mellon, London Branch
Registrar	The Bank of New York Mellon SA/NV, Dublin Branch
Security Agent	UniCredit S.p.A.

Investing in the Notes involves substantial risks. Prospective investors should refer to "*Risk Factors*" for a discussion of certain factors that they should carefully consider prior to deciding to invest in the Notes.

SUMMARY HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

The following tables present the summary historical consolidated financial information and operating data of the Target Group. The summary historical consolidated financial information in the tables below is derived from the relevant Consolidated Financial Statements. The Audited Financial Statements are presented in accordance with Italian GAAP and the Unaudited Interim Financial Statements are presented in accordance with in accordance with OIC 30, "Interim Financial Reporting," the Italian accounting standard that governs the preparation of interim financial statements. The information presented below is not necessarily indicative of the results of future operations.

The historical unaudited consolidated financial information of the Target Group for the twelve months ended June 30, 2021 presented in this Offering Memorandum is calculated by adding each relevant income statement line item for the six months ended June 30, 2021 to the corresponding income statement line item for the full year ended December 31, 2020 and subtracting from such sum the corresponding income statement line item for the six months ended June 30, 2020. This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of the Target Group's financial reporting and has not been audited or reviewed by the Target Group's independent auditors.

We have also presented summary unaudited as adjusted consolidated financial and other data prepared to give pro forma effect to the Transactions as if the Transactions had occurred on June 30, 2021 for the as adjusted balance sheet information and on July 1, 2020 for the as adjusted income statement information. Such summary unaudited 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. It is for informational purposes only and does not purport to present what our results or other metric would actually have 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.

The summary consolidated financial information presented below includes certain non-GAAP financial and other measures that we use to evaluate our economic and financial performance. These measures are not identified as accounting measures under Italian GAAP and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with Italian GAAP or any other generally accepted accounting principles, or those calculated using financial measures that are prepared in accordance with Italian GAAP or any other generally accepted accounting principles. See "Presentation of Financial and Other Information—Non-GAAP Financial Measures."

The following tables should be read in conjunction with the Consolidated Financial Statements included elsewhere in this Offering Memorandum and with the information set forth under "Presentation of Financial and Other Information," "Use of Proceeds," "Capitalization," "Selected Historical Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Summary Consolidated Income Statement Data

The following table shows the consolidated income statement of the Target Group for the years ended December 31, 2018, 2019 and 2020, the six months ended June 30, 2020 and 2021 and the twelve months ended June 30, 2021. You should read this discussion in conjunction with our Consolidated Financial Statements included elsewhere in the Offering Memorandum.

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018	**2019**	**2020**	**2020 (unaudited)**	**2021 (unaudited)**	**2021 (unaudited)**
				(€ in millions)		
Revenue	279.3	300.7	330.9	147.8	223.0	406.1
Other income	3.5	2.5	2.9	0.8	1.9	4.0
Change in work in progress, semi-finished and finished product inventories	0.3	(2.9)	(3.3)	(3.7)	1.4	1.8
Total revenue and other operating income	**283.1**	**300.3**	**330.5**	**144.9**	**226.3**	**411.9**

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020 (unaudited)	2021 (unaudited)	2021 (unaudited)
				(€ in millions)		
Purchase, services and other charges	(199.6)	(211.1)	(231.4)	(107.3)	(146.9)	(271.0)
Personnel costs	(32.1)	(34.1)	(39.0)	(19.1)	(23.0)	(43.1)
Other operating costs	(5.3)	(6.6)	(7.9)	(5.7)	(5.0)	(7.2)
Provisions for risks and charges	(0.4)	(0.3)	(1.5)	2.0	0.3	(3.0)
Depreciation and amortization	(45.3)	(41.6)	(42.2)	(20.9)	(36.1)	(57.4)
Impairment of receivables	(0.5)	(0.4)	(0.5)	(0.2)	(0.9)	(1.2)
Total costs	**(283.2)**	**(294.2)**	**(322.5)**	**(151.2)**	**(211.6)**	**(382.9)**
Operating result	**(0.1)**	**6.2**	**8.0**	**(6.3)**	**14.7**	**29.0**
Financial income	—	—	0.1	—	—	0.1
Financial expenses	(11.6)	(10.9)	(11.4)	(5.2)	(5.5)	(11.7)
Profit (loss) before taxation	**(11.7)**	**(4.7)**	**(3.3)**	**(11.5)**	**9.2**	**17.4**
Income taxes	(0.7)	(3.4)	(3.7)	(2.1)	(7.1)	(8.7)
Profit (loss) for the period	**(12.4)**	**(8.1)**	**(7.0)**	**(13.6)**	**2.1**	**8.7**

Summary Consolidated Balance Sheet Data

The following table shows the summary of the consolidated balance sheet of the Target Group as of December 31, 2018, 2019 and 2020 and as of June 30, 2021. You should read this discussion in conjunction with our Consolidated Financial Statements included elsewhere in the Offering Memorandum.

	As of December 31,			As of June 30,
	2018	2019	2020	2021
		(€ in millions)		
Non-current assets	194.2	174.6	354.9	328.1
Current assets	130.3	147.6	154.5	196.2
Total assets	**324.5**	**322.2**	**509.4**	**524.3**
Equity	**34.5**	**22.9**	**174.7**	**174.6**
Non-current liabilities	**199.9**	**190.8**	**191.7**	**178.0**
Current liabilities	**90.1**	**108.5**	**143.0**	**171.6**
Total equity and liabilities	**324.5**	**322.2**	**509.4**	**524.3**

Summary Consolidated Cash Flow Statement Data

The following table shows certain information from the consolidated statement of cash flows of the Target Group for the years ended December 31, 2018, 2019 and 2020, the six months ended June 30, 2020 and 2021 and the twelve months ended June 30, 2021. You should read this discussion in conjunction with our Consolidated Financial Statements included elsewhere in the Offering Memorandum.

	For the year ended December 31,			For the year six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020 (unaudited)	2021 (unaudited)	2021 (unaudited)
				(€ in millions)		
Net cash (outflow)/inflow from operating activities	26.0	43.6	34.5	(2.4)	31.8	68.7
Net cash flow used in investing activities	(19.0)	(14.6)	(43.8)	(24.7)	(9.0)	(28.1)
Net cash flow (outflow)/inflow from financing activities	(0.7)	(4.8)	(5.7)	11.0	4.3	(12.4)
Net cash flow for the period	**6.3**	**24.2**	**(15.0)**	**(16.1)**	**27.1**	**28.2**

	For the year ended December 31,			For the year six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020 (unaudited)	2021 (unaudited)	2021 (unaudited)
				(€ in millions)		
Cash and cash equivalents at the beginning of the period	**23.6**	**29.9**	**54.1**	**54.1**	**39.1**	**39.1**
Cash and cash equivalents at the end of the period	**29.9**	**54.1**	**39.1**	**38.0**	**66.2**	**67.3**

Other Business Unit, Geographic and Operating Data

Revenue by business unit and geography

The table below sets forth our revenue classified by business unit and geography by location of each customer for each of the periods presented. For a description of our business units, see *"Business—Our Business."*

	As of and for the year ended December 31,			As of and for the six months ended June 30,		As of and for the twelve months ended June 30,
	2018	2019	2020	2020 (unaudited)	2021 (unaudited)	2021 (unaudited)
				(€ in millions)		
Revenue	**279.3**	**300.7**	**330.9**	**147.8**	**223.0**	**406.1**
of which:						
Environment	62.4	85.5	120.2	50.6	73.9	143.5
Regeneration	97.6	97.9	85.4	33.6	66.0	117.8
Purification	119.3	117.3	125.3	63.6	83.1	144.8
of which:						
Italy	215.2	234.7	263.3	116.5	173.4	320.2
Europe (excluding Italy)	25.2	36.5	26.8	14.8	28.3	40.3
Rest of the world	38.9	31.5	40.8	16.6	21.3	45.5

Other operating data

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
Volume* (thousand tons)	644	714	973	380	582	1,174

* Represents the volume of serviced waste (including intermediation activities) for the periods presented.

Other Financial Data

	As of and for the year ended December 31,			As of and for the six months ended June 30,		As of and for the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
	(€ in millions, except percentages and ratios)					
EBITDA(1)	45.2	47.8	50.2	14.6	50.8	86.4
EBITDA margin(2)	16.2%	15.9%	15.2%	9.9%	22.8%	21.3%
Adjusted EBITDA(3)	59.8	67.8	67.4	24.5	42.1	85.0
of which:						
Environment	17.3	25.5	27.1	11.2	13.7	29.6
Regeneration	25.1	26.4	22.7	5.3	17.1	34.5
Purification	17.4	15.9	17.6	7.9	11.2	20.9
Adjusted EBITDA (including normalized COVID-19 impact)(3)	59.8	67.8	73.4	30.5	42.1	85.0

	As of and for the year ended December 31,			As of and for the six months ended June 30,		As of and for the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
	(€ in millions, except percentages and ratios)					
of which:						
Environment	17.3	25.5	28.8	12.8	13.7	29.6
Regeneration	25.1	26.4	27.1	9.8	17.1	34.5
Purification	17.4	15.9	17.6	7.9	11.2	20.9
Adjusted EBITDA margin(4)	17.6%	19.0%	19.1%	14.9%	18.9%	20.7%
Net working capital(5)	25.7	8.7	3.9		18.2	
Adjusted recurring capital expenditure(6)	8.3	8.2	8.1	4.5	4.3	7.9
Adjusted operating cash flow(7)	51.5	59.6	65.3	26.0	37.8	77.1
Cash flow conversion rate(8)	86.1%	87.9%	89.0%	85.2%	89.8%	90.7%

(1) EBITDA represents profit (loss) for the period excluding income taxes, financial income, financial expenses and depreciation and amortization. The following table provides a reconciliation of our profit (loss) for the period to EBITDA for the periods indicated:

	For the year ended December 31,				For the six months ended June 30,	For the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
	(€ in millions)					
Profit (loss) for the period	(12.4)	(8.1)	(7.0)	(13.6)	2.1	8.7
Income taxes	0.7	3.4	3.7	2.1	7.1	8.7
Financial income	—	—	(0.1)	—	—	(0.1)
Financial expenses	11.6	10.9	11.4	5.2	5.5	11.7
Depreciation and amortization	45.3	41.6	42.2	20.9	36.1	57.4
EBITDA	**45.2**	**47.8**	**50.2**	**14.6**	**50.8**	**86.4**

EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, Italian GAAP or other generally accepted accounting principles. We believe that EBITDA provides useful information with respect to our overall operating performance. However, this measure is not a measurement of our financial performance under Italian GAAP or other generally accepted accounting principles and should not be considered in isolation or as an alternative to operating result, operating cash flows or any other measures of performance or liquidity prepared in accordance with Italian GAAP or other generally accepted accounting principles or as an alternative to cash flow from operating, investing or financing activities as a measure of liquidity. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures*."

(2) EBITDA margin represents EBITDA for the relevant period divided by revenue for the same period.

	As of and for the year ended December 31,				As of and for the six months ended June 30,	As of and for the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
	(€ in millions)					
EBITDA	45.2	47.8	50.2	14.6	50.8	86.4
Revenue	279.3	300.7	330.9	147.8	223.0	406.1
EBITDA margin	**16.2%**	**15.9%**	**15.2%**	**9.9%**	**22.8%**	**21.3%**

(3) Adjusted EBITDA represents EBITDA for the relevant period, adjusted for the CONOU regeneration treatment fee normalization, extraordinary provision relating to environmental liabilities, IAS 17 leases normalization, one-off costs and expenses relating to acquisitions and mergers, other one-off items and perimeter adjustments, as further described below. Adjusted EBITDA (including normalized COVID-19 impact) represents Adjusted EBITDA for the relevant period, further adjusted for normalized COVID-19 impact. Adjusted EBITDA (including normalized COVID-19 impact) is identical to Adjusted EBITDA for the periods under review other than for the six months ended June 30, 2020 and the year ended December 31, 2020, as further described below.

Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, Italian GAAP or other generally accepted accounting principles. We believe that Adjusted EBITDA and Adjusted EBITDA (including normalized COVID-19 impact) provide useful information with respect to our overall operating performance and debt service capacity by facilitating comparisons of operating performance on a consistent basis by removing the impact of certain items not directly resulting from core operations. Adjusted EBITDA is the main measure management uses to assess the trading performance of our business and, therefore, we believe it may be helpful to securities analysts, investors and other interested parties to assist in their assessment of the trading performance of our business. However, this measure is not a measurement of our financial performance under Italian GAAP or other generally accepted accounting principles and should not be considered a substitute measure to operating result, operating cash flows or any other measures of performance or our liquidity. Neither our independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the Adjusted EBITDA measures contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures"* and *"Risk Factors—Risks Related to Our Financial Information—The perimeter adjusted financial data included in this Offering Memorandum, including Adjusted EBITDA and Pro forma Adjusted EBITDA, is for information purposes only, is only intended to simulate what our results of operations would have been had the relevant acquired businesses been included in our scope of consolidation for the entire period assumed and has been prepared on the basis of certain estimates and assumptions which we consider reasonable, but it is not a substitute for the Consolidated Financial Statements included elsewhere in this Offering Memorandum.*" Adjusted EBITDA and Adjusted EBITDA (including normalized COVID-19 impact) presented herein are not calculated in accordance with the provisions of the Indenture. See "*Description of Notes*."

The following table provides a reconciliation of EBITDA to Adjusted EBITDA, and from Adjusted EBITDA to Adjusted EBITDA (including normalized COVID-19 impact), for the periods indicated:

	For the year ended December 31,			**For the six months ended June 30,**		**For the twelve months ended June 30, 2021**
	2018	**2019**	**2020**	**2020**	**2021**	
	(€ in millions)					
EBITDA	45.2	47.8	50.2	14.6	50.8	86.4
CONOU regeneration treatment fee normalization[(a)]	(0.8)	2.9	1.9	2.5	(11.1)	(11.5)
Provision for environmental liabilities[(b)]	—	—	2.6	—	—	2.6
IAS 17 leases normalization[(c)]	1.1	1.0	0.7	0.4	0.3	0.6
One-off costs and expenses relating to acquisitions and mergers[(d)]	0.8	2.5	3.0	1.8	1.0	2.2
Other one-off items[(e)]	6.3	6.0	6.6	3.4	0.9	4.2
Perimeter adjustments[(f)]	7.1	7.4	2.4	1.9	—	0.5
Adjusted EBITDA	**59.8**	**67.8**	**67.4**	**24.5**	**42.1**	**85.0**
Normalized COVID-19 impact[(g)]	—	—	6.0	6.0	—	—
Adjusted EBITDA (including normalized COVID-19 impact)	**59.8**	**67.8**	**73.4**	**30.5**	**42.1**	**85.0**

(a) Represents (i) the normalization of the CONOU regeneration treatment fee for the periods indicated as if the CONOU regeneration treatment fee for each quarter of the periods presented were calculated on the basis of the ICIS average price of lube oil recorded during such quarter (as opposed to the average price recorded in the preceding quarter, which is how the CONOU regeneration treatment fee is calculated), thereby allowing better comparability between the impact of the CONOU regeneration treatment fee on our EBITDA for a period and the volume of regenerated oil produced within the same period, and (ii) the compensatory amount granted by CONOU to cover the decrease in earnings resulting from the reduced plant utilization rates compared to the standard utilization rate determined according to the CONOU Operating Regulation, as modified by CONOU in response to the impact of the COVID-19 pandemic on the oil regeneration industry, equal to €2.0 million for the year ended December 31, 2020 (nil for the twelve months ended June 30, 2021).

(b) Represents the additional costs of €0.5 million (in excess of the provisions recorded in our balance sheet for the relevant period) and provisions for the estimated liability of €2.1 million in respect of environmental remediation activities of Pieve Fissiraga and Ceccano oil regeneration plants that are expected to be carried out at the Pieve Fissiraga and Ceccano oil regeneration plants over the period 2021-2030, in each case relating to environmental matters that preceded the acquisition of the related assets by SSCP. See "*Risk Factors—Risks Related to our Business—We may face liabilities in connection with environmental matters.*"

(c) Represents the impact of the exclusion of finance lease costs had the IAS 17 accounting principle been applied for all our leases relating to industrial equipment for the periods presented. Under Italian GAAP, lease payments are accounted for as non-recurring costs. Therefore, we have made this adjustment to normalize our industrial-related costs, net of the impact of non-recurring lease costs that will be nil upon lease redemption.

(d) For each relevant period, the adjustment relates to costs primarily associated with mergers of subsidiaries as a result of internal reorganizations and the acquisitions we made in such period, including in respect of legal and advisory services and the rebranding initiatives. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key factors Affecting Our Results of Operations—Acquisitions*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions.*"

(e) Represents various one-off or exceptional costs, such as (i) the *pro forma* impact of the changes to the formula for the calculation of the CONOU regeneration treatment fee which entered into force in October 2020, as if such changes had occurred on January 1, 2018, for an amount of €2.2 million, €2.1 million, €1.9 million and €1.3 million for the years ended December 31, 2018, 2019 and 2020 and for the twelve months ended June 30, 2021, respectively; (ii) one-off costs incurred in respect of the sanitization of facilities and purchase of protective equipment due to the COVID-19 pandemic for an amount of €0.8 million and €0.4 million for the year ended December 31, 2020 and for the twelve months ended June 30, 2021, respectively; (iii) one-off severance and other exceptional costs primarily relating our personnel and board of directors for an amount of €2.4 million, €2.0 million, €2.3 million, €0.1 million, €1.2 million and €1.2 million for the year ended December 31, 2018, 2019 and 2020, for the six months ended June 30, 2020 and 2021 and for the twelve months ended June 30, 2021, respectively; (iv) extraordinary trade receivables write-downs and provisions for an amount of €0.7 million, €0.8 million, €0.7 million and €1.3 million for the year ended December 31, 2018, 2019 and 2020 and for the twelve months ended June 30, 2021, respectively; (v) the *pro forma* impact of the CO_2 quota allowance relating to emission trading certificates as if the current allowance were granted starting from January 1, 2018 for an amount of €1.1 million, €1.1 million, €0.7 million, €1.1 million and €0.6 million for the year ended December 31, 2018, 2019 and 2020, and the six months ended June 30, 2020, respectively; and (vi) other minor extraordinary and one-off costs relating to plant and equipment maintenance, monitoring fees and consultancy costs.

(f) Represent the estimated *pro forma* impact on our EBITDA of the acquisitions of the Acquired Companies (which, for the avoidance of doubt, do not include Castiglia), as if each of the Acquired Companies had been acquired on January 1, 2018. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key factors Affecting Our Results of Operations—Acquisitions,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions*" and "*Risk Factors—Risks Related to our Financial Information—The perimeter adjusted financial data included in this Offering Memorandum, including Adjusted EBITDA and Pro forma Adjusted EBITDA, is for information purposes only, is only intended to simulate what our results of operations would have been had the relevant acquired businesses been included in our scope of consolidation for the entire period assumed and has been prepared on the basis of certain estimates and assumptions which we consider reasonable, but it is not a substitute for the Consolidated Financial Statements included elsewhere in this Offering Memorandum.*"

(g) Represents the management's estimated impact of the COVID-19 pandemic on the EBITDA for the relevant period as a result of decrease in revenue for the year ended December 31, 2020 (partially offset by reduced costs incurred over the same period due to reduced activity level), of which €4.4 million relating to our Regeneration business unit and €1.6 million relating to our Environment business unit, due to lower production, decreased volume of waste serviced and sales volumes resulting from lower levels of customers' activity and waste collection, compared in each case with the activity levels in 2019.

(4) Adjusted EBITDA margin represents Adjusted EBITDA for the relevant period divided by *pro forma* revenue. *Pro forma* revenue represents our revenue for the relevant period, adjusted to give *pro forma*f effect to the acquisitions of the Acquired Companies as if each of the Acquired Companies had been acquired on January 1, 2018, instead of their actual respective acquisition dates, and has been derived from the Unaudited *Pro forma* Financial Data set forth under "*—Unaudited Pro forma Financial Data*" below. We are reflecting these perimeter adjustments in our *pro forma* revenue for the calculation of Adjusted EBITDA margin in light of the fact that our Adjusted EBITDA also takes into account these perimeter adjustments. *Pro forma* revenue is a not recognized financial measure under Italian GAAP and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*"

(5) Net working capital represents the sum of trade receivables, inventories, trade payables, accrued income and prepaid expenses, accrued expense and deferred income and other assets and liabilities. The following table sets forth the components of our net working capital as of the dates indicated:

	As of December 31,			As of
	2018	2019	2020	June 30, 2021
	(€ in millions)			
Trade receivables	63.6	58.9	80.2	91.8
Inventories	25.6	22.9	20.1	21.1
Trade payables	(56.9)	(64.7)	(81.0)	(85.4)
Accrued income and prepaid expenses	1.6	1.6	2.2	3.8
Accrued expense and deferred income	(1.2)	(0.4)	(1.0)	(1.9)
Other assets and other liabilities[(a)]	(7.0)	(9.6)	(16.6)	(11.2)
Net working capital	**25.7**	**8.7**	**3.9**	**18.2**

(a) Other assets and other liabilities include the line items "Other current assets" and "Other current liabilities" in our Consolidated Financial Statements for the period presented.

(6) Adjusted recurring capital expenditure represents additions in property, plant and equipment and additions in other intangible assets, *minus* extraordinary capital expenditure and growth capital expenditure, and taking into account perimeter adjustments. Adjusted recurring capital expenditure is not a recognized measure of financial performance or liquidity Italian GAAP or any other generally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. The following table sets forth a calculation of adjusted recurring capital expenditure for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
	(€ in millions)					
Additions in property, plant and equipment	10.1	12.5	16.2	5.8	9.1	19.5
Additions in other intangible assets	1.0	2.1	1.9	0.4	0.9	2.4

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
	(€ in millions)					
Capital expenditure	**11.1**	**14.6**	**18.1**	**6.2**	**9.9**	**21.9**
Extraordinary capital expenditure[(a)]	(2.3)	(2.6)	(3.6)	(1.0)	(3.3)	(5.9)
Growth capital expenditure[(b)]	(1.5)	(4.6)	(6.5)	(1.3)	(2.3)	(7.6)
Perimeter adjustments	1.1	0.8	0.1	0.7	—	(0.6)
Adjusted recurring capital expenditure	**8.3**	**8.2**	**8.1**	**4.5**	**4.3**	**7.9**

(a) Represents investments for one-off equipment, plant replacement and software.

(b) Represents acquisition of land for new industrial projects and developments and investments for increase in production capacity and rebranding.

(7) Adjusted operating cash flow represents Adjusted EBITDA (including normalized COVID-19 impact) for the relevant period less adjusted recurring capital expenditure. Adjusted operating cash flow is not a recognized financial measure under Italian GAAP or any other generally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following table sets forth a calculation of adjusted operating cash flow for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
	(€ in millions)					
Adjusted EBITDA (including normalized COVID-19 impact)	59.8	67.8	73.4	30.5	42.1	85.0
Adjusted recurring capital expenditure	(8.3)	(8.2)	(8.1)	(4.5)	(4.3)	(7.9)
Adjusted operating cash flow	**51.5**	**59.6**	**65.3**	**26.0**	**37.8**	**77.1**

(8) Cash flow conversion rate represents the ratio of adjusted operating cash flow to Adjusted EBITDA (including normalized COVID-19 impact) for the relevant period. Cash flow conversion rate is not a recognized financial measure under Italian GAAP or any other generally accepted accounting principles and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*"

Other *Pro forma* Financial Data

	As of and for the twelve months ended June 30, 2021
	(€ in millions, except percentages and ratios)
Pro forma Adjusted EBITDA[(1)]	92.0
Pro forma Adjusted EBITDA margin[(2)]	20.8%
Pro forma adjusted net total financial debt[(3)]	441.4
Pro forma adjusted net interest expense[(4)]	
Ratio of *Pro forma* adjusted net total financial debt to *Pro forma* Adjusted EBITDA	4.80x
Ratio of *Pro forma* Adjusted EBITDA to *Pro forma* adjusted net interest expense	x

(1) *Pro forma* Adjusted EBITDA represents Adjusted EBITDA for the twelve months ended June 30, 2021, further adjusted to give *pro forma* effect to the acquisition of Castiglia as if it occurred on July 1, 2020.

Pro forma Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, Italian GAAP or other generally accepted accounting principles. The *pro forma* adjustment relating to the impact of the acquisition of Castiglia used to calculate *Pro forma* Adjusted EBITDA is based on the information available to us in connection with the acquisition of Castiglia, together with our management's assumptions and estimates. Such adjustment is inherently uncertain and subject to a wide variety of significant uncertainties. Such adjustment does not reflect the costs we will incur to, among other things, integrate Castiglia into the Target Group or any potential synergies or other impacts related to or expected to derive from the acquisition of Castiglia, and, therefore, is not meant to represent what the Adjusted EBITDA contribution of Castiglia would have been for the twelve months ended June 30, 2021, if we had acquired Castiglia on July 1, 2020. We believe that *Pro forma* Adjusted EBITDA provides a useful indication of what our Adjusted EBITDA for the twelve months ended June 30, 2021, would have been under the circumstances and assumptions described herein. However, this measure is not a measurement of our financial performance under Italian GAAP or other generally accepted accounting principles and should not be considered a substitute measure to operating result, operating cash flows or any other measures of performance or our liquidity. Neither our independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to *Pro forma* Adjusted EBITDA, nor have they expressed any opinion or any other form of assurance on such information or its achievability. "*Presentation of Financial and Other Information—Non-GAAP Financial Measures*" and "*Risk Factors—Risks Related to Our Financial Information—The perimeter adjusted financial data included in this Offering Memorandum, including Adjusted EBITDA and Pro forma Adjusted EBITDA, is for information purposes only, is only intended to simulate what our results of operations would have been had the relevant acquired businesses been included in our scope of consolidation for the entire period assumed and has been prepared on the basis of certain estimates and assumptions which we consider reasonable, but it is not a substitute for the Consolidated Financial Statements included elsewhere in this Offering Memorandum.*" *Pro forma* Adjusted EBITDA presented herein is not calculated in accordance with the provisions of the Indenture. See "*Description of Notes*."

The following table provides a reconciliation from Adjusted EBITDA to *Pro forma* Adjusted EBITDA for the twelve months ended June 30, 2021:

	Twelve months ended June 30, 2021
	(€ in millions)
Adjusted EBITDA	85.0
Adjusted EBITDA of Castiglia*	7.0
***Pro forma* Adjusted EBITDA**	**92.0**

* Represents the management estimate of the EBITDA of Castiglia for the twelve months ended June 30, 2021, adjusted for certain non-recurring costs and extraordinary expenses, primarily relating to extraordinary personal layoffs due to the termination of certain service contracts for an amount of €1.2 million, exceptional consultancy costs for an amount of €0.5 million and extraordinary legal expenses for amount of €0.2 million. The EBITDA of Castiglia for the twelve months ended June 30, 2021 is based on the annual financial statements of Castiglia for the year ended December 31, 2020 and management accounts for the six months ended June 30, 2020 and 2021.

(2) Represents *Pro forma* Adjusted EBITDA divided by *pro forma* revenue. *Pro forma* revenue for the last twelve months ended June 30, 2021 represents our revenue for such period, adjusted to give *pro forma* effect to the acquisitions of the Acquired Companies as if each of the Acquired Companies had been acquired on January 1, 2018, instead of their actual respective acquisition dates, which has been derived from the Unaudited *Pro forma* Financial Data (representing an amount of €411.1 million), plus an amount of €30.5 million corresponding to the expected revenue, based on our management's internal estimate, for the twelve months ended June 30, 2021, of Castiglia, which we acquired on July 2, 2021. See "*Summary—Recent Developments—Acquisition of Castiglia.*" We are reflecting these perimeter adjustments in our *pro forma* revenue for the calculation of *Pro forma* Adjusted EBITDA margin in light of the fact that our *Pro forma* Adjusted EBITDA also takes into account these perimeter adjustments. *Pro forma* revenue is a not recognized financial measure under Italian GAAP and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*"

(3) *Pro forma* adjusted net total financial debt represents our net total financial debt (before the deduction of financing fees) as adjusted for the Transactions and the net financial indebtedness of Castiglia estimated to be in the amount of €1.0 million as of June 30, 2021. We are also including leases in the calculation of *Pro forma* adjusted net total financial debt, which inclusion is not consistent with Italian GAAP, because Adjusted EBITDA and *Pro Forma* Adjusted EBITDA are similarly adjusted to add-back all lease related expense. *Pro forma* adjusted net total financial debt does not include (i) liabilities under recourse factoring for an amount of €11.6 million as of June 30, 2021, (ii) approximately €8.0 million we expect to budget as provision for environmental liabilities on our balance sheet as a result of the Lauro Settlement Agreement and (iii) €12.1 million of deferred purchase consideration for acquisitions previously completed, of which €5.8 million relates to the acquisition of Castiglia, acquired on July 2, 2021, and is expected to be paid in January 2023, all of which we expect to remain outstanding following the Transactions. For the purposes of this calculation, we have taken into account an estimated amount of *pro forma* cash, cash equivalents and other current financial assets of €30.7 million, which reflects our cash, cash equivalents and other current financial assets as of June 30, 2021 (€66.2 million), adjusted for €27.8 million of cash of the Target Group which we expect to use to complete the Transactions (as described under "*Use of Proceeds*"), the partial payment of the purchase price of €13.6 million in respect of the acquisition of equity interests in Castiglia paid on July 2, 2021 and the estimated amount of cash and cash equivalents of €5.9 million held by Castiglia as of June 30, 2021, as further described in footnote (1) under "*Capitalization.*" See also "*—Recent Developments—Settlement Agreements Relating to the Vendor Loan Liabilities*" and "*—Recent Developments—Acquisition of Castiglia.*" *Pro forma* adjusted net total financial debt has not been prepared in accordance with Italian GAAP or any other generally accepted accounting principles and has been presented for illustrative purposes only and does not purport to represent what our net total financial debt would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our net total financial debt for any future period or our financial condition at any future date. *Pro forma* adjusted net total financial debt is not a recognized financial measure under Italian GAAP and therefore no undue reliance should be placed on such data contained in this Offering Memorandum. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" See "*Capitalization.*" *Pro forma* adjusted net total financial debt presented herein is not calculated in accordance with the provisions of the Indenture. See "*Description of Notes.*"

(4) *Pro forma* adjusted net interest expense represents estimated finance cost less finance income for the twelve months ended June 30, 2021 after giving *pro forma* effect to the Transactions, as if the Transactions had occurred on July 1, 2020 and assuming that the Revolving Credit Facility would have been undrawn for the entire period. This estimate reflects, *inter alia*, the issuance of €450.0 million % Senior Secured Notes due 2026 issued at par. *Pro forma* adjusted net interest expense is calculated gross of the debt issuance costs in connection with the Transactions. *Pro forma* adjusted net interest expense includes lease expense and does not include commitment fees on undrawn amounts under the Revolving Credit Facility. *Pro forma* adjusted net interest expense has been 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 expense for any future period or our financial condition at any future date. See "*Use of Proceeds*" and "*Capitalization.*" *Pro forma* adjusted net interest expense presented herein is not calculated in accordance with the provisions of the Indenture. See "*Description of Notes.*"

Unaudited *Pro forma* Financial Data

The following financial data (the "**Unaudited *Pro forma* Financial Data**") sets forth the Itelyum Group's results of operations on a constant perimeter basis to reflect the results of operations of the periods presented as though the Acquired Companies had been acquired as of January 1, 2018. The Acquired Companies are companies we acquired controlling stakes in, or the entire share capital of, in the period between January 1, 2018 and June 30, 2021 and, therefore, do not include Castiglia, which we acquired on July 2, 2021. We believe the Unaudited *Pro forma* Financial Data when read in conjunction with the Consolidated Financial Statements and the accompanying notes, is a helpful tool to assist readers to view the business as a whole, and provides meaningful and relevant financial information that is useful in evaluating the Itelyum Group's ongoing operations, in the same manner as management views and operates the business. The Unaudited *Pro forma* Financial Data is prepared on a different basis than the Consolidated Financial Statements of the Target included elsewhere in this Offering Memorandum and such information is not intended to be compliant with Italian GAAP or any other generally accepted accounting principles. No reconciliation has been provided from the Unaudited *Pro forma* Financial Data and the Target's audited or unaudited financial statements. The Unaudited *Pro forma* Financial Data has been prepared by, and is the responsibility of, management of the Target Group. The independent auditors of the Target have not audited, reviewed, compiled or performed any procedures with respect to the Unaudited *Pro forma* Financial Data for the purpose of their inclusion herein. The Unaudited *Pro forma* Financial Data is based on a number of assumptions and estimates that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon. We did not own or control the Acquired Companies prior to the dates on which control passed in accordance with the relevant acquisition agreements. The preparation of the Unaudited *Pro forma* Financial Data requires management to exercise judgment and make assumptions with respect to issues such as the reconciliation of accounting policies (such as in respect of revenue recognition). For these reasons, the Unaudited *Pro forma* Financial Data is only a simulation of the Itelyum Group's results had the Acquired Companies been owned for the whole period assumed and is not an indication of what our results would have been if the Acquired Companies had been part of the Target Group for such period. See "*Risk Factors—Risks Related to Our Financial Information—The perimeter adjusted financial data included in this Offering Memorandum, including Adjusted EBITDA and Pro forma Adjusted EBITDA, is for information purposes only, is only intended to simulate what our results of operations would have been had the relevant acquired businesses been included in our scope of consolidation for the entire period assumed and has been prepared on the basis of certain estimates and assumptions which we consider reasonable, but it is not a substitute for the Consolidated Financial Statements included elsewhere in this Offering Memorandum.*"

	Unaudited *Pro forma* Financial Data					
	As of and for the year ended December 31,			As of and for the six months ended June 30,		As of and for the twelve months ended June 30, 2021
	2018	2019	2020	2020	2021	
	(€ in millions, except percentages)					
Revenue	339.9	355.9	352.1	164.0	223.0	411.1
of which:						
Environment	123.1	140.7	141.4	66.8	73.9	148.5
Regeneration	97.6	97.9	85.4	33.6	66.0	117.8
Purification	119.2	117.3	125.3	63.6	83.1	144.8
Other income	4.0	3.4	3.4	1.1	1.9	4.2

	Unaudited *Pro forma* Financial Data					
	As of and for the year ended December 31,			As of and for the six months ended June 30,		As of and for the twelve months ended June 30, 2021
	2018	2019	2020	2020	2021	
	(€ in millions, except percentages)					
Change in work in progress, semi-finished and finished product inventories	0.3	(2.9)	(3.3)	(3.7)	1.4	1.8
Total revenue and other operating income	**344.2**	**356.4**	**352.2**	**161.5**	**226.3**	**417.1**
Purchase, services and other charges	(244.6)	(250.9)	(246.9)	(119.2)	(146.9)	(274.6)
Personnel costs	(40.4)	(42.0)	(42.6)	(21.4)	(23.0)	(44.1)
Other operating costs	(6.0)	(7.3)	(8.1)	(5.9)	(5.0)	(7.2)
Provisions for risks and charges	(0.4)	(0.3)	(1.5)	1.8	0.3	(3.0)
Depreciation and amortization	(46.9)	(42.9)	(42.8)	(21.3)	(36.1)	(57.6)
Impairment of receivables	(0.6)	(0.7)	(0.5)	(0.2)	(0.9)	(1.2)
Total costs	**(338.8)**	**(344.2)**	**(342.5)**	**(166.3)**	**(211.6)**	**(387.8)**
Operating result	**(5.4)**	**12.3**	**9.7**	**(4.8)**	**14.7**	**29.3**
Financial income	—	—	0.1	—	—	0.1
Financial expenses	(11.8)	(11.0)	(11.4)	(5.2)	(5.5)	(11.7)
Profit (loss) before taxation	**(6.4)**	**(1.3)**	**(1.6)**	**(10.0)**	**9.2**	**17.6**
Income taxes	(2.2)	(5.1)	(4.2)	(2.5)	(7.1)	(8.8)
Profit (loss) for the year	**(8.6)**	**(3.8)**	**(5.8)**	**(12.6)**	**2.1**	**8.9**
EBITDA	**52.3**	**55.2**	**52.6**	**16.5**	**50.8**	**86.9**
of which:						
Environment	15.8	23.4	25.7	10.5	13.1	28.3
Regeneration	20.8	18.4	12.3	0.2	27.4	39.5
Purification	15.7	13.4	14.6	5.8	10.3	19.1
EBITDA margin	**15.4%**	**15.5%**	**14.9%**	**10.1%**	**22.8%**	**21.1%**
Adjusted recurring capital expenditure	**8.3**	**8.2**	**8.1**	**4.5**	**4.3**	**7.9**
of which:						
Environment	2.7	2.9	2.7	1.9	1.9	2.6
Regeneration	2.6	2.7	2.5	1.4	1.1	2.2
Purification	3.1	2.6	2.9	1.2	1.3	3.0
Extraordinary capital expenditure	**2.3**	**2.6**	**4.0**	**1.0**	**3.3**	**6.3**
Growth capital expenditure	**2.6**	**5.8**	**6.9**	**1.3**	**2.3**	**8.0**
Operating cash flow	**44.0**	**47.0**	**44.5**	**12.0**	**46.5**	**79.0**

RISK FACTORS

An investment in the Notes is subject to a number of risks. Prospective investors should consider carefully the risks described below and the other information contained in this Offering Memorandum prior to making any investment decision with respect to the Notes. Each of the risks discussed below could have a material adverse effect on our business, financial condition, results of operations or prospects, which, in turn, could have a material adverse effect on the principal amount and interest, which investors will receive in respect of the Notes. In addition, each of the risks discussed below could adversely affect the trading or the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment. Prospective investors should note that the risks described below may not be the only risks we face. We have described only those risks that we currently consider to be material and there may be additional risks and uncertainties not presently known to us, or that we currently consider immaterial, that might also have a material adverse effect on our business, financial condition or results of operations.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our 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

Our business and results of operations are impacted by adverse macroeconomic conditions and economic downturns, particularly in Italy.

Deterioration in macroeconomic conditions, especially in Italy where we generated approximately 78.9% of our revenue for the twelve months ended June 30, 2021, can weaken the primary driver of our customers' businesses and, in turn, weaken all segments of our business (Environment, Regeneration and Purification). In a recessionary environment, a reduction in activity levels from our customers, including as a result of plant closures, may result in decreasing waste volumes we process and decreasing demand for the products obtained through our waste treatment processes, such as base oil, gas oil and other by-products. In Italy, after a period of steady growth resulting in a CAGR of approximately 12% over the years 2014-2019, the volume of hazardous waste recycling activities is estimated to record a decrease in CAGR of approximately 2% over the period 2019-2021, primarily as a result of the impact of the COVID-19 pandemic. In 2020, our production volume of base oil, gas oil and bitumen in our Regeneration business decreased by approximately 17%, 17% and 32%, respectively, compared to 2019, primarily driven by a decrease in collected volumes and reduced demand.

Volatility and decrease in demand for oil-based products can also have a correspondingly negative impact on the price at which we sell our products and, as a result, our operating income and cash flows. In addition, commodity prices for raw materials, such as oil or aliphatics, fluctuate according to global economic supply and demand, especially levels of worldwide economic growth. For example, the selling prices of aliphatics, which are produced through our Purification activities, are based on the market price of virgin naphtha, which decreased by 22.7% over the period 2018-2020. It can be difficult to predict such macroeconomic trends, which can have a significant impact on the demand for both our waste services and on the sales of our products. While the waste management sector is one of the industrial segments that has historically been less affected by global financial crises and economic slowdown, the recessionary conditions and uncertainty in the macroeconomic environment, especially in Italy, may adversely impact our customers and thus our waste management activities.

In addition, governmental measures (including lockdowns and confinements) implemented to mitigate the spread of COVID-19 in 2020 also had a negative impact on the sale of products. Furthermore, our business model involves high fixed costs related to our network of waste management sites, the associated equipment and personnel. In the event of a sustained economic downturn in Italy, particularly in the Northern regions where the majority of our plants are located, we may experience difficulty in adjusting our operations in response to the shifting volumes of waste being treated. Such an event may cause some of our waste management sites to become idle or operate at lower than peak capacity, thereby adversely affecting our profitability. In addition, as result of the COVID-19 pandemic, some of our sites have in the past and may in the future have to suspend operations or operate at reduced capacity due to nationwide governmental measures (including lockdowns and confinements) that may be implemented to mitigate the spread of COVID-19. See "*—The impact of COVID-19 and related risks could materially affect our results of operations, financial position and/or liquidity*."

Political conditions in Italy could also negatively impact our business. In September 2019, a coalition government composed of the center-left Democratic Party and the anti-establishment Five Star Movement was sworn in. Such coalition government was formed on the back of the 2018 general election, in which no party won an outright majority, resulting in a hung parliament and leading to protracted negotiations to form a new government. These negotiations were concluded with the formation of a coalition government, composed of the League and Five Star Movement parties, which then collapsed in August 2019. Following the recent Italian government crisis, a new technocratic government was formed in February 2021. It is unclear how long the current government will remain in office and whether it will be able to adequately address impediments to the country's growth, including as a result of the COVID-19 pandemic, such as the ratio of sovereign debt to GDP, the write-down of non-performing loans and the reduction of unemployment in Italy. Continuation or further worsening of these economic and political conditions could have a material adverse effect on our business, financial condition, results of operations and prospects.

The impact of COVID-19 and related risks could materially affect our results of operations, financial position and/or liquidity.

In December 2019, a novel strain of coronavirus surfaced and, since then, has spread around the globe, including in Italy. The resulting disease, COVID-19, has been declared a pandemic by the World Health Organization. In response to the COVID-19 pandemic, on March 9, 2020, the Italian government imposed a nationwide quarantine together with several other measures. As a result of these restrictive measures, we transitioned a portion of our workforce to remote working and experienced operational difficulties. Our plants in Pieve Fissiraga e di Ceccano were closed for several weeks between April and June 2020 resulting in a decrease of our volume of waste oil processed of approximately 68% compared to the corresponding period of 2019. Furthermore, the collection, transportation and storage activities of our Environment business unit experienced a slowdown between March and June 2020.

Additionally, even though the nationwide quarantine in Italy was lifted on May 4, 2020, significant restrictions and social distancing measures remain in place, which continue to adversely affect the overall Italian economy and, in turn, our operations and our customers' operations. In particular, as the number of infections in Italy significantly increased in the fall of 2020, new drastic measures were taken, including a nationwide evening curfew and certain more stringent *ad hoc* measures for regions with higher infection rates, which has resulted in, among other things, protests and further economic and social turmoil. Between the end of 2020 and early 2021, restrictive measures continued to be implemented, in many instances with the imposition of localized lockdowns across Italy along with the nationwide evening curfew. Additional quarantine measures implemented in March 2021 have further restricted interregional travel across the country, causing further disruption to business activities. Our Regeneration business was particularly impacted by the decline in collected oil and production slowdown in the first half of 2020 as a result of the lockdown measures implemented by the Italian government, resulting in a decrease in our production volumes of base oil, gas oil and bitumen. Revenue and EBITDA for the year ended December 31, 2020 from our Regeneration business unit decreased by 12.8% and 33.2%, respectively, compared to the year ended December 31, 2019.

As a result of the financial and social difficulties generated by the COVID-19 pandemic, we could also lose customers as a result of bankruptcy or other financial difficulties, or customers could otherwise become insolvent and be unable to continue to pay for our products and services, which could harm our liquidity. Furthermore, the activities of our agents and sales representatives are and may continue to be limited by the restrictions imposed by the Italian government or other authorities to address the risk of transmission of COVID-19, which may result in the loss of existing or potential customers and the slowdown of our future growth rates compared to the past.

In addition, political repercussions of responses to the COVID-19 pandemic by European Union institutions as well as by other countries in the European Union could have complex and hard-to-predict consequences for the future, including a destabilization of the European Union or its institutions or a slow-down or reversal of European integration. It is unclear whether measures taken by European Union institutions, the Italian government and governments of other member states of the European Union to contain the COVID-19 pandemic are adequate and will be effective in achieving their goals. It is unclear

when, if at all, the COVID-19 pandemic will be contained. We cannot guarantee that COVID-19 or any future outbreak of another virus or other contagious disease will not have a material adverse effect on our business, financial condition, results of operations and prospects. The extent to which the COVID-19 pandemic continues to negatively affect our business, financial condition, results of operations and prospects depends on several factors, including the duration and severity of the COVID-19 pandemic, the effectiveness and availability of vaccines and further restrictive actions taken by the Italian government in response to new strains of the virus, any additional periods of lockdown in Italy, and the pace at which demand, pricing and, in general, economic and operating conditions will stabilize and recover in Italy. Any future developments are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic. To the extent the COVID-19 pandemic adversely affects our business, financial condition, results of operations and prospects, as well as our ability to perform our obligations under the Notes, it may also have the effect of heightening any or all of the other risks described in this "*Risk Factors*" section.

We operate in a highly competitive and fragmented market, and competition from established companies as well as local specialized competitors could have a negative impact on our business and financial condition.

The Italian waste management market is highly competitive and fragmented, comprised of a variety of small, medium-sized and large players. We compete with a large number of small local companies specialized in selected aspects of the waste management process, including Marazzato, Vidori and Venanzieffe. These local family-owned companies comprise the majority of the Italian market. In addition, we face competition from waste management branches of established national multiutility companies, such as A2A Ambiente, Iren and HERAmbiente. Furthermore, we compete against structured private groups, such as Ecoeridania, Riccoboni, Ambienthesis and Mecomer. If we are unable to defend our market position by offering competitive services or reducing our cost bases, the price pressure exerted by these competitors could cause us to lose important customers.

In addition, existing market participants and new entrants may seek to gain increased market presence through aggressive underpricing strategies. Where competitors seek to gain or retain market share through strong discounting or similar competitive business practices, we may be required to lower our prices and rates to avoid the loss of related business, thereby adversely affecting our operating results. In addition, if we are unable to anticipate and respond as effectively as our competitors to changing business conditions, including new technologies and business models, we could lose market share to our competitors.

Furthermore, we may suffer from the rise of alternative techniques in collection and treatment of waste materials in our industry. Although technologically viable alternatives are currently not readily available, they may be developed in the future. If these alternatives become more cost effective or more easily accessible, they may diminish our market share and reduce our revenues. See "*—If we are unable to keep pace with technological, regulatory and market developments, we may not be able to compete as effectively as our competitors and our business could be adversely affected.*"

In addition, a number of our competitors may consolidate or form alliances with each other in the future, either internationally or with local waste management companies. The successful consolidation of two or more of our competitors could result in the combination of their resources and technological capabilities, improved access to a wider customer base, increased investment capacity and improved economies of scale. This could lead to intensified competition in our markets and a loss of market share for us. If we are unable to compete effectively against such consolidated companies or alliances, our business, financial condition, results of operations and prospects could be adversely affected.

We operate in a number of emerging markets, which exposes us to additional economic and political risks.

While all of our operating sites are located in Italy, we benefit from a global commercial reach, serving over 60 countries through a network of local distributors. We currently have, or in the foreseeable future anticipate commencing and expanding, operations in a number of emerging markets, including several countries in Middle East and Africa, which may expose us to certain risks to a greater extent than in connection with our operations in more-developed markets. In the twelve months ended June 30, 2021, our revenue generated from emerging markets accounted for approximately 9% of our revenue for the period. As a result, we are subject to the risks of doing business internationally, including impositions of tariffs or embargoes, export controls, trade barriers and trade disputes, regulations related to customs and export/import matters, fluctuations in foreign economies and currency exchange rates, longer payment cycles and difficulties in collecting accounts receivable, the complexity and necessity of using foreign representatives, consultants and distributors, tax uncertainties and unanticipated tax costs due to foreign taxing regimes, the difficulty of managing and operating an enterprise spanning several countries, the uncertainty of protection for intellectual property rights and differing legal systems generally, compliance with a variety of laws and regulations, and economic and geopolitical developments and conditions, including international hostilities, armed conflicts, acts of terrorism and governmental reactions, inflation, trade relationships, and military and political alliances.

Any of these factors could adversely affect the success and profitability of our operations in those countries. Moreover, developments in certain emerging markets often affect other emerging markets and, accordingly, adverse changes in emerging markets elsewhere in the world could have a negative impact on the markets in which we operate or intend to operate in the foreseeable future. Any failure by us to effectively manage these or other risks could have a material adverse effect on our business, assets, financial condition, results of operations and prospects.

Our operations are subject to an increasingly demanding level of governmental regulations, especially in regards to the environment.

Our operations are subject to increasingly stringent and detailed European and national laws and regulations that impose various conditions and limitations on the treatment, acceptance, identification, storage, handling and transportation of, *inter alia*, industrial by-products, hazardous liquid and solid waste materials, wastewater discharges, greenhouse gas emissions ("**GHG**"), air and odor emissions and soil contamination. Moreover, stringent and evolving regulations apply to the machinery and equipment that we use to operate our business. Environmental regulations have changed rapidly in recent years, and it is possible that we will be subject to even more stringent environmental standards in the future.

The regulatory framework governing our operations imposes significant compliance burdens on us and requires us to obtain permits and operational and environmental authorizations. Our failure to obtain, or a delay in obtaining, a permit or authorization, the non-renewal of or a challenge to a permit or authorization, or the imposition of more stringent conditions associated with the permits and authorizations we are required to obtain, could result in substantial fines, claims relating to violations of environmental laws or regulations or the revocation or suspension of certain authorizations, concessions and/or licenses and, in turn, have a material adverse effect on our business, financial condition, results of operations and prospects.

We may also incur significant costs and other expenditures with respect to our waste management sites to comply with our obligations under various environmental, health and safety ("**EHS**") laws and regulations, as well as in sanitary risk management, in particular with respect to water discharges, waste processing, soil and ground water contamination and GHG emissions.

We believe that we are currently in material compliance with all applicable laws and regulations governing the protection of human health and the environment, including laws and regulations concerning employee health and safety. We can give no assurance, however, that we will continue to be in material compliance with all applicable laws and regulations, including as a consequence of new thresholds and standards introduced by amendments to the applicable legislation. Any future violation of such laws and regulations could require us to pay fines and damages, result in the closure of one of our waste management sites, damage our reputation or impede our ability to continue to conduct our business, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our failure to successfully maintain EHS policies and procedures could have a material adverse effect on our reputation and otherwise on our business, financial condition, results of operations and prospects.

We are involved in significant and complex projects that require constant monitoring and management of EHS risks across our businesses. We are also subject to regulations dealing with occupational health and safety.

While we have adopted EHS policies and procedures in order to minimize such risks, a failure in such policies and procedures may occur. Failure to comply with such regulations could subject us to liability including monetary fines or compensation to third parties or other sanctions. Any failure to comply with our internal EHS policies and/or to comply with health and safety practices or environmental risk management procedures in general that results in serious or fatal harm to employees, subcontractors, the public or the environment could also expose us to investigations and administrative sanctions, prosecutions criminal or civil litigation, each of which could determine an increase in costs for fines, settlements and management time. See "*—Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects*" and "*Business—Legal and Other Proceedings*" for information regarding certain EHS-related proceedings.

Our safety record is critical to our reputation and ability to obtain new business. A growing number of our customers require that we meet certain safety criteria to be eligible to bid for contracts, and many contracts provide for automatic termination or forfeiture of some, or all, of its contract fees or profit in the event we fail to meet certain such measures. As a result, our failure to maintain adequate EHS standards could result in reduced profitability or the loss of projects or customers, breach of laws or regulations and may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may fail to obtain, renew, or comply with the terms of the licenses, authorizations and permits required for our operations, and the development or operation of our waste management facilities may be slowed or interrupted due to administrative law and rules and conditions imposed by local governments.

We currently operate 12 waste storage sites and, 13 waste treatment and recycling facilities, including four plants for industrial wastewater treatment, two plants for lube oil regeneration and two plants for purification and blending of solvents and five treatment and pre-treatment plants. 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 permit. Our permits may require us to adhere to evolving compliance requirements and environmental standards, which could result in significant additional costs or environmental obligations for us.

In addition, we expect the waste volume processed in our facilities to increase over the next few years, including through the continued development of centers of excellence in waste management in order to capture market growth, investments in special projects aiming at expanding our production capacity and expanding the type of services we provide at certain of our waste management sites. Our waste management sites require a variety of permits related to environmental, building permit, fire prevention, seismic and zoning laws that typically cover a period from eight to 16 years, which we may not be able to renew for existing sites or obtain for new sites or existing sites currently offering fewer services. The permit application process in Italy from the submission of the application to the receipt of the final authorization to operate the relevant site can be lengthy, as decisions may be subject to review, legal or other challenge or delay. Obtaining the required permits and approvals to expand capacity at existing sites or build new facilities has become increasingly burdensome and expensive, requiring numerous hearings and compliance with various building permit, fire prevention, seismic, zoning, environmental and regulatory laws in general and drawing resistance from citizens and environmental or other groups. We cannot guarantee that we will receive such authorizations within an expected time frame or at all and be able to open additional sites or expand capacity at existing facilities in the future. Despite material compliance of our facilities with regulatory requirements, we occasionally face opposition relating to the operation of such facilities by local communities who do not want a waste management facility in their vicinity on public nuisance or other grounds. Local communities or other stakeholders may challenge our permits or authorizations before the competent administrative court, which could significantly slow or interrupt operations or development of new waste management facilities. Increased opposition from local communities may also make it increasingly difficult for us to find locations for new facilities or expand existing facilities, which may have a material adverse effect on our ability to expand our operations. Delays and/or an inability to obtain the relevant permit for any of our waste management sites could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business is exposed to operational risks, and our employees and others on our and our customers' operations are exposed to health and safety risks.

The operation of our business involves many operational risks, including transportation accidents, mass instability or waste slides, the risk of breakdown or failure of expensive and sophisticated equipment and processes, the risk of substandard performance by our personnel and catastrophic events such as fires, explosions, severe weather, floods, terrorism, crime, power loss, unexpected geological or other physical conditions or other catastrophes which could materially impact our facilities and disrupt our operations. Our Regeneration business is primarily carried out through two facilities located in Northern and Central Italy, while our Purification business is principally carried out at a solvent purification facility and a solvent blending and filling facility, each located in Northern Italy. The occurrence of disruptive events at our facilities could significantly disrupt or severely curtail our operations, especially in relation to our Regeneration and Purification activities which are conducted through a limited number of facilities. These events could also result in reduction in efficiency for our operations, lost revenue during the period of disruption and/or costly remediation, which could have a material adverse effect on our business, financial condition, results of operations and prospects. To the extent that any such events put our employees in danger, we may also be subject to civil and criminal liabilities, and suffer reputational damages.

In addition, because of the nature of the industrial activities conducted at our waste management sites, there exists a risk of injury or death to our employees and others in the course of our and our customers' operations, notwithstanding the safety precautions we take, such as in relation to exposure to chemical substances or artificial optical radiation. Violations of, or liabilities under, applicable EHS laws and regulations could result in fines, penalties, legal claims as well as increased operating costs, which could have a material adverse effect on our business, results of operations, prospects and financial condition. In the event of an industrial accident, we may be faced with an interruption in service and claims for damages, which could be costly and time-consuming to defend, in addition to being exposed to potential reputational damage, which could result in the loss of customers. Should we be found to be negligent, or the cover provided through insurance prove to be insufficient or the specific risk found to be not covered by insurance, the corresponding shortfall in or lack of insurance could mean that we are liable for the injury suffered. Under applicable Italian law, in cases where workers become injured in connection with their employment duties 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 regional officer charged with workplace safety or against our management or chief executive officer. Any conviction for failures or omissions related to workplace safety may violate a morality clause in relevant public tenders, expose us to liabilities under Legislative Decree No. 231/2001 and could have a material adverse effect on our business, financial condition, results of operations and prospects. See "*—Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects.*"

We are also subject to risks related to an outbreak of a disease, such as COVID-19, in one of our storage sites, or at one of our suppliers' facilities, or at those of our customers. The COVID-19 pandemic has had an impact on our operations by requiring us to reduce the number of employees on site to comply with social distancing requirements, invest in protective and other safety equipment and accelerate the deployment of automated machinery. The outbreak of a disease in one of our sites may limit our ability to operate our business. If any or all of the risks described above arise, this could have a material adverse effect on our business, financial condition, results of operations, prospects and cash flow available to service our indebtedness.

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

We must comply with a broad range of regulations relating to the testing, manufacturing, labelling and safety analysis of our chemical products or the chemical products of our suppliers. In 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, certain of the waste produced through our Regeneration business and certain of the Purification 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. In addition, the 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 that are treated by our Purification business unit.

In connection with the REACH regulation, certain of the waste treated as part of our Regeneration business could be classified as having a toxicological or health-related impact on the environment, on users of our products or on our employees. As part of our compliance with the REACH regulation, we are required demonstrate that the risks to human health or the environment associated with uses of these substances are adequately controlled by carrying out periodic testing of their toxicological level. These regulations could significantly impact our cost of operating our Regeneration and Purification business units, and we may incur significant costs and other expenditures to maintain continuous compliance with such laws and regulations. As a result, our failure to maintain compliance with the abovementioned chemical safety standards and regulations could result in a breach of law and could in turn could adversely affect our business, financial condition, results of operations and prospects.

We may face liabilities in connection with environmental matters.

We may be liable for any environmental damage that our current or former waste management sites cause, including damage to neighboring landowners or residents, particularly as a result of the contamination of soil, groundwater or surface water, and especially drinking water, or to natural resources. We may also be liable for the damages caused to human health by the presence of hazardous materials (including asbestos and other potentially carcinogenic substances) at the premises owned or operated by us, as well as for any on-site environmental contamination caused by pollutants or hazardous substances whose transportation or treatment we or companies we acquired arranged or conducted and we may also be liable for any environmental damage (such as contamination) caused by former owner(s) of the sites that we currently own and/or operate. Those costs or actions could be significant to us and impact our results of operations, cash flows and available capital. From January 2018 to December 2020, we carried out a number of remediation projects, primarily in relation to our oil regeneration plants and solvent purification plants, for which we incurred approximately €4.0 million of costs, primarily for environmental analysis and remediation activities. As of June 30, 2021, we had made provisions of €6.4 million for potential environmental liabilities and ecological clean-ups. In addition, pursuant to the Lauro Settlement Agreement, which we entered into on August 9, 2021, we undertook to bear the costs of certain environmental remediation activities relating to the Landriano purification site, estimated to be approximately €8.0 million as of the date of this Offering Memorandum. Such amount is expected to be budgeted as provision for environmental liabilities on our balance sheet. We expect to incur these costs over the period 2021-2030. See "*Summary—Recent Developments—Settlement Agreements Relating to the Vendor Loan Liabilities.*"

We may not have sufficient insurance coverage for our environmental liabilities, such coverage may not cover all of the potential liabilities to which we may be subject and we may not be able to obtain insurance coverage in the future at reasonable expense or at all. It is also possible that government officials responsible for enforcing environmental laws may believe an issue is more serious than we expect, or that we will fail to identify or fully appreciate an existing liability before we become legally responsible for addressing it (including the case where such officials identify us as responsible for certain contaminations and environmental breaches in general in relation to which investigations and analysis are currently ongoing). Some of the legal sanctions to which we could become subject could cause the suspension or revocation of a required permit, prevent us from, or delay us in, obtaining or renewing permits to operate or expand our waste management sites, or harm our reputation. There can be no assurance that the cost of such cleanup or that our share of the cost will not exceed our estimates. Such costs could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in waste disposal patterns and commodity prices could adversely affect our results of operations by reducing the volume of waste available to us for processing.

As a result of governmental regulations and growing environmental awareness, certain of our waste producing customers have undertaken or could undertake actions to reduce their waste. For example, some of our customers could begin to set up environmental policies to reuse certain of their products and reduce waste generally. Waste reduction programs may reduce the volume of waste available for processing in some areas where we operate. Though governmental authorities increasingly favor recycling over alternative waste disposal methods, we can provide no assurance that waste volumes will be available in sufficient quantities to keep our waste processing and recycling sites operating at sufficient capacity. Any significant change in regulation or patterns regarding disposal of waste could have a material adverse effect on our revenue by reducing the level of demand for our services.

In addition, our business is also exposed to fluctuations in costs related to certain commodities, such as oil and electricity, which we extensively use for carrying out our operations and operating our equipment and vehicle fleet, or to changes in the applicable legal and regulatory framework. Prices for oil and electricity are unpredictable and fluctuate significantly based on events beyond our control, including geopolitical developments, supply and demand, change in applicable laws and regulations, adverse weather and regional production patterns. There can be no assurance that we will be successful in passing on cost increases to customers without losses in revenue or gross profit margin. Accordingly, a significant change in commodity prices could have a material adverse effect on our business, financial condition, results of operations and prospects.

The success and profitability of our business is partly dependent on our ability to retain and renew existing contracts and to win new contracts.

Our success and profitability depend on our ability to retain and renew existing contracts, to maintain volumes under existing contracts and to acquire and successfully negotiate new or expanded contracts. We typically collect waste pursuant to contractual arrangements or orders, the majority of which are yearly contracts. Though we have historically had a high renewal rate for such contracts and have a long standing relationship with the majority of our customer base, the customers under such contracts may turn to our competitors, cease their operations, terminate their contracts with us, increase pricing pressure on us or cease to require our services due to changes in their business model. Our customer contracts for waste services generally contain provisions for termination and events of default that allow our respective customers to terminate their agreements with us for a number of reasons, some of which are outside of our control.

Furthermore, certain of our contracts are awarded following a competitive bidding process. Such processes may be lengthy and we may be required to devote significant resources, both in terms of management time and finances, on bidding for contracts that we ultimately may not win. If, after the competitive tender process, we do not succeed in being awarded the contracts for new business or fail to renew existing contracts, our market share and revenue could materially decline, which, in turn, may have a material adverse effect on our business, financial condition, results of operations and prospects. Some of our competitors may also be better capitalized than we are or be able to provide or be willing to bid their services at a lower price than we may be willing to offer.

Any negative impact on the reputation of, and value associated with, our brand could adversely affect our business.

Our brand represents an important business asset. We believe that the brand awareness, preference and loyalty that our end-customers show for the Itelyum brand are an important competitive advantage. We rely on marketing to strengthen our brand and our marketing initiatives may prove to be ineffective. Any future negative perceptions of our brand, in respect of, for example, product quality, price level of our products and services, effectiveness and timeliness of our services or our commitment to EHS issues, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

Maintaining the reputation of and the value associated with our brand is central to the success of our business and there can be no assurance that we will be able to accomplish this objective. Substantial erosion in the reputation of or value associated with our brand could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our strategy of pursuing acquisitions of businesses may present unforeseen integration obstacles or cost.

Our business strategy includes the acquisition of businesses, and our future growth and performance will partly depend on our ability to successfully select and integrate such acquisitions. In the ordinary course of business, we actively seek to identify and pursue bolt-on acquisition opportunities that allow us to maximize territorial coverage and consolidate our leading positioning in our core verticals of Environment, Regeneration and Purification, or expand to new verticals. Between January 1, 2018 and June 30, 2021, we acquired controlling stakes in or the entire share capital of ten companies (excluding the transactions where we only increased our stake in previously acquired companies and companies that were already controlled by the acquired companies). We may not be able to successfully identify suitable acquisitions opportunities going forward or complete any particular acquisition, combination, joint venture or other transaction on acceptable terms. Acquisitions pose additional risks, including potential overpayment in relation to purchase price, incurrence of unexpected costs or the assumption of unexpected liabilities and undisclosed risks. In addition, our ability to engage in strategic acquisitions may depend on our ability to generate sufficient cash flows from operations or otherwise raise substantial capital, and we may not have or be able to raise the funds necessary to implement our acquisition strategy on terms satisfactory to us, if at all. Furthermore, such transactions could be significant or transformational in size and importance for the Itelyum Group and the consolidation of the results of such businesses may affect the comparability of our financial statements with prior periods. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions.*"

In evaluating potential acquisitions, we make certain assumptions regarding the future combined results of the existing and acquired operations, the consolidation of operations and the improved operating cost structures for the combined operations. There can be no assurance that we will be able to profitably operate the acquired businesses and that the expected synergies or benefits will be achieved on the assumed time schedule or in the assumed amount, if at all. We cannot predict the timing and success of our efforts to acquire or combine with any particular business and fully integrate the acquired business into our existing organizational set-up, commercial channels and operating model.

Moreover, we may in the future enter new geographies and seek to leverage our core expertise and know-how by penetrating new European markets, such as the industrial waste management, the oil regeneration or the pharmaceutical purification markets. Should we pursue this strategy, we cannot provide any assurance that we will be able to profitably operate in such new geographies or markets and to achieve the level of revenue, profitability and growth that we expect. If we acquire businesses outside of Italy, we would be exposed to, among other risks, increased regulatory risk, which could result in an increase of compliance related costs and increased risks of breaching laws and regulations which we may not be familiar with and the associated consequences.

In addition, the integration of an acquired business and its systems, operations and personnel, particularly in respect of businesses operating in new and adjacent markets, could be more difficult and time-consuming than anticipated, including as a result of the economic impact of the COVID-19 pandemic and the measures adopted in response of such pandemic. These integrations can be difficult and unpredictable also because of the complexity of waste treatment processes involved, and/or when the size of the acquired business is significant as compared to the size of the acquiror. Successful integration also requires coordination of different teams (*e.g.*, engineers or R&D personnel). This integration can prove difficult and unpredictable because of possible cultural conflicts and different opinions on technical decisions or commercial approach and, more generally, organizational and operations set-up. Any of these factors could lead to increased operating costs, the loss of key employees, suppliers, agents and customers, and a failure to realize anticipated synergies, any of which could adversely affect our business, financial condition, results of operations and prospects.

We are exposed to counterparty risks, and delayed payments or non-payments by our customers could adversely affect us.

Our ability to receive payment for the products and services we sell depends on the continued creditworthiness of our customers. Collection of receivables for customers of our Regeneration and Purification business units typically takes place within 60 days, while our Environment customers generally pay within 100 days of invoicing. Certain of our waste management customers and purchasers of our by-products may become insolvent or default under their contracts, or be or may become significantly late in performing under their payment obligations to us. As of June 30, 2021, we had €91.8 million in trade receivables and provisions for impairment of such receivables were 1% of our total balance, including €2.3 million relating to the delay in payment of a customer of our Purification business unit, which receivable arose prior to the outbreak of the COVID-19 pandemic in early 2020. In 2020, we suffered from some other delays in payment from customers due to the COVID-19 pandemic. In case of a default in payment obligations, we may be unable to collect the related receivables, in which case some or all of such outstanding amounts would need to be written off and we would need to seek alternative sources of funding for our working capital requirements. In case of a delay in a customer's payment obligation, we may be exposed to the risk of bearing in advance the costs and amounts necessary to provide our services to such customer. Should the Italian economy experience further economic volatility or tightening credit markets, the risk that we may not be able to collect payments on a timely basis from our customers could materially increase. Further, a deterioration of economic conditions in Italy, including as a result of the impact of the COVID-19 pandemic, could lead to financial difficulties or even bankruptcy filings by our customers. Accordingly, this could result in an increase in bad debts and cancellations, as well as in a reduction or delay in revenue collection, which could negatively impact our liquidity and cash flow. See "*—The impact of COVID-19 and related risks could materially affect our results of operations, financial position and/or liquidity.*"

Finally, if we underestimate the amounts needed for our allowance for bad debts or if our customers delay or fail to pay a significant amount of our outstanding receivables, we may not be able to meet our working capital or debt service requirements and our business, financial condition, results of operations and prospects could be materially adversely affected.

If we are unable to keep pace with technological, regulatory and market developments, we may not be able to compete as effectively as our competitors and our business could be adversely affected.

Our business activities and operations are subject to technological changes, ongoing innovation and evolving industrial standards. We believe that our innovations, technology, industrial know-how and the industrial design of our waste management facilities are key differentiating factors in a competitive marketplace, and consequently we devote a significant amount of our resources to developing and adopting best practices related to the implementation of industrial processes relevant to the services we provide as well as associated research and development. Our Regeneration business benefits from a patented proprietary process for the productions of lubricant bases, the Revivoil technology, which was developed in collaboration with the French company Axens and is now widely used by leading lubrication companies worldwide. We and other players in the industry are increasingly focusing on technology solutions that either provide alternatives to traditional waste management processes and/or improve value extraction from the waste management value chain. However, such research and investment activities may require substantial investments on our part and dedication and resources by our management and workforce and may not ultimately yield the tangible benefits to our business. If we are unable to successfully implement the new technologies that we develop or apply technologies that we purchase and/or license, we may not be able to recover the costs spent on their development or acquisition. If we fail to innovate or if a competitor develops or obtains exclusive rights to a breakthrough technology that provides a benefit over our waste services, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, if we are unable to predict or adapt to emerging industry and market standards and other technological and regulatory changes, or fail to adopt other technologies offered by our competitors, our revenue and results of operations might be adversely affected. We may also experience increased customer churn and the subsequent migration of our customers to our competitors' products and services. Such migration may lead to a loss of market share, which could have a further material adverse effect on our business, financial condition, results of operations and prospects.

Our Regeneration business relies on the incentives mechanisms provided by CONOU and its supply of waste oil.

We rely on incentive mechanisms established by CONOU (*Consorzio nazionale per la gestione, raccolta e trattamento degli oli minerali usati*) to support our Regeneration business. CONOU is a private Italian consortium established in 1984 to promote and support waste oil collection and regeneration activities in Italy. Since 2010, CONOU has set up an incentive mechanism paid to oil regeneration companies, the CONOU regeneration treatment fee, which is inversely correlated to the market price of lube oil (*i.e.* the fee increases upon a decrease in lube oil market price and *vice versa*), thus ensuring that Itelyum and other players in the Italian regeneration industry are granted certain downside protection against fluctuations of crude oil and lube oil prices. Lube oil producers fund the oil regeneration value chain by paying to CONOU a fee, as required by the current legal and regulatory framework, which during the last 10 years resulted in approximately €0.09 on average for each litre of lubricant oil sold in Italy. CONOU distributes the amounts so collected via, *inter alia*, the regeneration treatment fee. The regeneration treatment fee granted by CONOU thus sustains the circularity in all the phases of the waste oil economic cycle and permits us to significantly offset the cyclical decrease in oil prices by supporting a minimum profitability threshold in the sale of our oil-based products. See "*Business—CONOU Incentive Mechanisms.*" For the twelve months ended June 30, 2021, our revenue from CONOU represented 34% of revenue from our Regeneration business unit for the period. Revenue from our Regeneration business unit accounted for 29.0% of our revenue for the twelve months ended June 30, 2021. In addition, our Environmental business unit generated approximately 4% of revenue from services provided to CONOU for the twelve months ended June 30, 2021.

CONOU has recently amended the formula for determining the regeneration treatment fee, which came into force in October 2020. We expect that further amendments to the formula may only be effective after December 2024, except in exceptional circumstances indicated in the CONOU Operating Regulation which, in any event, cannot be retroactive. Any significant amendment to the formula and the current framework for incentive mechanics established by CONOU may have a material impact on the profitability of our Regeneration business, and could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, the Italian government may decide to adopt a different model for the collection and treatment of waste oil, including adopting a free market approach, which is already in place within several countries in the European Union, including Germany, France and Sweden, where regeneration industry players do not benefit from such favorable framework. The adoption of a different model may materially and adversely affect our profitability and would require us to make significant adjustments to our Regeneration operations and the methods we employ for waste collection, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the majority of the waste oil processed in our Regeneration activities is supplied by the collection companies affiliated with CONOU pursuant to contractual agreements that we enter into with each collection company directly on a company-specific basis, with an average length of three years. For the twelve months ended June 30, 2021, approximately 18% of total volume of waste oil was supplied to us by collection companies affiliated with CONOU. Any deterioration of our relationship with CONOU, as well as any disruption or delay in the supply of waste oil by the collection companies could materially impact the volume of waste oil supplied to us, and we may be unable to source input products from other suppliers at the required volume, and/or at the same or lower prices, which could result in delays in our Regeneration business unit processes and an associated inability to provide our customers with the volumes required under our contractual arrangements with them or within the agreed timing. The realization of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

The development of the electric vehicle market and renewable fuel technologies could impact our Regeneration business.

There is a global trend, particularly in developed markets, such as Italy, towards increased use of electric vehicles (including hybrids) and policies supporting vehicle electrification. Many companies are investigating ways to develop technologies to produce high quality fuel using renewable feedstocks. At the same time, vehicles powered by hybrid systems and electric motors are beginning to gain a significant market share. Even though lube oil consumption in Italy is envisaged to remain stable over the period 2021-2030, demand for gasoline and diesel fuel in road transport may experience a decrease due to consumers' environmental concerns and the auto-manufacturers' continuing rollout of new, highly efficient car models. A more rapid dissemination of new renewable fuel production technologies or new vehicles powered by advanced fuel efficiency or hybrid or electric engines may result in lower levels of oil fuel consumption and thus have an adverse effect on our Regeneration business, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

Our future success depends on our ability to continue to retain and attract highly skilled employees. The loss of key personnel could have an adverse effect on our operations.

We believe that the members of our senior management team are key to our business. We have put in place policies and remuneration designed to retain and incentivize management; however, there can be no guarantee that we will be able to retain and properly incentivize management or to find suitable replacements should any of them terminate their relationship with us. Should senior management leave in significant numbers or if a critical member of senior management were to leave unexpectedly, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

We believe that our future success also depends upon our ability to continue to train, retain, effectively manage and attract highly skilled technical, managerial and marketing personnel. If our efforts in these areas are not successful, the quality of our products and level of services offered to our customers, and therefore customer satisfaction, may decline, which could harm our reputation and, in turn, adversely affect our business and results of operations. Although we invest significant resources in recruiting and retaining highly skilled employees, we face intense competition for personnel in the waste management industry and certain of our competitors are larger and have greater financial resources for attracting highly skilled employees. A material loss of key employees or the failure to retain and attract suitably qualified employees could have a material adverse effect on our continued ability to compete effectively. In addition, if our key management and operating personnel becomes infected with COVID-19, they could be unable to work for a period of time. Furthermore, the measures adopted in response to the COVID-19 pandemic could make the integration of newly hired personnel more challenging. See "*—The impact of COVID-19 and related risks could materially affect our results of operations, financial position and/or liquidity.*"

Third parties may infringe upon our intellectual property rights.

Our success increasingly depends on establishing and protecting our intellectual property rights. Our industrial processes and chemical know-how are built around proprietary technologies underpinned by 14 patents, with four additional patents in the process of being registered. Our intellectual property rights include copyrights, patents, national and EU trademarks, domain names and trade secrets, as well as confidentiality provisions. Aspects of our intellectual property contribute to our identity, and the recognition of our products and services are an integral part of our business. If we are unable to enforce our intellectual property rights successfully, our competitive position may suffer which could, in turn, materially harm our operating results.

We may need to spend significant resources monitoring or enforcing our intellectual property rights and we may or may not be able to detect infringement by third parties. In addition, our intellectual property may also be infringed by our employees through error or malfeasance. Employees may use our intellectual property to establish competing businesses or may disclose sensitive information regarding our patents or proprietary technologies. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights quickly or at all. Moreover, potential actions taken to enforce our intellectual property rights, both in Italy and abroad, may not be effective and, in some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business or legal reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. The occurrence of any of these events could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Any inability to provide reliable financial reports or prevent fraud could harm our business. This risk is increased as a result of our frequent bolt-on acquisitions. Certain entities that we acquired in the past did not have internal control procedures in certain respects to the same standard as our procedures. If we fail to maintain adequate internal controls, as such standards are modified, supplemented or amended from time to time, our financial statements may not accurately reflect our financial condition.

If we experience labor disputes or work stoppages, our business could be materially adversely affected.

The Italian constitution provides that all employees of Italian companies have the right to set up and join trade unions and to carry on trade union activities, including appointing workers' representatives to negotiate with their employer. As of June 30, 2021, less than 25% of our employees belonged to trade unions. The right to go on strike is provided for under Italian law and there can be no assurance that there will not be any strikes in the future, such as in connection with our current and future reorganization efforts. Any work stoppages resulting from employee strikes could hinder our ability to provide our standard level of production and services. In addition, we are from time, and could in the future be, party to labor disputes with certain of our current employees or former employees who could, for example, challenge the validity of their dismissal. There can be no assurance that these disputes or future disputes by employees will not have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, from time to time, we have and may in the future, carry out collective dismissals. Such collective dismissals may result in disputes with or claims by trade unions and our employees and we may be required to pay additional amounts to resolve or settle such disputes or claims.

We are subject to risks associated with security breaches of or damage to our IT systems.

We rely on numerous information technology systems regarding customer relationship management and maintenance systems to coordinate waste management services (both in-house and with third-party partners), trace waste through our business, manage waste treatment activities, process transactions, summarize and report results of operations and comply with regulatory, legal or tax requirements. Our performance depends upon accurate, timely information and numerical data from key software applications to aid day-to-day business and decision-making processes. The administration of our business is increasingly dependent on the use of these systems. In addition, we outsource the operation and maintenance of certain of our information technology systems to seek to ensure effective management of our information technology resources, as well as to improve the cost efficiency of our information technology infrastructure, systems and applications. We rely on the ability of our outsourcing partners to deliver agreed services. Their failure to perform satisfactorily could have an adverse impact on our business, financial condition, results of operations and prospects.

Although we seek to protect confidential technical information and know-how, we still face the risk of undue disclosure to third parties due to circumstances beyond our control. We may experience from time to time cyber-threats, cyber-attacks and cyber-security breaches, which can include unauthorized attempts to access, disable, use, modify or degrade our information, systems and networks, and the data within, or the introduction of computer viruses and other malicious codes and fraudulent "phishing" e-mails that seek to misappropriate data and information, or install malware onto users' computers. Cyber-threats and breaches vary in technique and sources, and are caused by criminal hackers, purveyors of financial fraud, hacktivists, state-sponsored intrusions, industrial espionage and employee malfeasance or error, among others. These threats are persistent and increasingly more sophisticated, targeted and difficult to detect. A breach of cyber/data security measures that impairs our IT infrastructure could disrupt normal business operations and affect our ability to control our waste management sites, access customer information and communicate with third parties. 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.

Upon the completion of an acquisition, we seek to integrate our IT systems with those of the acquired company. Successful integration of information processes requires a number of factors including but not limited to experience and qualifications of information security specialists implementing the integration procedure, ability to ensure network controls and maintain confidentiality during network transmission and ability to design and implement a single, unified system. There is no assurance that there will not be any failure or delays in planned IT integration which may have a negative impact on our business, financial condition, results of operations and prospects.

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 the 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.

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; 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; and stronger rights for individuals, including an individual "right to be forgotten," which would require us to permanently delete a user's personally identifiable information in certain circumstances.

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.

Finally, the European Commission has proposed to replace Directive 2002/58/EC on Privacy and Electronic Communications (the "**E Privacy Directive**") with a new regulation primarily aimed at aligning certain provisions of the E Privacy Directive to the GDPR. The Proposal for a Regulation on Privacy and Electronic Communications (the "**E Privacy 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 E Privacy 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 E Privacy Regulation may result in maximum fines equal to the greater of €20 million and 4% of the annual global turnover of the sanctioned company.

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.

Unfavorable fluctuations in foreign currency exchange rates have a material adverse effect on our business, financial condition, results of operations and prospects.

We have non-euro denominated assets, liabilities, revenue and costs as we carry out operations in currencies other than the euro, principally in U.S. dollars. Our primary exposure to fluctuations in exchange rates is for the purchases of certain raw materials and sales of certain of our products in U.S. dollars. Foreign exchange exposure has typically been relevant to our Purification business unit, which recorded 13.8% of its revenue in U.S. dollars for the twelve months ended June 30, 2021, corresponding to 5.0% of our revenue for the period. Foreign currency transactions are accounted for at the euro-equivalent amount based on the exchange rate set on the transaction date, while the exchange differences realized at the date of collection or payment are recorded in the income statement as foreign exchange gains or losses. Consequently, increases and decreases in the value of the euro against U.S. dollars or other currencies will affect the amounts attributed to these items in our consolidated financial statements, even if their value has not changed in their original currency. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting our Results of Operations—Fluctuations in currency exchange rates.*" Unfavorable fluctuations in foreign currency exchange could have a material adverse effect on our business, financial condition, results of operations and prospects.

Market perceptions concerning the instability of the euro, the potential reintroduction of individual currencies within the Eurozone or the potential dissolution of the euro entirely, could negatively impact our business or our ability to refinance our liabilities.

Economic and political events in recent years affecting European economies have raised a number of questions regarding the stability and overall standing of the European Monetary Union. Credit risk in these countries and in other Eurozone countries could have a negative impact on our business. Concerns also remain regarding the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual euro member states. In addition, continued hostilities in the Middle East and tensions in North Africa and Eastern Europe and other world events could adversely affect the economies of the European Union and those of other countries. Future developments are dependent upon a number of political and economic factors, including the effectiveness of measures by the European Commission and EU member states to address debt burdens of certain countries in Europe, the overall stability of the Eurozone, the influx of refugees in certain European countries and the rise of populism in Europe. In addition, political repercussions of responses to the COVID-19 pandemic by European Union institutions as well as by other countries in the European Union could have complex and hard-to-predict consequences for the future, including a destabilization of the European Union or its institutions or a slow-down or reversal of European integration. See "*—The impact of COVID-19 and related risks could materially affect our results of operations, financial position and/or liquidity.*"

On March 29, 2017, the Prime Minister of the United Kingdom officially triggered Article 50 of the Treaty of Lisbon, signaling the start of a two-year period in which the United Kingdom would negotiate the terms of its exit ("**Brexit**") from the European Union. The transition period ended on December 31, 2020, before which the United Kingdom and the European Commission reached an agreement on the future trading relationship between the parties (the "**UK-EU Trade and Cooperation Agreement**" or "**TCA**"). On December 30, 2020, the UK Parliament approved the European Union (Future Relationship) Bill, thereby ratifying the TCA. The TCA was applied provisionally from January 1, 2021 to April 30, 2021 as it was subject to formal approval by the

European Parliament and the Council of the European Union before it came into effect. On April 27, 2021 and April 29, 2021, respectively, the European Parliament and the Council of the European Union formally approved the TCA, which entered into force permanently on May 1, 2021. While it is difficult to predict the effect of Brexit on the European and global economy, uncertainty regarding new or modified arrangements between the United Kingdom and the European Union could result in additional volatility in the markets, increased costs and a material adverse effect on the buying behavior of commercial and individual customers. The resulting political and economic uncertainty could also lead to further calls for other governments of other member states of the European Union to consider withdrawal from the European Union or the abandonment of the euro as a currency. Such developments, or the perception that any such developments could occur, could have a material adverse effect on global economic conditions, the stability of the global economy and our business, financial condition, results of operations and prospects.

The departure or risk of departure from the euro by one or more Eurozone countries or the abandonment of the euro as a currency, or the reintroduction of an individual currency in Italy, could have major negative effects on our existing contractual relations with our customers, and could adversely affect the economy in Italy, where we provide products and services to our customers. In particular, the departure of Italy from the euro would increase our exposure to changes in currency rates. In addition, the departure of Italy from the Eurozone may lead to the imposition of, *inter alia*, exchange rate control laws. Any of these developments could affect our ability to refinance our liabilities and have a material adverse effect on our business, financial condition, results of operations and prospects. The potentially severe impact of these events on Europe and the global financial system could also have a negative impact on the value and marketability of the Notes.

We are from time to time involved in various tax and social security audits and investigations and we may face tax and social security liabilities in the future.

We are from time to time subject to tax and social security audits and investigations by tax, social security and other public authorities, which may include, without limitation, investigations with respect to the direct tax and indirect tax regime of any of our transactions and value-added tax classification and social security contributions. Adverse developments in laws or regulations, or any change in position by the relevant authorities regarding the application, administration or interpretation of these laws or regulations, could have a material adverse effect on our business, financial condition, results of operations and prospects or on our ability to service or otherwise make payments on the Notes and our other indebtedness. In addition, the relevant authorities may disagree with the positions we have taken or intend to take regarding the tax and social security treatment or characterization of any of our transactions, including the treatment or characterization of our indebtedness, including the Notes, existing and future intercompany loans and guarantees or the deduction of interest expense, which could lead to disputes with such authorities, as a result of which we may be required to pay monetary fines or other administrative or other sanctions. We may also fail, whether inadvertently or for reasons beyond our control, to comply with tax and social security laws and regulations relating to the treatment of any of our transactions or financing arrangements, which could result in unfavorable tax and social security treatment for such transactions or arrangements, and possibly lead to significant fines or penalties. Whenever a reasonable settlement with the relevant tax and social securities authorities cannot be reached, we may have to defend ourselves before the competent courts, which could be costly and distract management from the other affairs of our business. In addition, audits and investigations by the competent authorities may generate negative publicity, which could harm our reputation with customers, suppliers and counterparties. We can provide no assurance that the financial impact of any adverse tax or social security adjustment in connection with our business would not have a material adverse effect on our business, financial condition, results of operations and prospects.

Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects.

From time to time, we or certain of our managers have been and currently are party as defendant or plaintiff in various legal proceedings incidental to the ordinary course of our business. The results of pending or future legal proceedings are inherently difficult to predict and we can provide no assurance that we will not incur losses in connection with current or future civil, administrative or employment suits or other types of judicial, regulatory or administrative proceedings that exceed any provision we have set aside in our financial statements or that exceed any insurance coverage available.

For example, two criminal proceedings are currently pending against two of our managers in relation to different accidents which resulted in serious personal injuries for one of our employees and for one of the employees of a third party company providing on-site services for us. These accidents were allegedly associated with the violation of applicable Italian workplace health and safety regulations. With regard to these proceedings, no final and binding (*i.e.*, non-appealable) decision has been issued as of the date of this Offering Memorandum. One of these criminal proceedings is currently pending against the former technical director (*direttore tecnico*) and sole director of Castiglia in his position as former legal representative of Castiglia. For the twelve months ended June 30, 2021, Castiglia, which we acquired on July 2, 2021, represented approximately 7.6% of the Group's *Pro forma* Adjusted EBITDA. This proceeding was initiated by the relevant prosecutors as a result of accidents relating to an employee of Castiglia, who suffered serious personal injuries in 2017 at the premises of certain clients of Castiglia. The second criminal proceeding was initiated against one of our managers, who had been appointed to supervise compliance with health and safety standards for Itelyum Regeneration in relation to an accident occurred at a side managed by Viscolube S.r.l. (now Itelyum Regeneration). In particular, an employee of a third party company providing on-site services to Itelyum Regeneration was severely injured during certain oil discharge operations. Moreover, in June 2021, the abovementioned former sole director of Castiglia was sentenced to one and a half months of imprisonment after a final and binding (*i.e.*, non-appealable) ruling issued against him in his position as former legal representative of Castiglia by the Italian Supreme Court (*corte di cassazione*) for, among other things, culpable injuries in relation to another accident that occurred in 2014 to another employee of Castiglia, who suffered serious personal injuries during operations carried out at Castiglia premises.

While as of the date of this Offering Memorandum, neither Castiglia nor Itelyum Regeneration is party to any criminal proceeding in relation to these accidents, these alleged violations may potentially lead to an assertion of criminal liability for Castiglia and/or Itelyum Regeneration under Legislative Decree No. 231/2001. If Castiglia and/ or Itelyum Regeneration were to be involved in a proceeding under Legislative Decree No. 231/2001, a potential conviction of either company could result in, among other things, sanctions and penalties, civil and administrative fines, operational bans (including on a precautionary basis) being imposed on it. Moreover, according to general principles of Italian administrative law, the alleged health and safety violations and the relevant criminal proceedings, besides needing to be mandatorily disclosed to relevant public tendering authorities in the context of the public tender procedures to which Castiglia and Itelyum Regeneration take part pursuant to applicable Italian regulations, could also, irrespective of any potential liability under Legislative Decree No. 231/2001, result in the disqualification of Castiglia or Itelyum Regeneration, as applicable, from future or ongoing tender processes for the awarding of contracts with public entities (both upon a discretional assessment by the competent public contracting authority or upon a decision by an administrative court following a claim by competitors of Castiglia or Itelyum Regeneration, as applicable, on a case by case basis, and as a general and automatic effect), in particular in the event of a final and binding conviction (*i.e.* non-appealable) of the managers of Castiglia or Itelyum Regeneration, as applicable. In addition, these alleged health and safety violations could potentially trigger the termination of certain ongoing contracts to which Castiglia or Itelyum Regeneration, as applicable, is party with public entities and the enforcement of any bid or performance bond provided by Castiglia or Itelyum Regeneration to the relevant public contracting entities, where applicable, which could, in turn, have a material adverse impact on our business, financial condition, results of operations and prospects. See "*—We may incur liabilities for the actions of our directors, employees, agents, representatives and intermediaries," "—Our business is exposed to operational risks, and our employees and others on our and our customers' operations are exposed to health and safety risks," and "Our failure to successfully maintain EHS policies and procedures could have a material adverse effect on our reputation and otherwise on our business, financial condition, results of operations* and *prospects" and "Business—Legal and Other Proceedings.*"

Moreover, in the aftermath of public health measures implemented in Italy as well as our temporary personnel initiatives due to the impact of the COVID-19 pandemic, we could be subject to an increase in litigation, in particular in relation to our employees, including with respect to health and safety measures.

In addition, even if a litigation claim (of any nature) against us or any of our current or former managers and employees is without merit, does not prevail or is not pursued, any negative publicity surrounding assertions against our business or products could adversely affect our reputation. Regardless of its final outcome, litigation may also result in substantial costs and expenses we would have to incur to defend ourselves, divert the attention of our management or cause an interruption of our normal business operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Ownership of our vehicle fleet and equipment stock presents a number of risks.

We own a vehicle fleet consisting of more than 120 vehicles, including collection trucks and other industrial vehicles. In general, the cost of maintaining such assets in good operating condition increases with their age. While our vehicle fleet and equipment are relatively young and in a good state of repair, we will incur increasing costs as such machinery ages and needs to be replaced due to obsolescence or otherwise. Moreover, government regulations and safety or other equipment standards may also change, requiring us to incur additional expenditures related to upgrades or replacements of vehicles and equipment.

The price and supply of fuel needed to run our collection trucks and our equipment is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil-producing countries, regional production patterns and environmental concerns. Any significant increase in fuel prices could increase our operating expenses and may interrupt our operations. Our failure to offset all or a portion of increased fuel costs through increased fees or charges would reduce our operating margins and therefore have a material adverse effect on our business, financial condition, results of operations and prospects.

Our insurance coverage may not be adequate to cover all possible losses that we could suffer and our insurance costs may increase.

We hold insurance of various types, including, but not limited to, property damage insurance, general liability coverage and directors' liability insurance. We may not always be able to accurately foresee all activities and situations in order to ensure that they are fully covered by the terms of our insurance policies and, as a result, we may not be covered by insurance in specific instances. While we seek to maintain appropriate levels of insurance, not all claims are insurable and we may experience incidents of a nature that are not covered or entirely covered by insurance. We maintain insurance for some, but not all, of the other potential risks and liabilities associated with our business.

For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risk presented. As a result of market conditions, premiums and deductibles for insurance policies can increase substantially, and in some instances, certain insurance policies may no longer be available, may be available but not economically viable or may be available only for reduced amounts of coverage. Any significant uninsured liability may require us to pay substantial amounts, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Our insurance coverage may not be sufficient or effective under all circumstances and against all liabilities to which we may be subject. We could, for example, be subject to substantial claims for damages upon the occurrence of several events within one calendar year, which could have a material adverse effect on our insurance premiums. In addition, our insurance costs may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. We may not be able to maintain our current insurance coverage or do so at a reasonable cost, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our operations are subject to anti-corruption laws and regulations and economic sanctions programs.

We sell and market our products in Europe, the United States and several countries in Africa and Asia. Doing business worldwide requires us to comply with the laws and regulations of various jurisdictions, including, without limitation, the European Union and the United States. Our international operations are subject to anti-corruption laws and regulations, antitrust laws and regulations, and economic sanctions laws and regulations, including those administered by the United Nations, the European Union and the United States. Anti-corruption laws such as the FCPA and the Bribery Act and other similar laws generally prohibit companies and their intermediaries from making improper payments to public officials for the purpose of obtaining or retaining business. The expansion of our international reach, including in developing countries and emerging markets, could increase the risk of such violations in the future. We rely on our management structure, regulatory and legal resources and effective operation of our compliance program to direct, manage and monitor the activities of our employees and agents, including of our network of distributors. Despite our oversight and compliance programs, there is a risk that our internal policies and procedures will not always protect us from deliberate, reckless or inadvertent acts of our employees or agents that contravene our compliance policies or violate applicable laws. Violations of anti-corruption laws and regulations, antitrust laws and regulations or economic sanctions laws and regulations, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations or financial condition. See "*—We operate in a number of emerging markets, which exposes us to additional economic and political risks.*"

We may incur liabilities for the actions of our directors, employees, agents, representatives and intermediaries.

Conducting our business in an ethically acceptable manner is important to our reputation and business prospects. Any contact by our directors, employees or agents with public administration organizations as well as with private individuals, under certain circumstances, involves risks associated with, among others, fraud, bribery, corruption and other fraudulent activities by our employees and related investigations. Furthermore, we are exposed to the risk that our directors, employees or agents could commit environmental or workplace safety violations or crimes. As a result, we may be subject to claims in connection with damage to property, business interruptions, negligence or willful misconduct (including corruption) or other tortious acts by our employees. Such claims may be substantial and may result in adverse publicity for our Group. Accordingly, these claims could have a material adverse effect on our business, financial condition, results of operations, prospects and cash flow available to service our indebtedness.

Although we maintain and update internal monitoring systems (including the internal control model pursuant to Legislative Decree No. 231/2001 aimed at, *inter alia*, preventing direct or indirect acts of corruption, bribery, anti-competitive behavior, money laundering, fraud, deception, tax evasion 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, agents and third party agents representatives and intermediaries. Any of the foregoing circumstances (including our failure to adequately implement and update such monitoring systems) may expose us to civil, administrative and criminal penalties, also pursuant to the provisions of Legislative Decree No. 231/2001, as well as to reputational damage as a result of such occurrences.

In particular, pursuant to Legislative Decree No. 231/2001, we may be held responsible for certain crimes committed in our interest or for our benefit by individuals having a functional relationship with us, including third party agents or intermediaries, unless we were able to prove that such individuals fraudulently violated our internal control model and it would have been impossible for us to avoid such violation. In such circumstances, we may be subject to fines, confiscation of profits or legal sanctions (applied in certain cases as interim measures-*i.e.* during the investigations), including the termination of financing arrangements suspension of our operations and confiscation of profits. 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. Finally, not all of our subsidiaries have adopted or fully implemented a compliance system pursuant to Legislative Decree No. 231/2001; therefore, there is no guarantee that we will be successful in defending against possible proceedings in relation to the administrative liability pursuant to Legislative Decree No. 231/2001. See "*—Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects.*"

Any of the foregoing events may have a material adverse effect on our business, financial condition, results of operations and prospects.

Additional tax expense or additional tax exposure may affect our future profitability.

We are subject to various taxes, including corporate income tax ("**IRES**"), regional business tax and related surcharges ("**IRAP**"), value added tax ("**VAT**"), excise duties, tax on financial activities, tax on financial transactions, stamp duty and substitutive taxes. Our tax expense includes estimates of additional tax which may be incurred for tax exposures and reflects various estimates and assumptions. In addition, these assumptions include assessments of our future earnings that may impact the valuation of its deferred tax assets. Our future results of operations may be adversely affected by changes in the effective tax rate, changes in our overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles, changes in the valuation of deferred tax assets and liabilities, the results of audits and examinations of previously filed tax returns and continuing assessment of our tax exposures. Corporate tax reform and tax law changes continue to be analyzed in Italy. Significant changes to the corporate tax system in Italy and any country in which we operate, or may operate, may have a material adverse effect on our business, financial condition, results of operations and prospects.

We face risks related to the services we provide to government and other public entities.

For the twelve months ended June 30, 2021, we generated approximately 3% of our revenue through the sale of products and services to central and local public administration customers and agencies and listed state-controlled companies, including through public tenders. Commercial relationship involving public entities carry various risks inherent in the government contracting process, including the following:

- terms and conditions of contracts with public sector entities tend to be more onerous than other contracts and may include, among others, extensive rights of audit, more punitive service-level penalties and other restrictive covenants;
- contractual non-compliance (including improper billing), failure to comply with procurement regulations and regulation regarding the protection of classified information, and other improper or illegal activities, may result in various civil and criminal penalties and administrative sanctions, fines

and suspensions or debarment from doing business with the government, in addition to other typical remedies for breach of contract, which may include termination of the relevant contracts, forfeiture of profits and suspension of payments. See also "*Risk Factors—Risks Related to Our Business—Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects;*"

- government contracts are often subject to more extensive scrutiny and publicity than other contracts. Any negative publicity related to such contracts, regardless of the accuracy of such publicity, may adversely affect our business and reputation;
- participation in government contracts could subject us to stricter regulatory requirements, which may increase our cost of compliance;
- political and economic factors, such as pending elections, the outcome of recent elections, changes in leadership among key executive or legislative decision-makers, revisions to governmental tax or other policies and reduced tax revenue, can affect the number and terms of new government contracts signed or the speed at which new contracts are signed;
- litigation or disputes with government and public entities may lead to us being banned from contracting with other government and public entities or participating in public tenders, which would have both an economic and a reputational impact on us; and
- public sector-related customers sometimes follow payment management processes that are subject to review by other government authorities or other entities, which may cause delays or adjustments to their own payment schedule.

Any or all of the above risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Our Financial Information

The preparation of our financial statements involves judgments, estimates and assumptions, and changes in financial accounting standards may cause unexpected revenue fluctuations and affect our reported results of operations.

The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of our assets, liabilities, stockholders' equity, revenues and expenses, the amounts of charges accrued by us and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions. Significant assumptions and estimates used in preparing our Consolidated Financial Statements include those related to property, plant and equipment, goodwill and other intangible assets, provisions for risks and charges and bad debt provision, environmental liabilities and inventory obsolescence provision. For further information on the assumptions pertaining to such financial statements components, see our Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum. In addition, actual performance may be higher or lower than our estimates for a variety of reasons, including unanticipated competition, regulatory actions or changes in one or more of our contractual relationships. We cannot assure you that any of our estimates, or the assumptions underlying them, will be correct.

The Consolidated Financial Statements are based on Italian GAAP and there may be differences between our financial position and results of operations prepared in accordance with Italian GAAP and IFRS or U.S. GAAP. In addition, should we decide to adopt IFRS as our accounting reporting method, this could potentially result in material changes to certain of our financial information from our information presented in this Offering Memorandum.

The Consolidated Financial Statements included in this Offering Memorandum are based on Italian GAAP, which differs in certain respects from IFRS and U.S. GAAP. We have not presented a reconciliation of the Consolidated Financial Statements to IFRS and U.S. GAAP in this Offering Memorandum. Because there are differences between Italian GAAP and IFRS and U.S. GAAP, there could be certain significant differences in our results of operations, cash flows and financial position, including levels of indebtedness, under IFRS and U.S. GAAP. In addition, we may adopt IFRS in the near future, which could potentially result in changes to our results of operations, cash flows and financial position from the amounts presented in this Offering Memorandum. These changes could result from, among other things, the different possible approaches toward impairment under IFRS and the requirement to assess our assets and goodwill for impairment as part of the conversion from Italian GAAP to IFRS. For a discussion of the certain significant differences between IFRS and Italian GAAP, see Annex A to this Offering Memorandum.

The perimeter adjusted financial data included in this Offering Memorandum, including Adjusted EBITDA and Pro forma Adjusted EBITDA, is for information purposes only, is only intended to simulate what our results of operations would have been had the relevant acquired businesses been included in our scope of consolidation for the entire period assumed and has been prepared on the basis of certain estimates and assumptions which we consider reasonable, but it is not a substitute for the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

We have prepared certain perimeter adjusted financial data in this Offering Memorandum, including Unaudited *Pro forma* Financial Data, Adjusted EBITDA, *Pro forma* Adjusted EBITDA, *pro forma* revenue and adjusted recurring capital expenditure.

Unaudited *Pro forma* Financial Data, Adjusted EBITDA, *pro forma* revenue and adjusted recurring capital expenditure provide more granularity regarding the performance of our business after adjusting for additions to our scope of consolidation, assuming that the Acquired Companies had been part of our consolidation perimeter since January 1, 2018. The Acquired Companies are companies we acquired in the period between January 1, 2018 and June 30, 2021 and, therefore, do not include Castiglia, which we acquired on July 2, 2021. No reconciliation has been provided in this Offering Memorandum from the Unaudited *Pro forma* Financial Data to the Target Group's Consolidated Financial Statements. See "*Summary Historical Financial Information* and *Other Data—Other Financial Data*" and *"—Unaudited Pro forma Financial Data.*"

This Offering Memorandum also contains management estimates in the calculation of our *Pro forma* Adjusted EBITDA and *pro forma* revenue with respect to the additional Adjusted EBITDA and revenue, respectively, we expect to generate from the acquisition of Castiglia. See "*Summary Historical Financial Information* and *Other Data—Other Pro forma Financial Data*" and "*Summary—Recent Developments—Acquisition of Castiglia.*"

While we believe that this perimeter adjusted financial data can be useful to potential investors seeking to evaluate our performance over time, such financial data has been prepared on a different basis than our Consolidated Financial Statements included elsewhere in this Offering Memorandum and such information is not intended to be compliant with Italian GAAP or any other accounting standards. Such perimeter adjusted financial data has been prepared by, and is the responsibility of, management. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the perimeter adjusted financial data for the purpose of their inclusion in this Offering Memorandum. The perimeter adjusted financial data has not been prepared in accordance with the published guidelines of the SEC, the guidelines published by any other regulatory or industry body regarding estimates, the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Regulation or the UK Prospectus Regulation.

The perimeter adjusted financial data is based on a number of assumptions and estimates that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon. The preparation of the perimeter adjusted financial data requires management to exercise judgment and make assumptions with respect to issues such as the reconciliation of accounting policies (such as in respect of revenue recognition). For these reasons, the perimeter adjusted financial data is only a simulation of the Itelyum Group's results had the relevant acquired businesses been owned for the whole period assumed and is not an indication of what our results would have been if the relevant acquired businesses had been part of the Target Group for such period. The perimeter adjusted financial data is subject to significant business, economic, financial and competitive risks and uncertainties that could have caused actual results to differ materially had the relevant acquired businesses been owned for the entire period and there are significant differences between the perimeter adjusted financial data and the Consolidated Financial Statements.

We did not own or control the Acquired Companies prior to the dates on which control passed in accordance with the relevant acquisition agreements. In some cases, such Acquired Companies were not operated as standalone businesses and therefore certain allocation of headquarters and similar costs have been estimated. Additionally, upon taking control of the Acquired Companies, we implemented our own industrial and distribution strategy which in some cases may have differed in material ways from the prior owners' strategy.

In addition, the *pro forma* adjustment relating to the impact of the acquisition of Castiglia used to calculate *Pro forma* Adjusted EBITDA is based on the information available to us in connection with the acquisition of Castiglia, together with our management's assumptions and estimates. Such adjustment is inherently uncertain and subject to a wide variety of significant uncertainties. Such adjustment does not reflect the costs we will incur to, among other things, integrate Castiglia into the Target Group or any potential synergies or other impacts related to or expected to derive from the acquisition of Castiglia, and, therefore, is not meant to represent what the Adjusted EBITDA contribution of Castiglia would have been for the twelve months ended June 30, 2021, if we had acquired Castiglia on July 1, 2020. Accordingly, there can be no assurance that the estimated results will be realized.

Accordingly, investors should not unduly rely on any of the perimeter adjusted financial data presented in this Offering Memorandum, as such data could significantly differ from our actual future performance. In addition, we will not provide holders with an analysis of any differences between the estimates contained herein and actual results later achieved, and we expressly disclaim any duty to update such estimates under any circumstances. Moreover, Adjusted EBITDA, Adjusted EBITDA (including normalized COVID-19 impact), *Pro forma* Adjusted EBITDA, *Pro forma* adjusted net total financial debt, *Pro forma* adjusted net interest expense and any associated ratio presented herein are not calculated in accordance with the provisions of the Indenture.

Risks Related to the Transactions

Amendments made to the Acquisition Agreement may have adverse consequences for holders of the Notes. Holders of the Notes will not be able to rescind their decision to invest in the Notes if any such amendments were made or in the event of changes in the financial condition of the Target Group.

The Acquisition is expected to be consummated in accordance with the terms of the Acquisition Agreement. However, the Acquisition Agreement may be amended and the closing conditions may be waived at any time by the parties thereto, without the consent of holders of the Notes. Furthermore, any amendments made to the Acquisition Agreement may make the Acquisition less attractive. Any amendment to, or waiver of the closing conditions under, the Acquisition Agreement may be materially adverse to holders of the Notes, which, in turn, may have an adverse effect on the return the holders expect to receive on the Notes.

Holders of the Notes will decide to invest in the Notes at the time of purchase thereof and will not be able to rescind their decision to invest in the Notes, including in the event of changes in the financial condition of the Target Group or the terms of the Acquisition or the terms of the approvals or clearances (including regulatory clearances) related to the Acquisition prior to the release of the gross proceeds of the Notes from the Escrow Account upon completion of the Acquisition.

If certain conditions are not satisfied on or prior to the Escrow Longstop Date, the Issuer will be required to redeem the Notes, which means holders of the Notes may not obtain the return they expect on the Notes. In addition, the Issuer might not have sufficient funds to pay all of the amounts due to the holders of the Notes in the event of a Special Mandatory Redemption.

If the Completion Date is anticipated to occur more than one business day after the Issue Date, as of the Issue Date and prior to the Completion Date, the gross proceeds of the Offering will be deposited into the Escrow Account. Completion of the Acquisition within one business day following the release of the escrowed funds is one of the conditions to releasing the proceeds of the Offering from escrow. If the proceeds of the Notes are deposited into the Escrow Account and the Acquisition is not consummated on or prior to the Escrow Longstop Date for any reason and, as a result, the proceeds from the sale of the Notes to be held in escrow are not released, the Issuer will be required to redeem the Notes pursuant to a special mandatory redemption at a price equal to the initial issue price of the Notes, without the payment of any call premium, and holders of the Notes may not obtain the investment return they expect on the Notes. The Issuer may also undertake a special mandatory redemption at any time if, in its good faith judgment, the Acquisition will not be consummated by the Escrow Longstop Date. Moreover, if the Completion Date is anticipated to occur within one business day of the Issue Date, the gross proceeds of the Notes will not be deposited into the Escrow Account and will be transferred to the Issuer. In such case, the bank account or accounts of the Issuer where the gross proceeds will be deposited will not be pledged in favor of the Trustee or the holders of the Notes. See "*Description of Notes—Escrow of Proceeds; Special Mandatory Redemption.*"

If the Completion Date is anticipated to occur more than one business day after the Issue Date and the proceeds of the Notes are deposited into the Escrow Account, the escrow funds will initially be limited to the gross proceeds of the Offering and will not be sufficient to pay the special mandatory redemption price, which is equal to the issue price of the Notes plus accrued and unpaid interest from the Issue Date to, but excluding, the date of the special mandatory redemption, and additional amounts, if any. In addition, certain fees and escrow related costs will be deducted from the amounts deposited on the Escrow Account. If the proceeds of the Notes are deposited into the Escrow Account, under a shortfall agreement between the Issuer and Holdco, Holdco will agree with the Issuer to contribute to the Escrow Account an amount necessary to pay, subject to reasonable maximum cap, the special mandatory redemption price on the special mandatory redemption date, to the extent the amounts in the Escrow Account are insufficient. Holdco, however, is a holding company that as of the Issue Date will not have material assets other than the shares it holds in the Issuer and may not have adequate financial resources on the special mandatory redemption date to honor this obligation. In the event such shortfall agreement is not honored, the Issuer may not have sufficient funds to make these payments.

The Target's historical financial information may not be representative of our future results.

Our Consolidated Financial Statements have not been adjusted to reflect the impact of any changes to the statement of profit or loss, statements of financial position or statement of cash flows that might occur as a result of purchase accounting adjustments to be applied as a result of the Transactions. However, the Target (prior to the completion of the Post Completion Merger) and MergerCo (following the completion of the Post Completion Merger), as applicable, will account for the Acquisition using the acquisition method of accounting under Italian GAAP and will apply purchase accounting adjustments in connection with the Acquisition to the financial statements for accounting periods subsequent to the Completion Date. The application of purchase accounting could result in different carrying values for existing assets and liabilities and we may add additional assets to our statement of financial position, which may include, *inter alia*, intangible assets, such as goodwill. We may also recognize different amortization and depreciation expenses. Due to these and other potential adjustments, if we provide consolidated financial statements for periods after the Completion Date at the level of the Issuer or MergerCo (instead of the Target), our future financial statements could be materially different once the adjustments are made and may not be comparable to our Consolidated Financial Statements included in this Offering Memorandum.

The Target is currently controlled by the SSCP Sellers. The Issuer does not currently control the Target Group and will not control the Target Group until completion of the Acquisition. Prior to the Completion Date, the Target Group will not be subject to the covenants described in "*Description of Notes.*" Holders of the Notes will not be able to rescind their decision to invest in the Notes, including in the event of changes in the financial condition of the Target Group or the terms of the Acquisition. As such, we cannot assure you that, prior to such date, the Target Group will not take actions that would otherwise have been prohibited by the Indenture had such covenants been applicable, including paying dividends, incurring debt or liens or making investments.

Holders of the Notes will decide to invest in the Notes at the time of purchase thereof and will not be able to rescind their decision to invest in the Notes, including in the event of changes in the financial condition of the Target Group or the terms of the Acquisition.

The Acquisition may entitle the Target Group's customers or other business partners of the Target Group to terminate their agreements as a result of change of control provisions.

The Acquisition may constitute a change of control under certain agreements entered into by the Target and its subsidiaries, in which case the counterparties to such agreements will be entitled to terminate their agreements with us. Some of these counterparties may exercise their termination rights, which could have an adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Our Structure and the Financing

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

After completion of the Transactions, we will have incurred significant indebtedness and we will have substantial debt service obligations. As of June 30, 2021, after giving *pro forma* effect to the Transactions, we would have had total third-party financial indebtedness outstanding in the amount of €472.1 million, including €450.0 million in aggregate principal amount of the Notes but excluding additional liabilities under recourse factoring for an amount of €11.6 million as of June 30, 2021, and an additional €50.0 million available for drawing under the Revolving Credit Facility. We anticipate that we will continue to be highly leveraged for the foreseeable future. See "*Capitalization*," "*Description of Certain Financing Arrangements*" and "*Description of 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, 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; and
- 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.

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. Although the terms of the Indenture and the Revolving Credit Facility will limit our ability to incur additional indebtedness, such limitations will be subject to exceptions and qualifications and the incurrence of additional indebtedness would exacerbate the risks above.

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 is a holding company that has no revenue generating operations of its own and prior to the Post Completion Merger will depend exclusively on cash from the operating companies of the Target Group to be able to make payments on the Notes.

After the Issue Date and prior to the Completion Date, the Issuer will not have any subsidiaries and will have no assets (other than the proceeds of the offering of the Notes which will be deposited into the Escrow Account and will be charged in favor of the Trustee on behalf of the holders of the Notes if the Completion Date is anticipated to occur more than one business day after the Issue Date). The Issuer's only material assets and liabilities upon the Completion Date are expected to be its equity interests in the Target and its outstanding indebtedness and inter-company balances incurred in connection with the Transactions, including its receivables under the Itelyum Proceeds Loans and its indebtedness under the Notes and, if any, the Revolving Credit Facility Agreement. As a result, prior to the Post Completion Merger, the Issuer will be dependent upon dividends, principal repayments under the Itelyum Proceeds Loans and other payments from its subsidiaries to generate the funds necessary to meet its outstanding indebtedness service (including under the Notes) and other obligations, and such dividends and other payments may be restricted by law or the instruments governing our indebtedness, including any financing agreements of our subsidiaries. The amounts of dividends and other payments 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. Our subsidiaries may not generate sufficient cash from operations to enable us to make principal and interest payments on our indebtedness, including the Notes. In addition, the Issuer's subsidiaries may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to the Issuer to make payments in respect of its indebtedness, including the Notes. Following the Post Completion Merger, to a certain extent, the above-mentioned risks will apply to MergerCo.

Various agreements governing our debt may restrict and, in some cases may prohibit, the ability of these subsidiaries to transfer cash to the Issuer and, following the Post Completion Merger, MergerCo. 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 or, following the Post Completion Merger, MergerCo's subsidiaries to pay dividends to the Issuer or MergerCo, as applicable, will generally be limited to the amount of distributable reserves available to each of them and the ability to pay its debt when due. In addition, the aggregate amount of the Itelyum Proceeds Loans is currently expected to be approximately €150.4 million, which is significantly lower than the aggregate principal amounts of the Notes, and we expect that the Itelyum Proceeds

Loans will accrue interest at a rate that will be generally consistent with the rate applicable to the Notes. Accordingly, prior to the Post Completion Merger, the ability of the Issuer to make payments under the Notes will largely depend on the ability of the Issuer's subsidiaries to pay dividends or make other distributions to it, which will be subject to the risks described above and could be inefficient from a tax perspective.

The subsidiaries of the Issuer or, following the Post Completion Merger, MergerCo that do not guarantee the Notes have no direct obligation to make payments with respect to the Notes or the Guarantees. While the Indenture and the Revolving Credit Facility will limit the ability of the Issuer's subsidiaries or, following the Post Completion Merger, MergerCo's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments, these limitations will be subject to significant qualifications and exceptions, including exceptions for restrictions imposed by applicable law.

We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all.

We intend to use commercially reasonable efforts, subject to any relevant approval and/or authorization by any competent authority, to implement the Post Completion Merger in accordance with Articles 2501-bis and following of the Italian Civil Code and other applicable provisions of Italian law, with MergerCo being the surviving entity, as soon as reasonably practicable following the Completion Date. Article 2501-bis of the Italian Civil Code is the central provision in the Italian legislation regulating merger debt push-downs (thus its application constitutes a safe-harbor vis-a-vis the risk that any such merger can be considered unlawful, also from a financial assistance perspective, with ensuing consequences). In order to complete the Post Completion Merger, there are various steps that we must take, including the preparation of a merger plan, a report by the directors of the companies involved in the Post Completion Merger (*relazione dell'organo amministrativo*) and a report by an independent expert appointed by the court, assessing the sustainability of debt at the level of MergerCo. Furthermore, Article 2501-bis of the Italian Civil Code is also based on the premise that the merger follows an acquisition of control of the target by another entity. Although there is no specific case law by Italian courts available on the interpretation of this requirement, according to the majority of legal scholars, a change in the direct shareholder holding the majority of the shares in a merging company is sufficient for the requirement to be satisfied (and thus for Article 2501-bis to apply).

Our estimation of the timing required to complete the Post Completion Merger is based upon market practice for leveraged buyouts in Italy, which typically involve acquisition vehicles in the form of joint stock companies (*società per azioni*) where an independent expert is required to be appointed by the competent court, which creates an inherent uncertainty as to the length of time in which the Post Completion Merger can be expected to take place. In addition, there can be no assurance that the independent expert will release its report or that the other steps required for the Post Completion Merger will be taken in a timely manner, or at all. Subject to certain exceptions, the Post Completion Merger can only be implemented following the expiration of 60 days after the latest filing with the competent companies' registry of the resolutions approving the Post Completion Merger. Within this 60-day deadline, the creditors of the companies involved in the Post Completion Merger are entitled to challenge the Post Completion Merger.

Following the Post Completion Merger, in the event that the Target or Itelyum Regeneration is the successor company of the Post Completion Merger, MergerCo will, upon consummation of the Post Completion Merger, assume the obligations of the Issuer under the Notes and the Indenture. Although as of the date of this Offering Memorandum we expect that Itelyum Regeneration will be the surviving entity of the Post Completion Merger, if the Post Completion Merger is ultimately structured such that Itelyum Regeneration is not the surviving entity, or if there is a new resulting entity, then Itelyum Regeneration will be required to transfer licenses and permits relating to the conduct of its business operations to the new entity resulting from the Post Completion Merger. There is no assurance that in such event Itelyum Regeneration will be able to transfer its licenses or permits in a timely manner, or at all, or that our business may not be materially adversely affected as a result.

Concurrently with the Post Completion Merger and as a result thereof, the security interest over the Issuer's receivables in respect of the Itelyum Regeneration Proceeds Loan will be automatically terminated and, depending on which entity will survive the Post Completion Merger, certain other Pre Merger Collateral will be extinguished by operation of law and, in particular, (a) in the event that the Issuer is the successor company of the Post Completion Merger, the Target Share Pledge and the pledge over the share capital of Itelyum Regeneration, will be extinguished by operation of law; (b) in the event that the Target is the successor company of the Post Completion Merger, the pledge over the share capital of the Issuer and the pledge over the share capital of Itelyum Regeneration will be extinguished by operation of law; and (c) in the event that Itelyum Regeneration is the successor company of the Post Completion Merger, the pledge over the share capital of the Issuer and the Target Share Pledge will be extinguished by operation of law.

In addition, subject to and on terms consistent with the Agreed Security Principles, within 90 days following completion of the Post Completion Merger, as applicable, MergerCo and Holdco will grant or reconfirm, as applicable, the security interests in the Post Merger Collateral. In the event we are unable to consummate the Post Completion Merger, the Post Merger Collateral will not be granted for the benefit of the holders of the Notes, and Verde Bidco S.p.A. will remain as the Issuer. In addition, in the event that the Post Completion Merger does not occur on or prior to the Cut-Off Date, in addition to the Pre Merger Collateral, the Issuer shall use commercially reasonable efforts to procure that the Notes will be secured, subject to the Agreed Security Principles, certain perfection requirements and certain significant limitations described under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" by security interests granted on a first-priority basis over the Target Group Collateral within 90 days of the Cut-Off Date.

In addition, subject to the Agreed Security Principles and to certain significant limitations under Italian law, the Issuer (or MergerCo, as applicable) shall use commercially reasonable efforts to procure that, no later than 90 days from the earlier of (i) the Post Completion Merger and (ii) in the event the Post Completion Merger does not occur, the Cut-Off Date, certain subsidiaries of the Issuer guarantee the Notes. Pursuant to the Indenture and subject to the Intercreditor Agreement and the Agreed Security Principles, each subsidiary of the Issuer that guarantees the Revolving Credit Facility or certain other indebtedness, in each case of the Issuer or a Guarantor (as defined below) that is a subsidiary of the Issuer, shall enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement as a debtor. There can be no assurance, however, that we will be successful in procuring such Guarantees within the time period specified, and in any event such Guarantees would be limited as set forth in "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations.*"

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.

We may incur substantial additional debt in the future. We may borrow up to €50.0 million under the Revolving Credit Facility, which will be secured by the same collateral as the Collateral for the Notes, and the Indenture will also permit the incurrence of additional debt. The Indenture and the Revolving Credit Facility Agreement will also 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 and the Revolving Credit Facility Agreement will contain restrictions on the incurrence of additional indebtedness, these restrictions will be 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 additional debt is incurred, the related risks that we now face would increase. In addition, the Indenture and the Revolving Credit Facility Agreement will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. Our inability to service our debt and other liabilities could have a material adverse effect on business, financial condition, results of operations and prospects and our ability to fulfil our obligations under the Notes.

We are subject to restrictive covenants that limit our operating and financial flexibility.

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

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer or its restricted subsidiaries;
- repay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or any of their restricted subsidiaries;
- sell, lease or transfer certain assets including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;

- impair the security interests for the benefit of holders of the Notes; and
- amend certain documents relating to the Notes.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of 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, subject to the applicable cure period, result in an event of default under the Revolving Credit Facility Agreement. Upon the occurrence of an event of default that is continuing under the Revolving Credit Facility Agreement, the relevant creditors will be entitled to cancel the availability of the Revolving Credit Facility and/or elect to declare all amounts outstanding under the Revolving Credit Facility, together with accrued interest, immediately due and payable. In addition, a default, event of default and/or acceleration action 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 our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of 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, 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 will mature 4.5 years following the Completion Date and thus prior to the maturity of 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 Indenture and the Revolving Credit Facility, will limit, and 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 condition, results of operations and prospects. 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, which could cause an event of default under our debt and result in:

- our debtholders declaring all outstanding principal and interest to be due and payable;
- the lenders under our Revolving Credit Facility Agreement being able to terminate their commitments to lend us money and foreclose against the assets securing our borrowings; and
- our being forced into bankruptcy or liquidation, which could result in you losing your investment in the Notes.

The drawings under the Revolving Credit Facility and any future variable interest rate debt we may incur in the future will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow, or could otherwise be adverse to the interests of the holders of the Notes.

Loans under the Revolving Credit Facility bear interest at rates per annum equal to EURIBOR for loans denominated in euro or the London Interbank Offered Rate ("**LIBOR**") for loans denominated in any USD and any other approved currency by the lenders other than euro, plus an applicable margin. In relation to loans denominated in euro, the Issuer will have the ability to switch to risk free rates prior to June 30, 2023. These interest rates could rise significantly in the future, increasing our interest expense associated with the Revolving Credit Facility, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes.

Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurances that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, our interest expense associated with the Revolving Credit Facility would correspondingly increase, thus reducing cash flow.

In addition to the above, following allegations of manipulation of LIBOR, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of daily EURIBOR or the calculation of LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. In addition, LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on March 5, 2021, the UK Financial Conduct Authority ("**FCA**") announced that certain LIBOR settings will permanently cease immediately after December 31, 2021 or after June 30, 2023, as applicable (the "**FCA Announcement**"). The FCA Announcement indicates that the FCA will no longer require any panel banks to continue to submit LIBOR beyond the date from which the panel banks have notified their departure, or to require the ICE Benchmark Association to continue to publish LIBOR on the basis of panel banks submissions beyond such dates. It follows that all LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after the dates set out in the FCA Announcement. The International Swaps and Derivatives Association has further announced on March 5, 2021 that the FCA Announcement constitutes an index cessation event under the IBOR Fallbacks Supplement and the ISDA 2020 IBOR Fallbacks Protocol for all LIBOR settings. The elimination of the LIBOR benchmark or any other 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 a 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 Revolving Credit Facility having interest rates that are linked to LIBOR or EURIBOR, as applicable). Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest. The elimination of the LIBOR benchmark or any other 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 a 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 Revolving Credit Facility).

Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest. Various interest rate benchmarks (including LIBOR) are the subject of recent regulatory guidance and proposals for reform. Some reforms are already effective while others are still to be implemented, including the EU Benchmark Regulation (Regulation (EU) 2016/1011, as amended). In addition, the FCA Announcement indicates that all LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after December 31, 2021 or June 30, 2023, as applicable. On November 29, 2017, the Bank of England and the FCA announced that the market Working Group on Sterling Risk-Free Rates would have an extended mandate to catalyze a broad transition to the Sterling Over Night Index Average rate ("**SONIA**") across sterling bond, loan and derivatives markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. The Bank of England and FCA have stated that a key near-term priority for the Working Group will be to make recommendations relating to the potential development of term SONIA reference rates. These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Based on the foregoing, investors should in particular be aware that (i) any of the reforms or pressures described above or any other changes to a relevant interest rate benchmark (including LIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be and (ii) from the cessation date of LIBOR, the rate of interest applicable to our sources of funding may be determined for a period by applicable fall-back provisions, although such provisions, often being dependent in part upon the provision by reference banks of offered quotations for the LIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available.

More generally, any of the above matters or any other significant change to the setting or existence of LIBOR could affect our ability to meet our obligations under its sources of funding and/or could have a material adverse effect on the liquidity of, and the amount payable under, its sources of funding. Changes in the manner of administration of LIBOR could result in adjustments to the conditions applicable to our sources of funding or other consequences relevant to our sources of funding. No assurance can be provided that changes will not be made to LIBOR or any other relevant benchmark rate and/or that such benchmarks will continue to exist.

Risks Related to the Notes, the Guarantees and the Collateral

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

The Security Documents relating to the Notes will allow each of the Issuer (and following the Post Completion Merger, MergerCo), Holdco and any other pledgor or grantor of Collateral, as applicable, to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral to the extent that it relates to their assets. So long as no acceleration event has occurred and subject to certain conditions, the Issuer (and following the Post Completion Merger, MergerCo), Holdco and any other pledgor or grantor of Collateral, as applicable, 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 in accordance with the Indenture and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral.

The interests of our principal shareholders may conflict with your interests as a holder of the Notes.

The interests of our principal shareholders may not correspond with the interests of the holders of the Notes. Upon completion of the Acquisition, the Issuer will be indirectly controlled by Itelyum Co-Investment LP, whose ultimate general partner is Bay Fox Verde GP Limited and whose partnership interests are held by SSCP Fund IV, a fund whose ultimate general partner is Stirling Square Capital Partners Fourth Fund GP Limited, and other SSCP co-investors. See "*Principal Shareholders.*" The interests of Stirling Square Capital Partners or its affiliates could conflict with the interests of the holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, Stirling Square Capital Partners and its affiliates could vote to cause us to incur additional indebtedness. In addition, Stirling Square Capital Partners and its affiliates may hold interests in suppliers or customers of the Target Group. Stirling Square Capital Partners or its affiliates may also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments, although such transactions might also involve risk to the holders of the Notes, and may, in the future, own businesses that directly compete direct or indirectly with us or that operate in our markets or adjacent markets. In addition, certain minority investors, comprised of DBAG and the Management Investors will indirectly own approximately 29% and 7%, respectively, of the share capital of the Target. In connection with the Transactions, Itelyum Co-investment LP and DBAG Diamante Investment S.à r.l. have entered into an investment and shareholder agreement which sets forth, among other things, that the consent of DBAG is required for certain reserved matters, including, among other things, making material acquisitions and/or disposals of assets. See "*Principal Shareholders.*"

No assurance or representation is given by us, the Trustee, the Initial Purchasers, any second party opinion provider or any External Reviewer as to the suitability or reliability for any purpose whatsoever of any opinion, report (including our Sustainability Reports and Sustainability-Linked Bond Framework), certification or validation of any third party in connection with the Offering or the Sustainability Performance Targets to fulfil any green, social, sustainability, sustainability-linked and/or other criteria. The Notes are not "green bonds." Moreover, the CO_2 Baseline presented herein has not been independently verified or audited by any third party. There will be limited consequences under the Indenture for our failure to meet the Sustainability Performance Targets.

Although we target an increase in gross CO_2 avoided emissions and the quantity of waste collected and delivered to circular treatments, there can be no assurance of the extent to which we will be successful in doing so or that the sustainability-linked features of the Notes will satisfy an investor's requirements for any future legal or quasi-legal standards for investment in assets with any green, social, sustainability, sustainability-linked and/or other criteria, whether by any present or future applicable law or regulations or by its own by-laws or other governing rule or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact.

No assurance or representation is given by us, the Trustee, the Initial Purchasers, any second party opinion provider or any External Reviewer as to the suitability or reliability for any purpose whatsoever of our Sustainability Reports and Sustainability-Linked Bond Framework or of any opinion of any third party (whether or not solicited by us) that may be made available in connection with our Sustainability-Linked Bond Framework, our Sustainability Performance Targets or the Notes. For the avoidance of doubt, the Sustainability-Linked Bond Framework and any such opinion are not and shall not be deemed to be incorporated into and/or form part of this Offering Memorandum. Any such opinion is not, nor should be deemed to be, a recommendation by us, the Trustee or any Initial Purchaser, or any other person to buy, sell or hold the Notes. Any such opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein and/or the provider of such opinion for the purpose of any investment in the Notes. The second party opinion providers and providers of similar opinions, certifications and validations are not currently subject to any specific regulatory or other regime or oversight. The holders of the Notes have no recourse against us, any of the Trustee, the Initial Purchasers or the provider of any such opinion or certification for the contents of any such opinion or certification. In addition, the CO_2 Baseline for the year ended December 2020 in respect of the Gross CO_2 Avoided Emissions Target has not been independently verified, audited or otherwise reviewed by the Trustee, the Initial Purchasers or any other third party. Accordingly, while the Issuer has calculated the CO_2 Baseline in good faith, there are risks that such CO_2 Baseline may be inaccurate, which may adversely affect the Issuer's ability to achieve the Gross CO_2 Avoided Emissions Target or may otherwise facilitate such achievement. Moreover, the Issuer has no obligation to modify or otherwise change the SLB Baselines in the future.

The Notes are not being marketed as green bonds. We expect to use the proceeds from this Offering to fund the purchase price of the Acquisition, to repay the Existing Itelyum Debt in full and to pay costs and expenses incurred in connection with the Transactions, and therefore we do not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria or be subject to any other limitations associated with green bonds.

In addition, although we will be required to pay a Step-up Premium upon the redemption of the Notes at maturity or prior thereto under certain circumstances if we fail to achieve one or both of the Sustainability Performance

Targets, the failure to achieve any such targets, the failure to deliver a Sustainability Report and/or the failure to receive an Assurance Letter will not be a default or event of default under the Indenture nor will any such event trigger any requirement to repurchase or redeem the Notes.

Moreover, the Step-up Premium will not be payable on the Notes in certain circumstances, such as in connection with a change of control offer or an asset disposition offer, upon an acceleration of the Notes or in connection with certain optional redemption features. Furthermore, any acquisition or divestment by the Itelyum Group shall be taken into account in the calculation but shall not result in a change of the calculation methodology or a recalibration of the Sustainability Performance Targets or the SLB Baselines. See "*Description of Notes.*"

Certain of the Collateral will not secure the Notes until no later than 30 Business Days from the Completion Date or within 90 days of the consummation of the Post Completion Merger.

The Post Completion Date Collateral will be granted within 30 Business Days after the Completion Date and certain other Collateral will only be granted and/or confirmed (as applicable) within 90 days of the consummation of the Post Completion Merger or within 90 days of the Cut-Off Date, as further described under "*Description of Notes—Security.*" There can be no assurance, however, that we will be successful in procuring such liens within the time periods specified, the failure of which would result in an "event of default" under the Indenture. The security interests will be limited to the same extent as those under the Revolving Credit Facility and otherwise as set forth under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Description of Notes—Security,*" which limitations could be significant. See also "*—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.*"

The Notes will be structurally subordinated to the existing or future indebtedness or obligations of all of the Issuer's (or MergerCo's) subsidiaries that do not guarantee the Notes.

Not all of our subsidiaries will be Guarantors of the Notes. Generally, claims of creditors, including depositors, trade creditors and preferred stockholders (if any) of non-guarantor subsidiaries of the Issuer or MergerCo, as applicable, 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 or MergerCo, as applicable, and the Guarantors of the Notes. Accordingly, in the event that any non-guarantor subsidiary of the Issuer or MergerCo, as applicable, 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 or MergerCo, as applicable, and any Guarantors (if any), 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, 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 MergerCo, as applicable, or any Guarantors (if any), 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 non-guarantor subsidiaries of Issuer or MergerCo, as applicable. As of June 30, 2021, after giving *pro forma* effect to the Transactions, the Issuer's subsidiaries which are not expected to guarantee the Notes would have had €9.7 million in outstanding financial debt (excluding liabilities under recourse factoring of €11.6 million and excluding debt owed by Castiglia), €2.8 million of which was secured over asset that do not constitute Collateral, which would have ranked structurally senior to the Notes and the Guarantees. In addition, the Indenture will, subject to certain limitations, permit the guarantors and 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 in the ordinary course of business that may be incurred by non-Guarantor subsidiaries.

The Indenture also will not limit the transfer of assets to, or the making of investments in, any of our restricted subsidiaries, including our restricted subsidiaries that do not guarantee the Notes. As payments on the Notes are only required to be made by Issuer or MergerCo, as applicable, and the Guarantors, no payments are required to be made from assets of subsidiaries that do not guarantee the Notes unless those assets are transferred by dividend or otherwise to the Issuer or MergerCo, as applicable, or one of the Guarantors.

Moreover, any Guarantees would be subject to the significant limitations described under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and, accordingly, the Notes would be structurally subordinated to the liabilities of any Guarantors to the extent that such liabilities exceed the principal amount of Notes that can be guaranteed or secured by such Guarantors.

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.

Holdco, the Issuer, Itelyum Regeneration and Itelyum Purification and, following the Post Completion Merger, MergerCo, are or will be incorporated and organized under the laws of Italy. Enforcement of the obligations under a Guarantee against, and/or any Collateral provided by, as applicable, any such person will be subject to certain defenses available to the Issuer (and following the Post Completion Merger, MergerCo) 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 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 Guarantees and Collateral, as applicable, and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed or secured by a Guarantor or security provider under applicable law, 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 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 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 amounts of its other obligations and the law applicable to it.

It is possible that a Guarantor or creditor of a Guarantor, or the bankruptcy trustee in the case of a bankruptcy of a Guarantor, may contest the validity and enforceability of the Guarantor's Guarantee on any of the above grounds and the applicable court may determine that the Guarantee should be limited or voided. To the extent that agreed limitations on the Guarantees obligation apply, the Notes would to that extent be structurally subordinated to all liabilities of the applicable Guarantor, including trade payables of such Guarantor. Future Guarantees may be subject to similar limitations. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations.*"

The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

Each Guarantee provides the holders of the Notes with a direct claim against the relevant Guarantor. The obligations of each Guarantor, the enforcement of the relevant Guarantee and the obligations of the grantor of security and the ability of the Security Agent to enforce on the Collateral will be limited under the Indenture to the maximum amount that can be guaranteed by such Guarantor or provided by the grantor of security under the applicable laws of Italy, which has been determined so as to ensure that amounts payable will not result in violations of laws related to, among others, corporate benefit, capitalization, capital preservation, financial assistance or transactions under value, or otherwise cause the relevant Guarantor 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 such Guarantee.

In particular, enforcement of any Guarantee or Collateral against the relevant Guarantor or pledgor would be subject to certain defenses available to guarantors or security providers generally or, in some cases, to limitations contained in the terms of the relevant Guarantee or pledges of security designed to ensure compliance with statutory requirements applicable to the relevant Guarantors or security providers. These laws and defenses include those that relate to fraudulent conveyances or transfers, insolvency, voidable preferences, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization, capital maintenance or similar laws and regulation or defenses affecting the rights of creditors generally. As a result, the liability of a Guarantor under its Guarantee or of a security provider could be materially reduced or eliminated, depending on the amounts of its other obligations and the law applicable to it.

As a result of the applicable limitations under Italian law with respect to, amongst others, financial assistance and corporate benefit, notwithstanding anything to the contrary provided in the Indenture, the Revolving Credit Facility Agreement, and/or the Intercreditor Agreement, as regards to any Guarantor incorporated under the laws of Italy (an "**Italian Guarantor**"):

(i) the Guarantees and security interests granted by the relevant Italian Guarantor shall not exceed at any time an amount equal to the aggregate principal amount of any intercompany loans advanced from time to time to the relevant Italian Guarantor (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer (whether directly or indirectly) on or following the Completion Date, and outstanding at the time of the enforcement of the relevant Guarantee and/or of security granted by such Italian Guarantor, in each case net of any proceeds already paid pursuant to the enforcement of its guarantee under the Revolving Credit Facility, and/or the Intercreditor Agreement, and/or received upon the enforcement of any security interests granted by such Italian Guarantor; *provided further* that no Italian Guarantor shall be liable as a Guarantor in respect of any amounts 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 any payment made by such Italian Guarantor under the relevant Guarantee;

(ii) the maximum amount guaranteed and/or secured by any Italian Guarantor, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed 120% of the outstanding principal amount of the Notes;

(iii) the aggregate amount of interest in respect of the Notes guaranteed and/or secured by an Italian Guarantor will be at any time equal to the interest then outstanding in respect of a principal amount of the Notes equal to the principal amount of the Notes guaranteed and/or secured by the relevant Italian Guarantor at that time; and

(iv) notwithstanding any provision to the contrary in the Indenture, in order to comply with the mandatory provisions of Italian law in relation to (i) maximum interest rates (including the Italian Usury Law and article 1815 of the Italian Civil Code) and (ii) capitalization of interests (including article 1283 of the Italian Civil Code and article 120 of the Italian Legislative Decree No. 385 of 1 September 1993), the obligations of any of the Italian Guarantor under its Guarantee shall not include and shall not extend to (A) any interest qualifying as usurious pursuant the Italian Usury Law and (B) any interest on overdue amounts compounded in violation of the provisions set forth by article 1283 of the Italian Civil Code and/or article 120 of the Italian Legislative Decree No. 385 of 1 September 1993, respectively.

In the event that the Post Completion Merger does not occur on or prior to the Cut-off Date, as regards to Itelyum Regeneration and Itelyum Purification, given the above limitation in relation to Italian financial assistance law and corporate benefit, notwithstanding anything to the contrary provided in the Indenture, the Revolving Credit Facility Agreement and/or the Intercreditor Agreement:

(i) the Guarantee and security interests to be granted by Itelyum Regeneration will only guarantee and secure the 1ssuer's obligations under Tranche B (as defined in "*Use of Proceeds*") of the Notes and shall not exceed at any time an amount equal to the aggregate principal amount of any intercompany loans (including the Itelyum Regeneration Proceeds Loan) advanced from time to time to Itelyum Regeneration (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer (whether directly or indirectly) on or following the Completion Date, and outstanding at the time of the enforcement of the relevant Guarantee and/or of security granted by Itelyum Regeneration, in each case net of any proceeds already paid pursuant to the enforcement of its guarantee under the Revolving Credit Facility and/or the Intercreditor Agreement and/or received upon the enforcement of any security interests granted by Itelyum Regeneration; provided that Itelyum Regeneration shall not be liable as a Guarantor in respect of any amounts in excess of the amount that Itelyum Regeneration is entitled to set-off against its claims of recourse or subrogation (*regresso* or *surrogazione*) arising as a result of any payment made by Itelyum Regeneration under its Guarantee;

(ii) the Guarantee and security interests to be granted by Itelyum Purification will only guarantee and secure the 1ssuer's obligations under Tranche C (as defined in "*Use of Proceeds*") of the Notes and shall not exceed at any time an amount equal to the aggregate principal amount of any intercompany loans (including the Itelyum Purification Proceeds Loan) advanced from time to time to Itelyum Purification (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer (whether directly or indirectly) on or following the Completion Date, and outstanding at the time of the enforcement of the relevant Guarantee and/or of security granted by Itelyum Purification, in each case net of any proceeds already paid pursuant to the enforcement of its guarantee under the Revolving Credit Facility and/or the Intercreditor Agreement and/or received upon the enforcement of any security interests granted by Itelyum Purification; provided that Itelyum Purification shall not be liable as a Guarantor in respect of any amounts in excess of the amount that Itelyum Purification is entitled to set-off against its claims of recourse or subrogation (*regresso* or *surrogazione*) arising as a result of any payment made by Itelyum Purification under its Guarantee;

(iii) the maximum amount guaranteed and/or secured by Itelyum Regeneration, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed the lower of (a) 120% of the outstanding principal amount of the Notes, and (b) the aggregate amount of the original principal amount of Tranche B (as defined in "*Use of Proceeds*") under the Notes, reduced, in each case and from time to time, by an amount equal to any repayment, prepayment or redemption of the principal amount of the Notes multiplied by the ratio of (A) the aggregate amount of the original principal amount of Tranche B (as defined in "*Use of Proceeds*") under the Notes to (B) the original principal amount of the Notes;

(iv) the maximum amount guaranteed and/or secured by Itelyum Purification, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed the lower of (a) 120% of the outstanding principal amount of the Notes, and (b) the aggregate amount of the original principal amount of Tranche C (as defined in "*Use of Proceeds*") under the Notes, reduced, in each case and from time to time, by an amount equal to any repayment, prepayment or redemption of the principal amount of the Notes multiplied by the ratio of (A) the aggregate amount of the original principal amount of Tranche C (as defined in "*Use of Proceeds*") under the Notes to (B) the original principal amount of the Notes;

(v) the aggregate amount of interest in respect of the Notes guaranteed and/or secured by Itelyum Regeneration and Itelyum Purification, respectively, will be at any time equal to the interest then outstanding in respect of a principal amount of the Notes equal to the principal amount of the Notes guaranteed and/or secured by Itelyum Regeneration and Itelyum Purification, respectively, at that time;

(vi) notwithstanding any provision to the contrary in the Indenture, in order to comply with the mandatory provisions of Italian law in relation to (a) maximum interest rates (including the Italian Usury Law and article 1815 of the Italian Civil Code) and (b) capitalization of interests (including article 1283 of the Italian Civil Code and article 120 of the Italian Legislative Decree No. 385 of 1 September 1993), the obligations of each of Itelyum Regeneration and Itelyum Purification under its Guarantee shall not include and shall not extend to (A) any interest qualifying as usurious pursuant the Italian Usury Law and (B) any interest on overdue amounts compounded in violation of the provisions set forth by article 1283 of the Italian Civil Code and/or article 120 of the Italian Legislative Decree No. 385 of 1 September 1993, respectively; and

(vii) any guarantee, indemnity, obligation and liability granted or assumed pursuant to the relevant Guarantee and/or security interest by:

(A) Itelyum Regeneration does not (and will not) include and does not (and will not) extend, directly or indirectly, to any amounts and/or payment obligations other than the amounts and/or payment obligations under Tranche B under the Notes; and

(B) Itelyum Purification does not (and will not) include and does not (and will not) extend, directly or indirectly, to any amounts and/or payment obligations other than the amounts and/or payment obligations under Tranche C under the Notes.

The abovementioned "virtual tranching" structure in respect of the Notes, which is aimed at identifying the relevant portion of the Notes' proceeds which does not constitute "acquisition debt" in respect of, respectively, Itelyum Regeneration and Itelyum Purification and, therefore, does not fall within the prohibition under Italian financial assistance rules (namely, Article 2358 or 2474, as applicable, of the Italian Civil Code), is untested in Italian courts and it cannot be excluded that it might be deemed not sufficient to clearly distinguish and separate the non-acquisition portion of the Notes' proceeds from any portion of the Notes' proceeds to be utilized to support the acquisition or subscription by the Issuer of the share capital of, respectively, Itelyum Regeneration and Itelyum Purification. Should the Guarantee and/or the security interests granted by, respectively, Itelyum Regeneration and Itelyum Purification be deemed by a court or public authority to be contrary to any provisions regulating financial assistance, including Articles 2358 and 2474, as applicable, of the Italian Civil Code, such Guarantee and/or security interests could be declared null and void and the Notes documents will provide that, if and to the extent such Guarantee would result in a breach of any provisions regulating financial assistance, including Articles 2358 and 2474, as applicable, of the Italian Civil Code, applicable to each of Itelyum

Regeneration and Itelyum Purification, Itelyum Regeneration and Itelyum Purification will be deemed to have no liability thereunder and the respective Guarantee shall not be in force and effect.

In addition, the obligations of any Italian Guarantor and/or Italian security provider (other than Itelyum Regeneration and Itelyum Purification) that becomes a Guarantor and/or a security provider will be subject to the Agreed Security Principles and will be subject to the additional limitations set forth in the relevant supplemental indenture to the Indenture and/or in the applicable security documents, in order for the applicable Italian Guarantor and/or Italian security provider to comply with the above corporate law requirements on, among others, corporate benefit and financial assistance.

In any case, the maximum amount that an Italian Guarantor and/or Italian security provider may be required to pay in respect of its obligations as Guarantor under the Indenture and/or security grantor under the relevant security documents upon enforcement of the security interests granted by such Italian Guarantor will ratably concur and not cumulate with the corresponding amounts due by such Italian Guarantor and/or Italian security provider to any guaranteed and/or secured creditor pursuant to the Revolving Credit Facility Agreement and/or the Intercreditor Agreement (including any guaranteed and/or secured creditors with respect to any further *pari passu* indebtedness contemplated under the Intercreditor Agreement) and/or any security documents, and vice versa. For the avoidance of doubt, by virtue of the abovementioned limitations applicable to the Guarantees and the security interests granted by an Italian Guarantor, the obligations of each Italian Guarantor as guarantor and/or security provider under the Notes, the Indenture, the Revolving Credit Facility Agreement, the Intercreditor Agreement and any agreement regulating future *pari passu* indebtedness contemplated under the Intercreditor Agreement, and the security documents relating to the Collateral and any other transaction documents related thereto, shall not be deemed to be cumulative and shall be considered without duplication, and the transaction documents will provide that the aggregate amount of the proceeds deriving from any enforcement of any such guarantee and/or security obligations of the relevant Italian Guarantor shall not exceed on an aggregate basis the limit of the relevant Italian Guarantor's credit support as described above.

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

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

Other limitations pursuant to bankruptcy or insolvency laws apply to the Guarantees.

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

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

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

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

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

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

Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) 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 Intercreditor Agreement will include 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 certain super senior obligations (including, among others, those under the Revolving Credit Facility, certain hedging obligations (if any) 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. Any proceeds remaining from an enforcement sale of Collateral will, after all obligations under such Super Senior Liabilities have been discharged, be applied pro rata in repayment of the Notes and any other indebtedness that ranks *pari passu* with the Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*." 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 are secured on a first-ranking basis with security interests over the Collateral that also secure our obligations under the Super Senior Liabilities. The Intercreditor Agreement will provide 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.

The Security Agent is not required to take enforcement action unless instructed to do so in accordance with the provisions described in the following paragraphs.

If either (i) the holders of the aggregate principal amount of the then outstanding Notes, the senior lenders, creditors in respect of indebtedness ranking *pari passu* with the senior creditors and creditors in respect of certain non-priority hedging obligations (the "**Senior Secured Credit Participations**") which aggregate more than 50%

of the total Senior Secured Credit Participations at that time (the "**Majority Senior Secured Creditors**") or (ii) the creditors holding more than 66 2/3% of the total participations in Super Senior Liabilities at that time (the "**Super Majority Super Senior Creditors**") wish to issue enforcement instructions they shall deliver those instructions to the Security Agent and the other agents, trustees and hedge counterparties.

The Security Agent is required to act in accordance with instructions received from the Majority Senior Secured Creditors and/or the Super Majority Super Senior Creditors, in each case subject to the consultation period of 15 days as set out in the Intercreditor Agreement; however, (i) if and to the extent the obligations under the Super Senior Liabilities have not been fully discharged in cash within six months of the end of the consultation period (or within 6 months of any notice delivered by the Majority Senior Secured Creditors to the Security Agent notifying the Security Agent and the creditor representatives of the Senior Secured Creditors and the Super Senior Creditors that the Collateral has become enforceable, if no consultation period is required) or (ii) the Security Agent has not commenced any enforcement action within three months of the end of the consultation period (or within 3 months of any notice delivered by the Majority Senior Secured Creditors to the Security Agent notifying the Security Agent and the creditor representatives of the Senior Secured Creditors and the Super Senior Creditors that the Collateral has become enforceable, if no consultation period is required) or (iii) an insolvency event has occurred with respect to a relevant company and the Security Agent has not commenced any enforcement action at that time with respect to such relevant company, then the Security Agent will act in accordance with the enforcement instructions provided by the Super Majority Super Senior Creditors. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*." No consultation shall be required (and the Majority Senior Secured Creditors or the Super Majority Super Senior Creditors) shall be entitled to give any instructions to the Security Agent to take any enforcement action prior to the end of the consultation period, where: (a) any of the Collateral has become enforceable as a result of an insolvency event affecting a relevant company; or (b) if the Majority Senior Secured Creditors or the Majority Super Senior Creditors determine in good faith (and notifies each other representative agent of the other creditors party to the Intercreditor Agreement) that any delay caused by such consultation could reasonably be expected to reduce the amount likely to be realized to a level such that (following application thereof in accordance with the Intercreditor Agreement) the Super Senior Liabilities would not be discharged in full or to have a material adverse effect on the ability to effect an enforcement or a distressed disposal and, in each case any instructions will be limited to those necessary to protect or preserve the interests of the Senior Secured Creditors or the Super Senior Creditors on behalf of which the relevant instructing group is acting and the Security Agent shall act in accordance with the instructions first received.

In the event that conflicting instructions (and, for these purposes, failure to give instructions is deemed to be a conflicting instruction) are received by the end of the consultation period (and have not been resolved), the Security Agent shall take any enforcement action in accordance with the instructions provided by the Majority Senior Secured Creditors, with such instructions to comply in each case with the security enforcement principles contained in the Intercreditor Agreement and the terms of all instructions received from the Super Majority Super Senior Creditors during the consultation period shall be deemed revoked.

The Security Agent may also refrain from acting in accordance with any instructions until it has been indemnified and/or secured to its satisfaction (including by way of payment in advance or otherwise).

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 such 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 relevant Guarantee and the liens over any other assets of such entities securing the Notes and the relevant Guarantee may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and *"Description of 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 in the event of a default. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

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 Notes—Security*." Not all of our assets 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. As of June 30, 2021, after giving *pro forma* effect to the Transactions, the Issuer and its subsidiaries would have had €2.8 million of indebtedness secured by assets that will not secure the Notes.

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 will be subject to certain exceptions and qualifications pursuant to the Agreed Security Principles. See *"Description of Notes—Security—General*." The Agreed Security Principles set out a number of limitations on the rights of the holders of the Notes to be granted security or Guarantee in certain circumstances. The operation of the 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, the Agreed Security Principles may affect the value of the Collateral.

In particular, even though the Notes and the Revolving Credit Facility are expected to share the same Collateral and Guarantors' package, this may not always continue to be the case and circumstances may arise in the future in which lenders under the Revolving Credit Facility may be granted the benefit of additional security or guarantees which are not otherwise permitted to be granted in favor of holders of the Notes due to the application of the Agreed Security Principles and, ultimately, Italian financial assistance and corporate benefit rules. Accordingly, in such circumstances holders of the Notes would have no direct claim for payment against any such additional guarantor nor any rights as a secured party with respect to any such additional collateral.

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

On the Completion Date, the Issuer will enter into the Itelyum Proceeds Loans, the proceeds of which are expected to be used by each of Itelyum Regeneration and Itelyum Purification to, *inter alia*, effect the repayment and discharge of the Existing Itelyum Debt on the Completion Date or as soon as practicable thereafter. See "*Use of Proceeds*." Prior to completion of the Post Completion Merger, repayments of the Itelyum Proceeds Loans prior to the maturity date of the Notes would result in a reduction in the liability owed by Itelyum Regeneration and Itelyum Purification, respectively, to the Issuer and any reduction in the principal amount of the relevant Itelyum Proceeds Loans would reduce the value of such receivable and of the Completion Date Collateral and, if Itelyum Regeneration and Itelyum Purification guarantees and/or secures the Notes after the Cut-Off Date, the value of the Guarantee by Itelyum Regeneration and Itelyum Purification and any security interests granted by Itelyum Regeneration and Itelyum Purification. Any reduction in the principal amount of the Itelyum Proceeds Loans could also adversely affect the ability of the Issuer to make payments under the Notes if the Issuer is otherwise unable to cause its subsidiaries to pay dividends or make loans or other distributions to it. Subject to certain significant exceptions, the Itelyum Proceeds Loans documentation, however, will prohibit the repayment, reduction, extinction or equitization of the Itelyum Proceeds Loans. Such exceptions include, but are not limited to, the repayment of the Itelyum Proceeds Loans to enable the Issuer to make payments of principal and interest on the Notes and, upon request of the Issuer, the partial repayment of (i) the Itelyum Regeneration Proceeds Loan in an amount not exceeding €15 million during the tenor of the Itelyum Regeneration Proceeds Loan; and (ii) the Itelyum Purification Proceeds Loan in an amount not exceeding €12 million during the tenor of the Itelyum Purification Proceeds Loan. The Indenture will not include any restrictions on the Issuer, Itelyum Regeneration or Itelyum Purification to amend the Itelyum Proceeds Loans documentation, including to permit the repayment of the Itelyum Proceeds Loans in order to allow the Issuer to discharge other debt secured by the Collateral. See also "*—Risks Related to Our Structure and the Financing—The Issuer is a holding company that has no revenue generating operations of its own and prior to the Post Completion Merger will depend exclusively on cash from the operating companies of the Target Group to be able to make payments on the Notes*." The security interests in the Itelyum Proceeds Loans will cease to exist automatically upon completion of the Post Completion Merger. See "*Description of Certain Financing Arrangements—Itelyum Proceeds Loans*" and *"Description of Notes—Security—Release of Liens*."

The Collateral is limited to certain specific assets, 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.

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. As described elsewhere, the extent of the Collateral is limited and, in accordance with the Agreed Security Principles, Guarantees and/or security shall only be granted by certain entities. See *"Description of Notes—Security*."

Trade receivables, inventories, intellectual property rights, real property and certain 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 the offering of the Notes. The value of the assets underlying the pledges and the amount to be received upon a sale of the Collateral will also depend on many factors, including, among other things, whether or not the business is sold as a going concern, regulatory restrictions that could affect such sale, the ability to sell the assets in an orderly sale and the condition of the economies in which operations are located and the availability of buyers.

The shares and other Collateral that is pledged or assigned for the benefit of the holders of the Notes may provide for only limited repayment of the Notes, in part because most of the Collateral may not be liquid and its value to other parties may be less than its value to 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 similar to (or different from) those that have been or will be required to be obtained in relation to the Acquisition or the Post Completion Merger, 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, such shares may also have limited value in the event of bankruptcy, insolvency or other similar proceedings 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 the Collateral may decline over time. If the proceeds of the Collateral are not sufficient to repay all amounts due on the Notes, the holders of the Notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only a senior unsecured, unsubordinated claim against the Issuer's and any Guarantors' remaining assets.

The 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. In particular by operation of the terms of the Intercreditor Agreement, security interests in the Collateral may be released if a lien is granted on the Collateral in favor of other indebtedness so long as such lien is a Permitted Collateral Lien (as defined under *"Description* *of Notes—Certain Definitions—Permitted Collateral Liens*"). 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 Collateral and the Guarantees will 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. The existence of such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral and the Guarantee, as well as the ability of the security Agent to realize or foreclose on such Collateral and the Guarantee. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens or re-characterization under applicable law. The granting of the Guarantees and security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening or voidance periods for such security interests in accordance with the laws applicable in certain jurisdictions.

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

The Indenture will provide that the Collateral securing the Notes may be released and retaken in several circumstances, including in connection with a public offering of shares of common stock or other common equity interest and certain internal "permitted reorganizations." See *"Description of Notes—Security—Release of Liens*." In Italy, for example, such a release and retaking of Collateral may give rise to new hardening periods in respect of the relevant security interests in the Collateral that are granted, perfected or released and retaken, and the security interests in the relevant Collateral would be subject to the same risks described in the preceding paragraph.

Similar considerations also apply following the Completion 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.

The Collateral will 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. The existence of such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens or re-characterization under applicable law. The Collateral may be subject to practical problems generally associated with the realization of security interests in collateral. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. The Security Agent may not be able to obtain any such consents. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

The recovery from the enforcement of the share pledges forming part of the Collateral may be complicated, involve long recovery times and a low recovery rate.

In connection with the enforcement of share pledges over shares of entities with outstanding debt obligations, any sale of such entities is likely to involve a release of some or all of the debt of such entity, which could result in a taxable capital gain to such entities. As the Notes will be issued by the Issuer, an enforcement over the shares of the Issuer would involve the enforcement over the share pledge of an entity with outstanding debt claims. In addition, the Indenture will not prohibit the Issuer from incurring additional debt claims in the future. Consequently, the enforcement of the share pledge over the Issuer's shares may result in the release of the Issuer's debt obligations, which could result in a taxable capital gain. This taxable capital gain is likely to reduce the proceeds of any recovery from the enforcement of such share pledge. Therefore, the value of the pledge over the shares of the Issuer may be limited.

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

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes will not be granted directly to the holders of the Notes but to the Security Agent, 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. 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 the Republic of 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 Guarantors 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 Italian case law has not ruled for its application. All or part of the pledges and other security interests in such jurisdictions will be granted to the Security Agent as security interests for the Parallel Debt and will not directly secure the Principal Obligations. Under parallel debt structures, the Parallel Debt will typically be at all times in the same amount and payable at the same time as the Principal Obligations and any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. In respect of the security interests granted to secure the Parallel Debt, the holders of the Notes will not have direct security interests and will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent. Therefore, the holders of the Notes will bear the risk of insolvency or bankruptcy of the Security Agent. In addition, the Parallel Debt construct in financing transactions, including credit facilities and bond issuances, has not been tested under law in certain of these jurisdictions, including under Italian law, and to the extent that the security interests in the Collateral created to secure the Parallel Debt construct are not validly granted, are unenforceable or are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of such security interests in the Collateral. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*."

For example, in Italy the Collateral will not be granted directly to the holders of the Notes but will be created and perfected in favor of the Security Agent, acting also in its capacity as representative (*rappresentante*) of the holder of the Notes pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code. Under such provision (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. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*."

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

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 bankruptcy 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 will be released automatically without your consent or the consent of the Trustee or the Security Agent.

Pursuant to the Indenture, 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, in connection with an enforcement sale permitted under the Intercreditor Agreement or, after the Post Completion Merger, in connection with certain initial public equity offerings. See *"Description of Notes—Security—Release of Liens*." 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 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 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 interaction 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 Guarantee and the security interests in the Collateral, including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

The Issuer and the Guarantors are incorporated under the laws of Italy. There is a rebuttable presumption that the "center 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 (the "**Insolvency Regulation**") is the jurisdiction where the registered office is situated.

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 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 "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*."

Although laws differ across 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, the enforceability of any other guarantee of the Notes and the enforceability of the security interests in the Collateral. 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 a Guarantor or the appointed insolvency administrator may challenge the Guarantee 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 on the Collateral to the relevant Guarantor 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 interests are found to be a preferences, transactions at an undervalue, fraudulent transfers or conveyances or if 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 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 Guarantor 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 "*—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" and "*—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 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 Guarantors 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, 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 or security provider would have contributed equity to such Guarantor or security provider or where the relevant beneficiary of the Guarantee or security interest knew or should have known that the Guarantor 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 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 and the Target Group are solvent, and will be so after giving effect to the Transactions, there can be no assurance as to which standard a court would apply in determining whether a Guarantor or security provider was "insolvent" as of the date the Guarantee were issued or the security interests were created or that, regardless of the method of valuation, a court would not determine that a Guarantor or security provider was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor 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 enters into insolvency proceedings, the security interests granted to secure the Notes could be subject to potential challenges by an insolvency administrator or by other creditors under the rules of avoidance or clawback of Italian Bankruptcy Law 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”). The avoidance may relate to (i) transactions made by the debtor within a suspect period of one year prior to the declaration of the insolvency 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 security taken after the creation of the secured obligations, whereby the creditor must prove its lack of knowledge of the state of insolvency of the relevant entity in order to rebut any clawback action, (ii) security granted in order to secure a debt due and payable, whereby the creditor must prove his lack of knowledge of the state of insolvency of the relevant entity in order to rebut any clawback action during the suspect period of six months prior to the declaration of the insolvency, 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 six months prior to the declaration of the insolvency, whereby the insolvency administrator must prove that the creditor was aware of the state of insolvency of the relevant entity in order to enforce any clawback action. See “*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*” for further information.

Under Article 64 of the Italian Bankruptcy Law, all transactions without consideration are ineffective vis-a-vis creditors if entered into by the debtor in the two-year period prior to the insolvency declaration. In addition, under Article 65 of the Italian Bankruptcy Law, payments of receivables falling due on the day of the insolvency declaration or thereafter are ineffective vis-a-vis creditors, if made by the insolvent entity in the two-year period prior to insolvency. In addition, 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.

If challenged successfully, the security interest in the Collateral may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any security interest is voided, the holders of the Notes could lose the benefit of the security interest and may not be able to recover any amounts under the related Security Documents.

For an overview of certain insolvency laws and enforceability issues as they relate to the Guarantee and security interests, see “*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*.”

Our right to receive payments under the Itelyum Proceeds Loans may be subordinated by law to the obligations of other creditors.

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*, such loan 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**”). Any payment made by the borrower with respect to any such loan within one year prior to a bankruptcy declaration would be required to be returned to the borrower. 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 also applies to companies incorporated as *società per azioni*, hence potentially to Itelyum Regeneration and Itelyum Purification under the relevant Itelyum Proceeds Loans.

Therefore, upon the occurrence of the requirements provided for by the relevant provisions, it cannot be excluded that a court may find the requirements provided for by the relevant provisions of the Italian Civil Code to be applicable in respect of the relevant Itelyum Proceeds Loan borrowed by Itelyum Regeneration and Itelyum Purification. Accordingly, an Italian court may conclude that Itelyum Regeneration’s and Itelyum Purification’s obligations under the relevant Itelyum Proceeds Loan are subordinated to all its obligations to other creditors. Should any of Itelyum Regeneration's and Itelyum Purification's obligations under the relevant Itelyum Proceeds Loan be deemed subordinated to the obligations owed to other creditors by operation of law and senior only to the equity, prior to the Post Completion Merger, the Issuer may not be able to recover any amounts under the Itelyum Proceeds Loan, 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 (including the Itelyum Proceeds Loans) or notes is 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 interest granted by such Italian subsidiaries (including, subject to the Agreed Security Principles certain significant limitations pursuant to applicable laws, the Guarantee to be provided by Itelyum Regeneration and Itelyum Purification) may be impaired or restricted.

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

Because the Notes and the Guarantee have not been, and will not be registered under the U.S. 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 U.S. Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. 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. See "*Transfer Restrictions*."

There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited. The Notes are new securities for which there is currently no market. 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 for the Notes will depend on many factors, including the liquidity of the market for the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as third-party recommendations. Historically, the market for non-investment grade securities has from time to time been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes will depend on the number of holders of the Notes and may be adversely affected by a general decline in the market for similar securities. In addition, the trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. The Initial Purchasers have informed us that they intend to make a market in the Notes. However, they are not obligated to do so and may discontinue such market-making at any time without notice. As a result, we cannot assure you that an active trading market for the Notes will develop or, if one does develop, that it will be maintained, and any disruption in the trading market for the Notes may have a negative effect on your investment regardless of our prospects and financial performance. If no active trading market develops, you may not be able to resell your Notes at fair value, if at all.

Although an application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market, we cannot assure you that the Notes will be or 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, failure to be approved for listing or the delisting of the Notes (whether or not for an alternative admission to listing on another stock exchange), as applicable, 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.

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 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 or pursuant to an asset disposition offer. 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 agreements governing any future indebtedness and may result in the acceleration of such indebtedness (even if such change of control under such other indebtedness may be deemed not to be a change of control for the purposes of the Indenture). 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. See *"Description of Notes—Change of Control*."

Moreover, in certain circumstances specified in the Indenture, we will be required to commence an asset disposition offer (as defined under the Indenture) to all holders of the Notes pursuant to which we will be obligated to offer to purchase the Notes at a price equal to 100% of their principal amount plus accrued and unpaid interest. See *"Description of Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

In connection with certain tender offers for the Notes, if holders of not less than 90% in aggregate principal amount of the outstanding Notes 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 validly tendered and not withdrawn by such holders, the Issuer or such third party will also have the right to redeem the Notes 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 the Notes (provided that such price shall not be less than 100% of the principal amount). See *"Description of Notes—Optional Redemption*."

The term "all or substantially all" in the context of a change of control has no clearly established meaning under relevant laws 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 covenant described under *"Description of Notes—Certain Covenants—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 are required to make an offer to repurchase the Notes.

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 operativo 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 revenues 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 of 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, the Italian tax authorities have in certain instances challenged merger leverage buyout transactions with respect to the deductibility of interest expenses arising in connection with acquisition financing. However, on March 30, 2016, the Italian Revenue Agency issued Circular Letter No. 6/E ("**Circular Letter**") clarifying, as a common principle, that interest on the acquisition bank loan in leveraged buy-out transactions are generally deductible for IRES purposes, subject only to ordinary limitations stated in Article 96 and excluding certain cases of reinvestment (also partial) by the seller(s). In case an acquisition is considered as entered into by one or more entities that are related parties to the seller(s), the deduction of interest expenses may be challenged by the tax authorities based on anti-abuse provisions, depending on the existence of non-marginal business reasons for the debt-financed acquisition.

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. In particular, in such circumstances, the relevant tax authorities could argue that the interest expenses arising from such financing does not relate to the business of the borrowing entity (as the relevant transaction is deemed as "anti-economic" and as such not compliant with the "inherence" principle set out under Italian tax law). Italian tax laws and pronouncements of the tax authorities are subject to change and positions that the Target Group takes for tax purposes may be challenged.

Furthermore, if the Italian tax authorities were to successfully challenge the use of proceeds from the Offering to make a refinancing under the "inherence" principle and/or to make an acquisition under the anti-abuse provision, 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), (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.

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 on the Official List of the Luxembourg Stock Exchange will satisfy the listing requirement of Decree No. 239 in order for the Notes to be eligible to benefit from the provisions of such legislation relating to the exemption from 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 withholding tax. According to a strict interpretation of such circular, the Notes may not be eligible to benefit from such provision if the listing of the Notes is not effective as of the Issue Date. In the event that the Notes are not listed or that such listing requirement is not satisfied, payments of interest, premium and other income with respect to the Notes would be subject to a withholding tax, currently at a rate of 26% and, subject to certain exceptions, see *"Description of Notes—Withholding Taxes*," we would be required to pay additional amounts with respect to such withholding taxes such that holders receive a net amount that is not less than the amount that they would have received in the absence of such withholding. The imposition of withholding taxes with respect to payments on 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.

Italian withholding taxes or deduction may be payable on amounts paid by an Italian resident Guarantor.

Under a certain interpretation, payments made to non-resident entities without an Italian permanent establishment to which the Notes are effectively connected by an Italian resident Guarantor may be subject to Italian withholding taxes or deduction of taxes. The possible imposition of withholding taxes or deduction of taxes with respect to payments on the Notes and the resulting obligation to pay additional amounts to Holders of the Notes could have a material adverse effect on our financial condition and results of operations.

No assurance can be given that the procedural requirements to apply the Italian tax regime provided by Decree No. 239 will be met.

The regime provided by Decree No. 239 and in particular the exemption from withholding tax in principle granted to Holders of the Notes who are the beneficial owners of the proceeds from the Notes (or, if the Holders are institutional investors not subject to tax, even if they are not the beneficial owners of the Notes) and who are resident in countries included in the White List applies if certain procedural requirements are met. It is not possible to assure that all non-Italian resident investors (including beneficial owners of the Rule 144A Notes) 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. See "*Certain Tax Considerations—Certain Italian Tax Considerations*."

Changes in tax laws or regulations or in positions by the relevant Italian authority regarding the application, administration or interpretation of tax laws or regulations, particularly if applied retrospectively, could have negative effects on our current business model and have a material adverse effect on our operating results, business and financial condition.

Tax laws are complex and subject to subjective evaluations and interpretative decisions, and we will be periodically subject to tax audits aimed at assessing our compliance with direct and indirect taxes. The tax authorities may not agree with our interpretations of, or with the positions we have taken or intend to take on, tax laws applicable to our ordinary activities and extraordinary transactions. In case of objections by the tax authorities to our interpretations, we could face long tax proceedings that could result in the payment of penalties or sanctions and have a material adverse effect on our operating results, business and financial condition. We may also inadvertently or for reasons beyond our control fail to comply with certain tax laws or regulations in connection with a particular transaction. This may have a negative tax impact and may also result in the application of penalties or sanctions. We cannot, therefore, rule out that claims by the tax authorities may give rise to burdensome and long tax litigation and to the payment of significant amounts for taxes, penalties and interest for late payment. This might negatively affect our economic and financial condition.

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.

Certain covenants and events of default will be suspended if the Notes 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 any two of Moody's, S&P and 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 such ratings agencies, certain covenants will cease to be applicable to the Notes. See *"Description of 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.

Upon an IPO pushdown, certain Collateral and Guarantees may be released, any retaken Collateral may be subject to hardening periods, and U.S. holders may have U.S. federal income tax consequences.

On, in contemplation of, or following an Initial Public Offering (as defined under *"Description of Notes*"), the terms of the Intercreditor Agreement will 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 and provided that such date falls on or after the date on which the Post Completion Merger is completed) as described in "*Description of Certain Financing Arrangements—Intercreditor Agreement—Release and/or transfer of claims and liabilities in respect of the Notes and the Transaction Security—Provisions following an IPO*." The Indenture will provide that, upon consummation of an IPO pushdown, among other things, certain Collateral or Guarantees may be released. Moreover, we may elect to, but are under no obligation to, revoke or otherwise reverse an IPO pushdown, or to replace any Guarantees or Collateral released pursuant thereto, in the event that such IPO pushdown is not consummated. To the extent that new security documents in respect of any collateral to be retaken (including, for example, a pledge over the shares of the Issuer) are entered into, such collateral may be subject to new hardening periods.

In addition, 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—Release and/or transfer of claims and liabilities in respect of the Notes and the Transaction Security—Provisions following an IPO*," such change in the Issuer could result in a taxable exchange of the Notes for "new" Notes for U.S. federal income tax purposes. If so, U.S. Holders would recognize any gain or loss in connection with such taxable exchange (although any such 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 the Notes at the time of the IPO pushdown is less than the principal amount of the Notes (by more than a statutorily defined *de minimis* amount), such Notes may be treated as issued with OID. Please see "*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*."

Transactions in the Notes could be subject to the EU financial transaction tax, if adopted.

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**EU FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). On December 8, 2015, Estonia indicated that it would no longer be a Participating Member State. The Commission's Proposal is still pending before the Council of the EU and its status is regularly discussed at the European and Financial Affairs Council. Moreover, in the course of 2020, the European Commission brought to the attention of the Council of the EU and the EU Parliament the possibility to propose, by June 2024, the introduction of a reshaped EU FTT as a new EU own resource. The Commission's Proposal has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the EU FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The Commission's Proposal remains subject to negotiation between the Participating Member States. It may, therefore, be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw. If the Commission's Proposal or any similar tax were adopted, transactions in the Notes could be subject to higher costs and the liquidity of the market for the Notes may be diminished.

Prospective investors should consult their own tax advisers in relation to the consequences of the EU FTT associated with purchasing and disposing of the Notes.

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 solely by our failure to comply with certain procedures.

We are organized under the laws of Italy and are resident in Italy 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. All payments made by us or on our behalf in respect of the Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, subject to a number of exceptions, we must pay such additional amounts as will result in the holders of the Notes receiving the amounts as they would have received in respect of such Notes had no such withholding or deduction been required. We will not be 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 Decree No. 461, except where the procedures prescribed by Decree No. 239 and/or by Decree No. 461 in order to benefit from an exemption have not been complied with solely due to our (or our agents') actions or omissions. 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. See "*Description of Notes—Withholding Taxes*" and "*Certain Tax Considerations—Certain Italian Tax Considerations*."

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 can be 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 of this Offering Memorandum, including any change in the White List.

You may face foreign currency exchange risks or other adverse 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 also may have significant tax consequences. See "*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*."

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

Unless and until Notes in definitive registered form, or definitive registered Notes are issued in exchange for book-entry interests (which may occur 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 holders of the Notes. Payments of principal, interest and other amounts owing on or in respect of the relevant Global Notes representing the Notes will be made to The Bank of New York Mellon, London Branch, as 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, as applicable, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest in the Notes, you must rely on the procedures of Euroclear and Clearstream and, if you are not a participant in Euroclear and Clearstream on the procedures of the participant through which you own your 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 any direct rights to act upon any solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters or timely basis.

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 you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. The Issuer cannot assure you that the procedures to be implemented through Euroclear and Clearstream will be adequate to ensure the timely exercise of rights under the Notes.

USE OF PROCEEDS

The gross proceeds from the Offering will be €450.0 million. If the Completion Date is anticipated to occur more than one business day after the Issue Date, the gross proceeds of the Notes will be deposited into the Escrow Account held in the name of the Issuer but controlled by the Escrow Agent and pledged in favor of the Trustee on behalf of the relevant holders of the Notes. Upon release from the Escrow Account, the proceeds from the Offering will be used, together with the proceeds from the Equity Contribution and cash on balance sheet of the Target Group, to fund the purchase price for the Acquisition, to repay the Existing Itelyum Debt in full and to pay costs and expenses incurred in connection with the Transactions.

The expected estimated sources and uses of the funds necessary to consummate the Transactions are shown in the table below. Actual amounts are subject to adjustment and may differ from estimated amounts at the time of the consummation of the Acquisition, depending on several factors, including differences from our estimate of fees and expenses, the timing of the Completion Date. This table should be read in conjunction with "*Capitalization*."

Sources (€ million)		**Uses** (€ million)	
Notes offered hereby[(1)]	450.0	Purchase price for the Acquisition[(4)]	582.1
Equity Contribution[(2)]	312.5	Repayment of Existing Itelyum Debt[(5)]	178.2
Cash on balance sheet[(3)]	27.8	Transaction fees and expenses[(6)]	30.0
Total sources	**790.3**	**Total uses**	**790.3**

(1) Represents the gross proceeds from the Offering, assuming the Notes are issued at par.

(2) Represents the equity investment expected to be made by Itelyum Co-Investment LP, whose ultimate general partner is Bay Fox Verde GP Limited and whose partnership interests are held by SSCP Fund IV and SSCP co-investors, and DBAG, which will be contributed as equity through intermediate holding companies to the Issuer on or prior to the Completion Date for purposes of the Acquisition. For further information, see "*Summary Corporate and Financing Structure*," "*Summary—The Transactions—The Acquisition*" and "*Principal Shareholders*."

(3) Represents a portion of the available cash at the Target Group. For further information, see footnote (1) under "*Capitalization.*"

(4) Represents the estimated purchase price payable to the Sellers for the equity interests in the Target to be acquired under the Acquisition Agreement assuming that the Completion Date will occur on September 30, 2021, to be financed by using the proceeds from the Equity Contribution and a portion of the proceeds from virtual tranche A ("**Tranche A**") under the Notes for an estimated €269.6 million, as further described under "*Summary—The Transactions—The Financing.*" The purchase price payable at the Completion Date may differ from the amount presented, depending on the actual timing of the Completion Date and the potential occurrence of certain Leakages, as further described under "*Summary—The Transactions—The Acquisition.*"

(5) Represents the following amounts outstanding as of June 30, 2021: (i) existing indebtedness of Itelyum Regeneration under the Itelyum Regeneration Senior Facilities Agreement, liabilities under the 2016 Vendor Loan Agreement and liabilities under certain hedging derivative instruments, to be fully repaid and canceled via cash on balance sheet and the Itelyum Regeneration Proceeds Loan with the funds available under tranche B under the Notes ("**Tranche B**") for an aggregate amount of approximately €82.3 million and certain available cash at the Target Group; and (ii) indebtedness of Itelyum Purification under the Itelyum Purification Senior Facilities Agreement, liabilities under the 2017 Vendor Loan Agreement and liabilities under certain hedging derivative instruments, to be fully repaid and canceled via cash on balance sheet and the Itelyum Purification Proceeds Loan with the funds available under tranche C under the Notes ("**Tranche C**") for an aggregate amount of approximately €68.1 million and certain available cash at the Target Group, as further described under "*Summary—The Transactions—The Refinancing*."

(6) Represents the estimated fees and expenses associated with the Transactions, including any underwriting or discount fees and commissions, financial advisory fees and other transaction costs and professional fees), to be financed with the proceeds from Tranche A under the Notes. The actual amount of fees and expenses will vary from the estimated amounts depending on several factors, including differences in the amount of fees and expenses actually incurred compared to our estimates.

For the avoidance of doubt, the "virtual tranching" of the Notes is aimed at identifying the separate portions of the proceeds from the Offering to be used by the Issuer to, consummate the Acquisition and make the Itelyum Proceeds Loan for purposes of, *inter alia*, the Refinancing, and will not entail issuing separate identifiers (ISINs or Common Codes) for each such virtual tranche under the Notes. See "*Use of Proceeds*," "*Capitalization*" and "*Description of Notes*."

CAPITALIZATION

The following table sets forth the cash, cash equivalents and other current financial assets and the capitalization as of June 30, 2021 of (i) the Target on an historical consolidated basis as derived from the Unaudited Interim Financial Statements and (ii) the Issuer on a consolidated basis as adjusted to give *pro forma* effect to the Transactions, as if they had occurred on June 30, 2021. Unless otherwise noted, the "As Adjusted" column does not give effect to movements in cash and cash equivalents or amounts borrowed or repaid after June 30, 2021. We have prepared the information presented in the "As Adjusted" column for illustrative purposes only. Such information is hypothetical and based on *pro forma* adjustments and assumptions related to the Transactions and, therefore, does not represent our actual financial position or results. Consequently, such information may not be indicative of our total capitalization as of the date of this Offering Memorandum, any other prior date, the Completion Date or any date thereafter. Investors are cautioned not to place undue reliance on this hypothetical information. The table below should be read in conjunction with the sections of this Offering Memorandum entitled "*Use of Proceeds*," "*Selected Historical Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Certain Financing Arrangements*" and "*Description of Notes*" and with the Consolidated Financial Statements and the related notes therein.

	As of June 30, 2021	
	Actual	**As Adjusted**
	(€ in millions)	
Cash, cash equivalents and other current financial assets(1)	**66.2**	**38.4**
Financial debt(2)		
Notes offered hereby(3)	—	450.0
Revolving Credit Facility(4)	—	—
Other debt(5)	205.0	15.2
Total financial debt(2)	**205.0**	**465.2**
Total equity(6)	**174.6**	**312.5**
Total capitalization(7)	**379.6**	**777.7**

(1) The as adjusted cash, cash equivalents and other current financial assets figure reflects cash, cash equivalents and other current financial assets of the Issuer as of June 30, 2021 after giving *pro forma* effect to the Transactions, as described under "*Summary—The Transactions*" and "*Use of Proceeds*," as if the Transactions had occurred on June 30, 2021. As adjusted cash, cash equivalents and other current financial assets excludes the partial payment of the purchase price of €13.6 million in respect of the acquisition of equity interests in Castiglia paid on July 2, 2021 and the estimated amount of cash and cash equivalents of €5.9 million held by Castiglia as of June 30, 2021. See "*Summary–Recent Developments–Acquisition of Castiglia*." Taking into consideration these two items, our estimated as adjusted cash, cash equivalents and other current financial assets would be €30.7 million. Our cash, cash equivalents and other current financial assets as of the estimated Completion Date could materially deviate from our estimates due to a number of factors, including the actual timing of the Completion Date and the amount of cash generated and/or otherwise utilized by the Itelyum Group between June 30, 2021 and the Completion Date.

(2) Total financial debt is calculated gross of amortized financing fees, equal to €2.7 million as of June 30, 2021. As Adjusted total financial debt does not include the estimated amount of €6.9 million of indebtedness we acquired as a result of the acquisition of Castiglia, consisting of short and medium term bank debt (€3.6 million) and leasing facilities (€3.3 million). Taking into consideration this item, our estimated as adjusted total financial debt would be €472.1 million.

(3) Reflects the aggregate principal amount of the Notes offered hereby, before the deduction of deferred debt issuance costs.

(4) On or prior to the Issue Date, we expect that the Issuer will enter into the Revolving Credit Facility Agreement, which will provide for the €50.0 million Revolving Credit Facility. We do not expect any amounts to be drawn under the Revolving Credit Facility on the Issue Date. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

(5) Actual other debt as of June 30, 2021 consists of non-current financial liabilities (€130.1 million), other non-current financial liabilities (€29.7 million), current financial liabilities (€43.7 million) and other current financial liabilities (€1.5 million). In particular, it reflects the amounts outstanding under the Itelyum Regeneration Senior Facility Agreement for an amount of €89.1 million, the Itelyum Purification Senior Facility Agreement for an amount of €61.7 million, the 2016 Vendor Loan Agreement for an amount of €24.2 million, the 2016 Vendor Loan Agreement for an amount of €6.6 million, as well as other short and medium term recourse factoring and working capital facilities. As adjusted other debt mainly reflects other financial debt which we expect will remain outstanding following the Completion Date, including leasing liabilities for an amount of €1.5 million. A portion of the proceeds of the Offering will be used to repay and cancel all liabilities under the Itelyum Regeneration Senior Facilities Agreement, the Itelyum Purification Senior Facilities Agreement and the Vendor Loan Agreements. As adjusted other debt excludes (i) liabilities under recourse factoring for an amount of €11.6 million, (ii) approximately €8.0 million we expect to budget as provision for environmental liabilities on our balance sheet as a result of the Lauro Settlement Agreement, (iii) €12.1 million of deferred purchase consideration for acquisitions previously completed, of which €5.8 million relates to the acquisition of Castiglia, acquired on July 2, 2021, and is expected to be paid in January 2023, and (iv) the estimated amount of €6.9 million of indebtedness we acquired as a result of the acquisition of Castiglia, primarily consisting of short and medium term bank and leasing facilities, all of which we expect to remain outstanding following the Transactions. See "*Summary—Recent Developments—Settlement Agreements Relating to the Vendor Loan Liabilities*" and "*Summary—Recent Developments—Acquisition of Castiglia.*"

(6) As adjusted total equity reflects the expected amount of the Equity Contribution in connection with the Transactions. Excludes the effect of estimated fees and expenses related to the Transactions. See "*Use of Proceeds*."

(7) Total capitalization is defined as total financial debt plus total equity.

SELECTED HISTORICAL FINANCIAL INFORMATION

Selected Consolidated Income Statement Data

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2018	2019	2020	2020 (unaudited)	2021 (unaudited)	2021 (unaudited)
				(€ in millions)		
Revenue	279.3	300.7	330.9	147.8	223.0	406.1
Other income	3.5	2.5	2.9	0.8	1.9	4.0
Change in work in progress, semi-finished and finished product inventories	0.3	(2.9)	(3.3)	(3.7)	1.4	1.8
Total revenue and other operating income	**283.1**	**300.3**	**330.5**	**144.9**	**226.3**	**411.9**
Purchase, services and other charges	(199.6)	(211.1)	(231.4)	(107.3)	(146.9)	(271.0)
Personnel costs	(32.1)	(34.1)	(39.0)	(19.1)	(23.0)	(42.9)
Other operating costs	(5.3)	(6.6)	(7.9)	(5.7)	(5.0)	(7.2)
Provisions for risks and charges	(0.4)	(0.3)	(1.5)	2.0	0.3	(3.2)
Depreciation and amortization	(45.3)	(41.6)	(42.2)	(20.9)	(36.1)	(57.4)
Impairment of receivables	(0.5)	(0.4)	(0.5)	(0.2)	(0.9)	(1.2)
Total costs	**(283.2)**	**(294.2)**	**(322.5)**	**(151.2)**	**(211.6)**	**(382.9)**
Operating result	**(0.1)**	**6.2**	**8.0**	**(6.3)**	**14.7**	**29.0**
Financial income	—	—	0.1	—	—	0.1
Financial expenses	(11.6)	(10.9)	(11.4)	(5.2)	(5.5)	(11.7)
Profit (loss) before taxation	**(11.7)**	**(4.7)**	**(3.3)**	**(11.5)**	**9.2**	**17.4**
Income taxes	(0.7)	(3.4)	(3.7)	(2.1)	(7.1)	(8.7)
Profit (loss) for the period	**(12.4)**	**(8.1)**	**(7.0)**	**(13.6)**	**2.1**	**8.7**

Selected Consolidated Balance Sheet Data

	As of December 31,			As of June 30,
	2018	2019	2020	2021
		(€ in millions)		
Non-current assets	194.2	174.6	354.9	328.1
Current assets	130.3	147.6	154.5	196.2
Total assets	**324.5**	**322.2**	**509.4**	**524.3**
Equity	**34.5**	**22.9**	**174.7**	**174.6**
Non-current liabilities	**199.9**	**190.8**	**191.7**	**178.0**
Current liabilities	**90.1**	**108.5**	**143.0**	**171.6**
Total equity and liabilities	**324.5**	**322.2**	**509.4**	**524.3**

Selected Consolidated Cash Flow Statement Data

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2018	2019	2020	2020 (unaudited)	2021 (unaudited)	2021 (unaudited)
	(€ in millions)					
Net cash (outflow)/inflow from operating activities	26.0	43.6	34.5	(2.4)	31.8	68.7
Net cash flow used in investing activities	(19.0)	(14.6)	(43.8)	(24.7)	(9.0)	(28.1)
Net cash flow (outflow)/inflow from financing activities	(0.7)	(4.8)	(5.7)	11.0	4.3	(12.4)
Net cash flow for the period	**6.3**	**24.2**	**(15.0)**	**(16.1)**	**27.1**	**28.2**
Cash and cash equivalents at the beginning of the period	**23.6**	**29.9**	**54.1**	**54.1**	**39.1**	**39.1**
Cash and cash equivalents at the end of the period	**29.9**	**54.1**	**39.1**	**38.0**	**66.2**	**67.3**

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

The following is a discussion of the consolidated financial condition and results of operations of the Target Group for the years ended December 31, 2018, 2019 and 2020 and for the six months ended June 30, 2020 and 2021. All references in this Offering Memorandum to the financial information as of and for the years ended December 31, 2018, 2019 and 2020 shall be deemed to the financial information for the period prepared in accordance with Italian GAAP. The following discussion should be read together with, and is qualified in its entirety by reference to, the Consolidated Financial Statements and the related notes thereto included elsewhere in this Offering Memorandum. The following discussion should also be read in conjunction with the sections entitled "Presentation of Financial and Other Information," "Summary Historical Financial Information and Other Data" and "Selected Historical Financial Information." Except for the historical information contained herein, the discussions in this section contain forward-looking statements that reflect our plans, estimates and beliefs and involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly in "Risk Factors" and "Forward-Looking Statements."

Overview

We are a leading European circular economy player specialized in the collection, management and recycling of complex streams of waste, with a distinctive focus on recycling and regeneration activities of industrial hazardous waste. Leveraging upon our distinctive chemical and recycling competences across our business units, we provide circular economy solutions to a wide and diversified client base across a variety of industries, including the automotive and pharmaceutical industries. Our mission is to act as a one-stop shop across all value chain steps for the industrial waste streams, with particular focus on recycling and regeneration activities.

Our services include the collection of waste, preliminary sorting and storage of waste, second level treatment of wastewater and oil emulsions, the preparation of waste for energy recovery or any other final destination plant through specific and specialized chemical treatments, waste oil re-refining (or regeneration) and waste solvent purification. Our products include lubricant-based oils, bitumen additives and gas oil, as well as a wide range of complex recovered waste-based thinners, solvent from waste and pure solvents. We also provide environmental consulting and chemical analysis services in respect of different types of matrices (*e.g.*, water, soil and air) through our in-house network of accredited laboratories, and offer complimentary services of commercial brokering and trading of hazardous and non-hazardous special waste and solvents.

We are the leader in the Italian oil regeneration industry, with an approximately 89% market share as of December 31, 2019, and one of the market leaders in Europe by oil regeneration volumes, with a 15% market share (measured by maximum regenerated lubricant oil output as of December 31, 2019). We are also the leader in the Italian waste solvent purification industry, with a 50% market share by revenue and an approximately 37% market share by production capacity as of December 31, 2019, and in the pure aliphatics segment in Europe, with a 34% market share as of December 2019. In addition, we managed approximately 6% of the total volume of hazardous waste in Italy in 2019 through our Environment business unit.

The industrial hazardous waste market in Italy accounted for approximately 9.9 million tons in 2019 and benefits from higher barriers to entry compared to the industrial non-hazardous waste and urban waste markets due to strict regulatory approvals and more advanced technical skills required for the waste management processes. Supported by these features, the industrial hazardous waste market in Italy has demonstrated a high level of profitability and resiliency, including during periods of economic difficulties, recording a CAGR of approximately 1.3% over the period 2010-2014 compared to a negative CAGR registered by the Italian GDP over the same period.

For the twelve months ended June 30, 2021, we generated revenue, Adjusted EBITDA and *Pro forma* Adjusted EBITDA of €406.1 million, €85.0 million and €92.0 million, respectively.

We have a large, diversified and established customer base comprising approximately 30,000 customers, ranging from large corporates to family-owned SMEs. We have long-standing relationships with the large majority of our top 20 customers, in certain cases spanning over a decade. For the twelve months ended June 30, 2021, our top 20 customers (excluding CONOU) accounted for 23.6% of our revenue. Our customers include oil companies and blenders, pharmaceutical and chemical companies, including blue chip brands such as Eni, Total, Petronas, Boehringer Ingelheim and Sanofi. While all of our operating sites are located in Italy, we benefit from a global commercial reach, serving over 60 countries through a network of local distributors. We have a strong geographical footprint in Italy, especially in its Northern regions. We currently operate 12 waste storage sites and 13 waste treatment and recycling facilities, including four plants for industrial wastewater treatment, two plants for lubricant oil regeneration, two plants for purification and blending of solvents and five treatment and pre-treatment plants. We have approximately 800 full-time employees (accounting for the acquisition of Castiglia in July 2021).

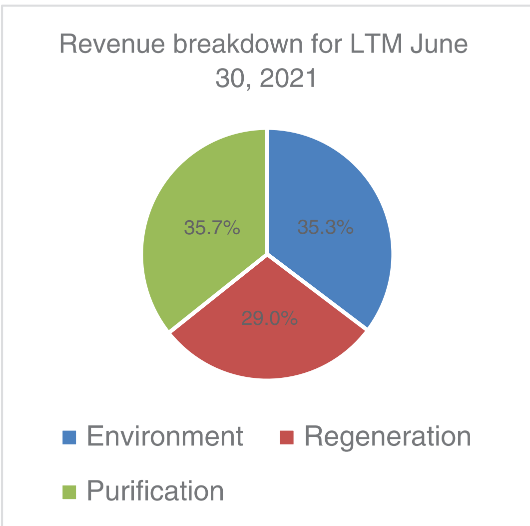
We offer our products and services through three business units:

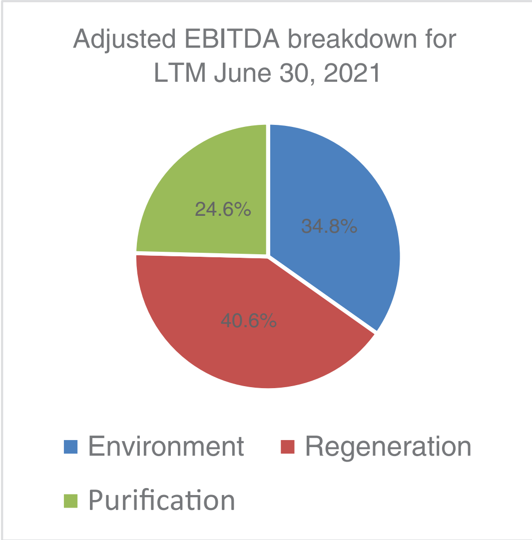
- **Environment.** Our Environment business unit consists of an integrated platform offering a comprehensive range of environmental services, mostly in hazardous waste management and, to a lesser extent, in non-hazardous waste management covering a broad spectrum of the value chain, with an emphasis on recycling and recovery activities. Our Environment portfolio includes sustainable services and solutions for the industrial waste market such as (i) collection, transportation, first level treatment and storage, (ii) consulting services and laboratory analysis carried out through our network of ten accredited laboratories, (iii) industrial wastewater treatment and (iv) solid waste treatment. In addition, we offer complimentary services of commercial brokering and trading of hazardous and non-hazardous special waste. Our exposure to third-party-operated landfills and incinerators is limited, accounting for approximately 12% of the total volume of our end-of-waste destinations for the twelve months ended June 30, 2021. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Environment business unit were €143.5 million and €29.6 million, respectively, representing 35.3% and 34.8%, respectively, of our revenue and Adjusted EBITDA.

- **Regeneration.** Our Regeneration business unit benefits from over 50 years of experience in the production of quality lubricating bases through a proprietary re-refining process that transforms waste oil, a hazardous waste, into a valuable product. Our used oil regeneration plants in Pieve Fissiraga and Ceccano primarily produce regenerated lubricant bases and, to a lesser extent, diesel oil and other by-products. We believe that the high quality and price competitiveness of our regenerated lubricant bases (comparable to virgin oils), underpinned by our proprietary re-refining technology enabling the Group to process a wide spectrum of feedstock qualities, represents a strong competitive advantage over many of our competitors. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Regeneration business unit were €117.8 million and €34.5 million, respectively, representing 29.0% and 40.6%, respectively, of our revenue and Adjusted EBITDA.

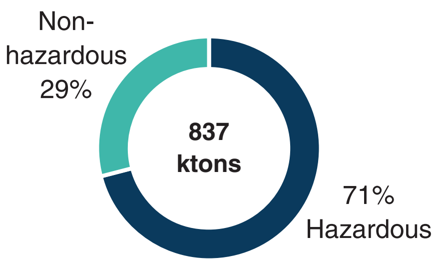
- **Purification.** Our Purification business unit comprises the production and sale of a variety of solvents derived both from the valorization of chemical waste, including thinners and solvents from waste (“**SFW**”), and virgin raw materials, including pure aliphatics. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Purification business unit were €144.8 million and €20.9 million, respectively, representing 35.7% and 24.6%, respectively, of our revenue and Adjusted EBITDA.

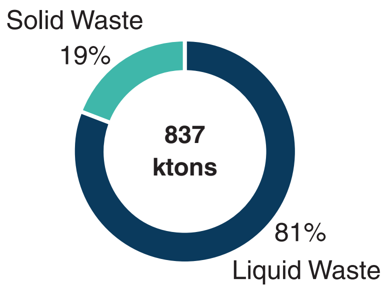
The following charts set forth our revenue and Adjusted EBITDA breakdown by business unit for the twelve months ended June 30, 2021.





We believe that the breadth of the services we offer and products we produce through our business units has enabled us to build a significant competitive advantage within the Italian waste management market, establishing our position as a leading one-stop shop service provider of circular economy solutions for a wide range of customers across various industries. For the twelve months ended June 30, 2021, we directly managed approximately 837 thousand tons of waste materials, primarily consisting of lubricant oil, solvents, industrial hazardous water, waste treatment for energy valorization and other waste (excluding intermediated waste), with hazardous and non-hazardous waste accounting for 71% and 29%, respectively, of these volumes, and solid and liquid waste accounting for 19% and 81%, respectively, of these volumes. For the same period, we managed and processed approximately 1,174 thousand tons of waste (including intermediated waste). The following charts set forth the breakdown of waste volumes treated by us for the twelve months ended June 30, 2021.





Key Factors Affecting Our Results of Operations

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

Economic conditions and impact of COVID-19

Periods of high economic growth and industrial activity have typically led to increased waste volumes in our business, as well as higher demand for our products. Conversely, in periods of weak growth or recession, volumes tend to decrease due to lower economic activity, which decreases the waste volumes that we collect. As 78.8% of our revenue was generated in Italy for the twelve months ended June 30, 2021, and almost all the waste we collect and treat derives from Italy, our results of operations are particularly dependent on the general economic conditions and developments in Italy. A downturn in the Italian economy can affect our customers' spending generally, demand and pricing for our products and services, the creditworthiness of our customers, and the availability and cost of our debt financings.

Following the outbreak of the COVID-19 pandemic, the Italian economy contracted sharply in the first quarter of 2020, recording a year-on-year contraction in GDP of 5.1% and entering a new recession, followed by a 11.8% year-on-year decrease in the second quarter of 2020, which was the worst year-on-year decrease of GDP since records began in 1995 (source: ISTAT) as the country was one of the hardest hit by the COVID-19 pandemic.

See *"Risk Factors—Risks Related to Our Business—The impact of COVID-19 and related risks could materially affect our results of operations, financial position and/or liquidity*." As a result of the restrictive measures introduced by the Italian government, such as social distancing measures, the nationwide lockdowns of most business activities in the first half of 2020, we transitioned a portion of our workforce to remote working and experienced operational difficulties; in particular, our plants in Pieve Fissiraga and Ceccano were closed for several weeks between April and June 2020. Several restrictive measures have continued to be in place in Italy during 2020 and in the first half of 2021. These difficulties have created a context of uncertainty that has impacted our results in 2020, including in terms of revenues and margins. Our Regeneration business was particularly impacted by the decline in collected used oil and production slowdown in the first half of 2020, resulting in a decrease in our production volumes of base oil of approximately 17% for the year ended December 31, 2020. Revenue and EBITDA for the year ended December 31, 2020 from our Regeneration activities decreased by 12.8% and 33.2%, respectively, compared to the year ended December 31, 2019.

In 2021, general economic conditions began to improve as a result of proactive measures to control the spread of the infection and the rollout of vaccines, although a new wave of infections driven by the outbreak of the "Delta" variant has hit several countries, including Italy. During the six months ended June 30, 2021, as a result of recovering economic conditions in Italy, our Regeneration business unit registered a significant increase, processing 89.1 thousand tons of waste oil compared to 53.0 thousand tons processed during the same period of 2020 (an increase of 68.1%) and recording sales of 62.7 thousand tons of base oil compared to 42.6 thousand tons during the same period of 2020 (an increase of 47.2%).

The results recorded by our Regeneration business unit for the twelve months ended June 30, 2021 showed a favorable trend when compared to the results for the year ended December 31, 2019, which were not impacted by the COVID-19 pandemic. For the twelve months ended June 30, 2021, we processed 184.4 thousand tons of waste oil and sold 122.4 thousand tons of base oil through our Regeneration business unit compared to 181.0 and 122.1 thousand tons, respectively, for the year ended December 31, 2019 (an increase of 1.9% and 0.2%, respectively).

As there can be no assurance as to how long certain temporary closures and restrictions may remain in effect or when new restrictions may be re-implemented, we are currently unable to estimate the magnitude of the impact of COVID-19 on our business, and the results of operations and cash flows for future periods may not be comparable.

Acquisitions

Our operating results and their comparability for the periods under review were impacted by the effects of a number of bolt-on acquisitions. We estimate the financial impact of any potential acquisition with regard to revenues, EBITDA, margins, cash flow, cost and revenue synergies and return on investment targets before we proceed with the acquisition. Between January 1, 2018 and June 30, 2021, we acquired controlling stakes in or the entire share capital of ten companies (excluding the transactions where we only increased our stake in previously acquired companies and companies that were already controlled by the acquired companies). In particular, we made five acquisitions in 2018 and five acquisitions in 2020. The acquisition of the remaining minority stakes in the acquired companies for which we are currently holding controlling interests is subject to call and put options. See "*—Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions.*"

We believe that the acquisitions we made in the period under review have generated synergies for our business and have contributed to our organic growth. Such acquisitions have given us, for example, the ability to enrich our product portfolio and service offering, and expand our customer base and geographic reach. Historically, we have funded our bolt-on acquisitions primarily with cash from operations, as well as third-party debt. For a description of the most significant acquisitions we carried out in the periods under review, see "*—Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions.*"

Volume of waste serviced

Our results of operations are affected by the volume and the types of waste that we collect and process as our contractual arrangements with customers generally compensate us according to volume, usually at a set price per unit. Given the largely fixed cost nature of our business and the high processing capacity of our waste management sites, higher volumes generally allow us to keep a site at an optimal utilization, thereby utilizing our machinery and personnel more efficiently and therefore reducing the impact of our fixed cost base. Moreover, waste volumes affect our logistics costs, as an increase in collected waste typically results in higher transportation costs. The table below sets forth the components of our income statement that are mostly affected by volume of serviced waste (*i.e.*, revenue and purchase, services and other charges) for the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021.

	Year ended December 31,			Six months ended June 30,
	2018	**2019**	**2020**	**2021**
Volume* (thousand tons)	644	714	973	582
Revenue** (€ in millions)	279.3	300.7	330.9	223.0
Purchase, services and other charges (€ in millions)	(199.8)	(211.2)	(231.9)	(146.9)

* Represent the volume of serviced waste (including intermediation activities) for the periods presented.

** Of which €18.8 million, €23.2 million, €30.5 million and €17.3 million represented CONOU regeneration treatment fee for the years ended December 31, 2018, 2019 and 2020 and for the six months ended June 30, 2021, respectively.

During the periods presented, our volume of waste received was affected by, in addition to general economic conditions and the impact of the COVID-19 pandemic, acquisitions of other businesses as well as by organic growth. See "—*Factors Affecting the Comparability of Our Results of Operations—Bolt-on acquisitions*." We also believe that the broad scope of our waste management operations provides our business model with resilience by reducing our exposure to fluctuations in waste collection volumes and generating more regular waste flows. We believe that the size and density of our network in Northern Italy, our large and diversified customer base and our presence across the entire waste services value chain constitute key competitive advantages that enable us effectively manage our costs and increase the efficiency of our operations.

CONOU incentive mechanisms

Our results of operations, particularly relating to our Regeneration business, are affected by the incentive mechanisms established by CONOU (*Consorzio nazionale per la gestione, raccolta e trattamento degli oli minerali usati*). Pursuant to the enactment of Italian Legislative Decree no. 152 of April 3, 2006 (the "**Environmental Code**"), CONOU has set up an incentive mechanism paid to oil regeneration companies, the CONOU regeneration treatment fee, which is inversely correlated to the market price of lube oil (*i.e.*, the fee increases upon a decrease in lube oil market price and vice versa), thus ensuring that we and other players in the oil regeneration industry are granted certain downside protection against fluctuations of crude oil and lube oil prices. In accordance with the Italian Environmental Code, lube oil producers fund the oil regeneration value chain by paying to CONOU an amount determined as set forth by applicable law and regulatory framework, which was equal to approximately €0.09 on average over the period 2011-2020 for each litre of lubricant oil sold. CONOU distributes the amounts so collected via, *inter alia*, the regeneration treatment fee. The CONOU regeneration treatment fee is paid to oil regeneration companies on a monthly basis based on the volumes of regenerated oil bases produced and is calculated based on the ICIS average price of lube oil recorded during the preceding quarter. The time lag associated with the calculation of the CONOU regeneration treatment fee, together with the increase recorded by oil prices in the first half of 2021 and the increase in volume of oil bases produced, has favorable impacted our margin for the six months ended June 30, 2021 compared to the six months ended June 30, 2020, which was also impacted by the COVID-19 pandemic. As a result of these factors, the CONOU regeneration treatment fee we collected for the six months ended June 30, 2021 amounted to €17.3 million, an increase of €7.8 million, or 82.1%, over the amount of €9.5 million collected for the six months ended June 30, 2020. The CONOU regeneration treatment fee sustains the circularity in all the phases of the waste oil economic cycle, is based on the principle of the Extended Producer Responsibility ("**EPR**") and permits us to significantly offset the cyclical decrease in oil price by guaranteeing a minimum profitability threshold in the sale of our oil-based products. See "*Business—CONOU Incentive Mechanisms.*" Revenue from our Regeneration business unit accounted for 29.6% of our revenue for the twelve months ended June 30, 2021. The table below sets out the amount of CONOU regeneration treatment fee, including as a percentage of revenue generated by our Regeneration business unit, for the years ended December 31, 2018, 2019 and 2020 and for the six months ended June 30, 2021.

	Year ended December 31,			Six months ended June 30,	
	2018	2019	2020	2020	2021
	(€ in millions, except percentages)				
CONOU regeneration treatment fee	18.8	23.2	30.5	9.5	17.3
Revenue from Regeneration business unit	97.6	97.9	85.4	33.6	66.0
Total (%)	**19.3%**	**23.7%**	**35.7%**	**28.3%**	**26.2%**

CONOU has recently amended the formula for determining the regeneration treatment fee. Under the current framework, which came into force in October 2020, the regeneration treatment fee is no longer subject to a set cap that was historically set at €329 per ton of regeneration oil and limited the amount of compensation granted to oil regeneration companies during periods of fluctuations in oil prices. We estimate that the removal of the set cap as well as other amendments to the formula, on a *pro forma* basis for the year 2020 as if the new formula had been in place as of January 1, 2020, would have had an estimated positive impact of €2.2 million, €2.1 million, €1.9 million and €1.3 million for the years ended December 31, 2018, 2019 and 2020 and for the twelve months ended June 30, 2021, respectively. We expect that further amendments to the formula may only be effective after December 2024, except in exceptional circumstances indicated in CONOU regulation which, in any event cannot be retroactive. Any significant amendment to the formula and the current framework for incentive mechanics established by CONOU may have a material impact on the profitability of our Regeneration business unit. See "*Risk Factors—Risks Related to our Business—Our Regeneration business relies on the incentives mechanisms provided by CONOU and its supply of waste oil.*"

Regulatory, environmental and safety matters

Our results of operations are affected by environmental and sustainability laws, regulations and our customers' environmental requirements and awareness. The main regulations affecting our business are the waste management regulatory framework in the European Union, currently governed by the directive 2008/98/EC, as recently amended by directive 2018/851/EU, and the REACH regulation, which imposes significant obligations on the chemicals industry with respect to the testing, evaluation, assessment and registration of substances. We are also subject to the EU ETS System governing GHG emissions and the Environmental Code which governs, *inter alia*, the management of waste in Italy and the granting of the permits for the opening and management of waste management plants. See "*Regulation*."

In addition, from time to time, we may incur remediation costs at our current facilities and as of June 30, 2021, we had made provisions of €6.4 million for potential environmental liabilities and ecological clean-ups that may be necessary at certain of our facilities. 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. Our environmental compliance and remediation costs could therefore increase. Our provisions for environmental liabilities are expected to increase as a result of our entry into of the Lauro Settlement Agreement, pursuant to which we undertook to bear the costs of certain environmental remediation activities relating to the Landriano purification site, estimated to be approximately €8.0 million as of the date of this Offering Memorandum. Such amount is expected to be budgeted as provision for environmental liabilities on our balance sheet. We expect to incur these costs over the period 2021-2030. For further details, see "*Summary—Recent Developments—Settlement Agreements Relating to the Vendor Loan Liabilities*." See also "*Risk Factors—Risks Related to Our Business—Our operations are subject to an increasingly demanding level of governmental regulations, especially in regards to the environment," "—Maintaining compliance with the chemical safety regulations applicable to both our products and raw materials could adversely affect our business*," and "—We *may face liabilities in connection with environmental matters*."

Fluctuations in prices of raw materials and commodities

Our results of operations partially depend on the price at which we are able to obtain our principal raw material inputs and sell our products. The prices of raw materials we use in, or produced through, our waste management solutions, such as base oil or aliphatics, fluctuate according to global economic supply and demand, especially levels of economic growth. For example, the selling prices of aliphatics, which are produced through our Purification activities, are based on the market price of virgin naphtha, which decreased by 22.7% over the period 2018-2020. Conversely, when prices of our raw materials increase, we attempt to mitigate the negative effect on our margins by seeking to pass through raw material cost increases to our customers through higher prices for our products, although we sometimes experience a limited time lag in our ability to do so in relation to our mid-term contracts, which represent approximately half of our contracts and have a typical duration of two to three years.

In addition, our business is also exposed to fluctuations in costs related to certain commodities, such as methane, fuel and electricity, that are widely used in our business for logistic and production purposes. Prices for oil and electricity are unpredictable and fluctuate significantly based on events beyond our control, including geopolitical developments, supply and demand, change in applicable laws and regulations, adverse weather and regional production patterns.

Seasonality

We experience a limited degree of seasonal fluctuations in the demand for certain of our products and services, particularly in respect of our Environment solutions which recorded a phasing imbalance in favour of the second half of the year for the period 2018-2020 (on average, 53.0% of revenue is recorded in the second half of each year), mainly due to the seasonality of our Environment trading activities. This trend has grown in recent year due to greater weight assumed by our Environment trading activities over the same period. Despite this limited seasonal effect, we believe our overall results are relatively stable as a result of the diversification of our product portfolio and breadth of our service offering.

Fluctuations in currency exchange rates

The euro is the functional currency of our Consolidated Financial Statements and all subsidiaries of our Group report results in euro. However, we carry out operations in currencies other than the euro, principally in U.S. dollars, and our results of operations are therefore impacted by fluctuations in exchange rates. Our primary exposure to fluctuations in exchange rates is for the purchases of certain raw materials and sales of certain of our products in U.S. dollars, which results, to a certain extent, in a natural hedging (whereby the effects of revenues and costs in U.S. dollars partially offset each other). Foreign exchange exposure has typically been relevant to our Purification business unit, which recorded 13.8% of its revenue in U.S. dollars for the twelve months ended June 30, 2021, corresponding to 5.0% of our revenue for the period. Foreign currency transactions are accounted for at the euro-equivalent amount based on the exchange rate set on the transaction date, while the exchange differences realized at the date of collection or payment are recorded in the income statement as foreign exchange gains or losses.

Factors Affecting the Comparability of Our Results of Operations

Bolt-on acquisitions

We have historically expanded our operations through small and medium-size bolt-on acquisitions, thereby expanding our geographical reach as well as the volumes and the type of waste we collect and process. Many of the acquisitions we have completed in recent years were aimed at consolidating our market position, enhancing our product offering and driving operational efficiencies. Our results of operations during the periods under review have been affected by such acquisitions, which may make it more difficult to evaluate the historical performance of our business by comparing period over period results. The most significant bolt-on acquisitions we carried out in the period between January 1, 2018 and June 30, 2021 are described below.

Centro Risorse, Area S.r.l., Innovazione Chimica S.r.l., Keoma S.r.l, Ecoausilia S.r.l. and Ecoserve S.r.l. In April 2018, we acquired 70% of the equity interests in Centro Risorse S.r.l., Area S.r.l., Innovazione Chimica S.r.l., Keoma S.r.l and Ecoausilia S.r.l., for an aggregated acquisition consideration of €12.0 million including deferred payments, price adjustments and earn-outs. The acquisition of the remaining 30% of the equity interest in Centro Risorse S.r.l., Area S.r.l., Innovazione Chimica S.r.l. and Keoma S.r.l. is subject to put and call options. These companies are specialized in the management and valorization of industrial waste, wastewater treatment, chemical analysis, transport and environment and safety consultancy services. All of the equity interests in Ecoausilia S.r.l. and Ecoserve S.r.l. was subsequently acquired in 2020 and these companies were merged into our subsidiary Neda Ambiente FVG S.r.l.

Carbo-Nafta Ecologia. In January 2020, we acquired a 80% stake in Carbo Nafta Ecologia S.r.l. for €2.7 million, including price adjustment and deferred payments; a potential earn-out could be payable in April 2022 for a maximum amount of €0.6 million. The acquisition of the remaining 20% of the equity interest in Carbo Nafta Ecologia S.r.l. is subject to put and call options. Carbo Nafta Ecologia S.r.l. operates in the collection and management of industrial waste. This acquisition enabled us to strengthen our competitive position in Central Italy, in particular in the regions of Umbria, Lazio and Tuscany.

Idroclean. In February 2020, we acquired 100% of the equity interests in Idroclean S.r.l., which in turn held the entire equity interests in its subsidiaries Agrid S.r.l. and Labio.Lab S.r.l. as well as a 30% stake in ASMia, for

€19.8 million, including price adjustment and deferred payments. The Idroclean group primarily operates in Lombardy and Northern Italy and it is specialized in the treatment and purification of industrial water mainly for pharmaceutical and chemical companies. Although we own only 30% of the share capital in ASMia, as of June 30, 2021, we consolidate 68% of the income statement of ASMia into our consolidated income statement, as we have contractual arrangements with the other shareholders of ASMia pursuant to which we are deemed to control ASMia for purposes of the consolidation principles under Italian GAAP. The balance sheet of ASMia is otherwise consolidated in our balance sheet for 30%, which is in line with our ownership percentage.

Intereco. In July 2020, we acquired 100% of the equity interests in Intereco S.r.l., for €12.1 million, including price adjustment and deferred payments; a potential earn-out payment could be due by the end of 2021 for a maximum amount of €0.6 million. Intereco S.r.l. is a company specialized in recycling and valorization solutions for hazardous and non-hazardous special waste. This acquisition enabled us to strengthen our position in Northern and Central Italy thanks to Intereco S.r.l.'s strong client base across the industrial district in Emilia-Romagna, with a focus on ceramic tiles.

Ferolmet. In October 2020, we acquired 100% of the equity interests in Ferolmet S.r.l., which in turn holds 86% of the equity interest in Riraee S.r.l., for €9.2 million, including a price adjustment already paid and deferred payments; a potential earn-out payment could be due in April 2022 and April 2023 for a maximum aggregated amount of €1.9 million. Ferolmet S.r.l. is a company based near Milan, and operates primarily in the Northern part of Italy, which is specialized in storage and preparation activities for recycling and valorization solutions for hazardous and non-hazardous special waste.

All acquired companies (except for ASMia, which operates under its own brand) have been integrated within the Itelyum Group and are operating under the Itelyum brand. We intend to continue our selective external growth strategy by acquiring small to medium-sized regional and national businesses in Italy as well as, potentially, neighboring countries that are complementary to our service and product offerings and offer synergies and ease of integration.

Acquisitions affect our results of operations in several ways. First, our results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired businesses in our consolidated results. As the acquired businesses are included in our consolidation perimeter from the date of completion of the relevant acquisition, their full impact is only reflected in our financial statements in the subsequent period. Following an acquisition, we seek to integrate the companies into our structure. For example, we typically coordinate administration, finance and treasury, IT, human resources and other support functions with our central management functions, and seek to leverage our national network and commercial structure in order to increase the waste volumes processed at the sites that are acquired. We also generally keep and strengthen local management teams, which we believe increases the chance of a smooth integration of the acquired company.

On July 2, 2021, we acquired 70% of the equity interests in Castiglia, a company providing integrated services for environmental protection and sustainability with a particular focus on the management of waste deriving from water purification processes. The acquisition of the remaining 30% of the equity interest in Castiglia is subject to call and put options. Through the acquisition of Castiglia, we expect to enhance our market position in the Southern regions of Italy. See "*Summary—Recent Developments—Acquisition of Castiglia.*"

Description of Key Income Statement Items

Below is a summary description of the key line items of our income statement.

Revenue

Revenue represents revenue from products sold or services provided to third parties.

Other income

Other income represents amounts in escrow from environmental clean-up, income from energy efficiency certificate certificates, R&D tax credit contribution and other income.

Purchase, services and other charges

Purchase, services and other charges represent costs for the purchase of raw materials to be used in the production process, goods for sales, maintenance materials, disposal costs and diesel for transportation.

Personnel costs

Personnel costs represent costs for salaries and wages, social security contributions, employee severance indemnities and other personnel costs.

Other operating costs

Other operating costs represent consumption taxes and excise duties, non-income taxes and contingent liabilities and losses from disposals and other costs.

Depreciation and amortization

Depreciation and amortization represent depreciation of property, plant and equipment, amortization of goodwill and amortization of other intangible assets.

Impairment of receivables

Impairment of receivables represents the prudential write-downs of certain receivables.

Financial expenses

Financial expenses represent interest on bank loans, bank charges, financial expenses on medium and long-term loans and other interest payable.

Income taxes

Income taxes represent the amount of current taxes, taxes related to previous years, deferred taxes and prepaid taxes.

Results of Operations

The table below summarizes our results of operations for the years ended December 31, 2018, 2019 and 2020 and for the six months ended June 30, 2020 and 2021.

	Year ended December 31,			Six months ended June 30,	
	2018	**2019**	**2020**	**2020 (unaudited)**	**2021 (unaudited)**
	(€ in millions)				
Revenue	279.3	300.7	330.9	147.8	223.0
Other income	3.5	2.5	2.9	0.8	1.9
Change in work in progress, semi-finished and finished product inventories	0.3	(2.9)	(3.3)	(3.7)	1.4
Total revenue and other operating income	**283.1**	**300.3**	**330.5**	**144.9**	**226.3**
Purchase, services and other charges	(199.6)	(211.1)	(231.4)	(107.3)	(146.9)
Personnel costs	(32.1)	(34.1)	(39.0)	(19.1)	(23.0)
Other operating costs	(5.3)	(6.6)	(7.9)	(5.7)	(5.0)
Provisions for risks and charges	(0.4)	(0.3)	(1.5)	2.0	0.3
Depreciation and amortization	(45.3)	(41.6)	(42.2)	(20.9)	(36.1)
Impairment of receivables	(0.5)	(0.4)	(0.5)	(0.2)	(0.9)
Total costs	**(283.2)**	**(294.2)**	**(322.5)**	**(151.2)**	**(211.6)**
Operating result	**(0.1)**	**6.2**	**8.0**	**(6.3)**	**14.7**
Financial income	—	—	0.1	—	—
Financial expenses	(11.6)	(10.9)	(11.4)	(5.2)	(5.5)
Profit (loss) before taxation	**(11.7)**	**(4.7)**	**(3.3)**	**(11.5)**	**9.2**
Income taxes	(0.7)	(3.4)	(3.7)	(2.1)	(7.1)
Profit (loss) for the period	**(12.4)**	**(8.1)**	**(7.0)**	**(13.6)**	**2.1**

Six months ended June 30, 2021 compared to six months ended June 30, 2020

The table below sets out our consolidated results of operations for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

	Six months ended June 30,		
	2020 (unaudited)	2021 (unaudited)	Percentage change
	(€ in millions, except percentages)		
Revenue	147.8	223.0	50.9%
Other income	0.8	1.9	137.5%
Change in work in progress, semi-finished and finished product inventories	(3.7)	1.4	n.a.
Total revenue and other operating income	**144.9**	**226.3**	**56.2%**
Purchase, services and other charges	(107.3)	(146.9)	36.9%
Personnel costs	(19.1)	(23.0)	20.4%
Other operating costs	(5.7)	(5.0)	(12.3)%
Provisions for risks and charges	2.0	0.3	(85.0)%
Depreciation and amortization	(20.9)	(36.1)	72.7%
Impairment of receivables	(0.2)	(0.9)	350.0%
Total costs	**(151.2)**	**(211.6)**	**39.9%**
Operating result	**(6.3)**	**14.7**	**n.a.**
Financial income	—	—	n.a.
Financial expenses	(5.2)	(5.5)	5.8%
Profit (loss) before taxation	**(11.5)**	**9.2**	**n.a.**
Income taxes	(2.1)	(7.1)	238.1%
Profit (loss) for the period	**(13.6)**	**2.1**	**n.a.**

Revenue

Revenue increased by €75.2 million, or 50.9%, from €147.8 million for the six months ended June 30, 2020 to €223.0 million for the six months ended June 30, 2021, driven primarily by organic growth across all our business units and inorganic growth of €15.4 million resulting from the acquisitions completed in the second half of 2020.

Our revenue by business unit for the six months ended June 30, 2020 and 2021 was as follows:

	Six months ended June 30,		
	2020 (unaudited)	2021 (unaudited)	Percentage change
	(€ in millions, except percentages)		
Environment	50.6	73.9	46.0%
Regeneration	33.6	66.0	96.4%
Purification	63.6	83.1	30.7%
Total	**147.8**	**223.0**	**50.9%**

Environment revenue increased by €23.3 million, or 46.0%, from €50.6 million for the six months ended June 30, 2020 to €73.9 million for the six months ended June 30, 2021, mainly as a result of the inorganic growth of €15.4 million resulting from the acquisitions completed relating to our Environment business unit in the second half of 2020.

Regeneration revenue increased by €32.4 million, or 96.4%, from €33.6 million for the six months ended June 30, 2020 to €66.0 million for the six months ended June 30, 2021, mainly as a result of higher volumes of oil processed and sold and, to a lesser extent, an increase in unit sales prices of regenerated oil driven by the significant increase in activity level recorded in the first half of 2021 compared to the corresponding period of 2020, which was severely impacted by the COVID-19 pandemic. Volume of used oil processed increased by 67.9%, from 53 thousand tons for the six months ended June 30, 2020 to 89 thousand tons for the six months ended June 30, 2021. CONOU regeneration treatment fee we collected for the six months ended June 30, 2021 amounted to €17.3 million, an increase of €7.8 million, or 82.1%, over the amount of €9.5 million collected for the six months ended June 30, 2020, primarily due to the ICIS prices of lube oil recorded over the periods and the time lag associated with the calculation of the CONOU regeneration treatment fee, as described under "*—Key Factors Affecting Our Results of Operations—CONOU incentive mechanisms*" above.

Purification revenue increased by €19.5 million, or 30.7%, from €63.6 million for the six months ended June 30, 2020 to €83.1 million for the six months ended June 30, 2021, mainly as a result of due to higher volumes of waste processed and products sold and, to a lesser extent, an increase in unit sales prices of our Purification products, in particular relating to our pure solvents.

Other income

Other income increased by €1.1 million, from €0.8 million for the six months ended June 30, 2020 to €1.9 million for the six months ended June 30, 2021.

Change in work in progress, semi-finished and finished product inventories

Change in work in progress, semi-finished and finished product inventories was represented by a decrease of €3.7 million for the six months ended June 30, 2020 to an increase of €1.4 million for the six months ended June 30, 2021, primarily due to significant reduction in semi-finished and finished products recorded in our Regeneration business unit in the six months ended June 30, 2020.

Purchase, services and other charges

Purchase, services and other charges increased by €39.6 million, or 36.9%, from €107.3 million for the six months ended June 30, 2020 to €146.9 million for the six months ended June 30, 2021, primarily due to the increase in purchase of raw materials used in the production process and costs relating to services of an operational nature required to support the increase in revenue. As a percentage of revenue, purchase, services and other charges decreased from 72.6% for the six months ended June 30, 2020 to 65.9% for the six months ended June 30, 2021, primarily due to improved margin recorded, in particular by our Regeneration and Purification business units.

Personnel costs

Personnel costs increased by €3.9 million, or 20.4%, from €19.1 million for the six months ended June 30, 2020 to €23.0 million for the six months ended June 30, 2021, primarily due to the increase in personnel resulting from the acquisitions completed in the second half of 2020. As a percentage of revenue, personnel costs decreased from 12.9% for the six months ended June 30, 2020 to 10.3% for the six months ended June 30, 2021, primarily due to the increase in revenue over the period, which more than offset the increase in personnel costs.

Other operating costs

Other operating costs decreased by €0.7 million, or 12.3%, from €5.7 million for the six months ended June 30, 2020 to €5.0 million for the six months ended June 30, 2021. As a percentage of revenue, other operating costs decreased from 3.9% for the six months ended June 30, 2020 to 2.2% for the six months ended June 30, 2021, primarily due to the increase in revenue.

Provisions for risks and charges

Provisions for risks and charges decreased by €1.7 million, or 85.0%, from €2.0 million for the six months ended June 30, 2020 to €0.3 million for the six months ended June 30, 2021. *Depreciation and amortization* Depreciation and amortization increased by €15.2 million, or 72.7%, from €20.9 million for the six months ended June 30, 2020 to €36.1 million for the six months ended June 30, 2021, primarily due to the amortization of goodwill over the period driven by the revaluation of goodwill carried out in the second half of 2020.

Impairment of receivables

Impairment of receivables increased by €0.7 million, from €0.2 million for the six months ended June 30, 2020 to €0.9 million for the six months ended June 30, 2021, primarily due to updated estimates on the recoverability of receivables conducted following the COVID-19 pandemic.

Operating result

Operating result increased by €20.9 million from negative €6.3 million for the six months ended June 30, 2020 to €14.6 million for the six months ended June 30, 2021, primarily due to the significant increase in revenue and tight control over our costs.

Financial expenses

Financial expenses were substantially stable, recording a slight increase of €0.3 million, from €5.2 million for the six months ended June 30, 2020 to €5.5 million for the six months ended June 30, 2021.

Profit before taxation

Profit before taxation increased by €20.7 million, from a loss of €11.5 million for the six months ended June 30, 2020 to a profit of €9.2 million for the six months ended June 30, 2021, primarily due to the reasons discussed above.

Income taxes

Income taxes increased by €5.0 million, or 238.1%, from €2.1 million for the six months ended June 30, 2020 to €7.1 million for the six months ended June 30, 2021, primarily due to the increase in taxable income.

Profit for the period

For the six months ended June 30, 2020 we recorded a loss of €13.6 million, while for the six months ended June 30, 2021 we recorded a profit of €2.1 million. Such positive trend was due to the reasons discussed above.

Year ended December 31, 2020 compared to year ended December 31, 2019.

The table below sets out our consolidated results of operations for the year ended December 31, 2020, compared to the year ended December 31, 2019.

	Year ended December 31,		
	2019	**2020**	**Percentage change**
	(€ in millions, except percentages)		
Revenue	300.7	330.9	10.0%
Other income	2.5	2.9	16.0%
Change in work in progress, semi-finished and finished product inventories	(2.9)	(3.3)	13.8%
Total revenue and other operating income	**300.3**	**330.5**	**10.1%**
Purchase, services and other charges	(211.1)	(231.4)	9.6%
Personnel costs	(34.1)	(39.0)	14.4%
Other operating costs	(6.6)	(7.9)	19.7%
Provisions for risks and charges	(0.3)	(1.5)	n.a.
Depreciation and amortization	(41.6)	(42.2)	1.4%
Impairment of receivables	(0.4)	(0.5)	25.0%
Total costs	**(294.2)**	**(322.5)**	**9.6%**
Operating result	**6.2**	**8.0**	**29.0%**
Financial income	—	0.1	n.a.
Financial expenses	(10.9)	(11.4)	4.6%
Loss before taxation	**(4.7)**	**(3.3)**	**(29.8)%**
Income taxes	(3.4)	(3.7)	8.8%
Loss for the period	**(8.1)**	**(7.0)**	**(13.6)%**

Revenue

Revenue increased by €30.2 million, or 10.0%, from €300.7 million for the year ended December 31, 2019 to €330.9 million for the year ended December 31, 2020, driven primarily by inorganic growth of €34.7 million recorded in our Environment business units as a result of the acquisitions completed in 2020 as well as organic increase in revenue recorded in our Environment and Purification business units, partially offset by the decrease of €12.5 million registered in our Regeneration business unit.

Our revenue by business unit for the year ended December 31, 2019 and 2020 was as follows:

	Year ended December 31,		
	2019	**2020**	**Percentage change**
	(€ in millions, except percentages)		
Environment	85.5	120.2	40.6%
Regeneration	97.9	85.4	(12.8)%
Purification	117.3	125.3	6.8%
Total	**300.7**	**330.9**	**10.0%**

Environment revenue increased by €34.7 million, or 40.6%, from €85.5 million for the year ended December 31, 2019 to €120.2 million for the year ended December 31, 2020, mainly as a result of organic growth, particularly in emulsions and industrial wastewater as well as waste valorization, and the impact of the acquisitions completed during 2020, which more than offset the impact of the COVID-19 pandemic.

Regeneration revenue decreased by €12.5 million, or 12.8%, from €97.9 million for the year ended December 31, 2019 to €85.4 million for the year ended December 31, 2020, mainly as a result of the impact of the COVID-19 pandemic, as well as a €7.3 million increase in the CONOU regeneration treatment fee, as described under "*—Key Factors Affecting Our Results of Operations—CONOU incentive mechanisms*" above.

Purification revenue increased by €8.0 million, or 6.8%, from €117.3 million for the year ended December 31, 2019 to €125.3 million for the year ended December 31, 2020, mainly as a result of the increase in revenue from waste-based products (such as thinner and SFW) and from waste recovery services.

Other income

Other income increased by €0.4 million, or 16.0%, from €2.5 million for the year ended December 31, 2019 to €2.9 million for the year ended December 31, 2020.

Change in work in progress, semi-finished and finished product inventories

Change in work in progress, semi-finished and finished product inventories was represented by a decrease of €2.9 million for the year ended December 31, 2019 to a decrease of €3.3 million for the year ended December 31, 2020. The change was primarily due to the reduction in finished products recorded in our Regeneration business unit.

Purchase, services and other charges

Purchase, services and other charges increased by €20.3 million, or 9.6%, from €211.1 million for the year ended December 31, 2019 to €231.4 million for the year ended December 31, 2020, substantially aligned with the increase in revenue for the period.

Personnel costs

Personnel costs increased by €4.9 million, or 14.4%, from €34.1 million for the year ended December 31, 2019 to €39.0 million for the year ended December 31, 2020, primarily due to personnel costs relating to the acquired companies. As a percentage of revenue, personnel costs increased from 11.3% for the year ended December 31, 2019 to 11.8% for the year ended December 31, 2020.

Other operating costs

Other operating costs increased by €1.3 million, or 19.7%, from €6.6 million for the year ended December 31, 2019 to €7.9 million for the year ended December 31, 2020, primarily due to increase in costs relating to the companies acquired in 2020. As a percentage of revenue, other operating costs increased from 2.2% for the year ended December 31, 2019 to 2.4% for the year ended December 31, 2020.

Provisions for risks and charges

Provisions for risks and charges increased by €1.2 million, from €0.3 million for the year ended December 31, 2019 to €1.5 million for the year ended December 31, 2020, primarily due to the increase relating to environmental liabilities based on a recent technical assessment.

Depreciation and amortization

Depreciation and amortization increased by €0.6 million, or 1.4%, from €41.6 million for the year ended December 31, 2019 to €42.2 million for the year ended December 31, 2020, primarily due to new investments and the impact of the acquisitions completed in 2020.

Impairment of receivables

Impairment of receivables was substantially stable, from €0.4 million for the year ended December 31, 2019 to €0.5 million for the year ended December 31, 2020.

Operating result

Operating result recorded an increase of €1.8 million, or 29.0%, from €6.2 million for the year ended December 31, 2019 to €8.0 million for the year ended December 31, 2020, primarily due to positive revenue performance and tight control over our costs.

Financial expenses

Financial expenses were substantially stable, recording a marginal increase by €0.5 million, from €10.9 million for the year ended December 31, 2019 to €11.4 million for the year ended December 31, 2020.

Loss before taxation

Loss before taxation decreased by €1.4 million, or 29.8%, from €4.7 million for the year ended December 31, 2019 to €3.3 million for the year ended December 31, 2020, primarily due to the reasons discussed above.

Income taxes

Income taxes increased by €0.3 million, or 8.8%, from €3.4 million for the year ended December 31, 2019 to €3.7 million for the year ended December 31, 2020, primarily due to the increase in taxable income.

Loss for the period

For the year ended December 31, 2019, we recorded a loss of €8.1 million, while for the year ended December 31, 2020 we recorded a loss of €7.0 million. Such positive trend was due to the reasons discussed above.

Year ended December 31, 2018 compared to year ended December 31, 2019

The table below sets out our consolidated results of operations for the year ended December 31, 2018 compared to the year ended December 31, 2019.

	Year ended December 31,		
	2018	2019	Percentage change
	(€ in millions, except percentages)		
Revenue	279.3	300.7	7.7%
Other income	3.5	2.5	(28.6)%
Change in work in progress, semi-finished and finished product inventories	0.3	(2.9)	n.a.
Total revenue and other operating income	**283.1**	**300.3**	**6.1%**
Purchase, services and other charges	(199.6)	(211.1)	5.8%
Personnel costs	(32.1)	(34.1)	6.2%
Other operating costs	(5.3)	(6.6)	24.5%
Provisions for risks and charges	(0.4)	(0.3)	(25.0)%
Depreciation and amortization	(45.3)	(41.6)	(8.2)%
Impairment of receivables	(0.5)	(0.4)	(20.0)%
Total costs	**(283.2)**	**(294.2)**	**3.9%**
Operating result	**(0.1)**	**6.2**	**n.a.**
Financial income	—	—	n.a.
Financial expenses	(11.6)	(10.9)	(6.0)%
Loss before taxation	**(11.7)**	**(4.7)**	**(59.8)%**
Income taxes	(0.7)	(3.4)	38.5%
Loss for the period	**(12.4)**	**(8.1)**	**(34.7)%**

Revenue

Revenue increased by €21.4 million, or 7.7%, from €279.3 million for the year ended December 31, 2018 to €300.7 million for the year ended December 31, 2019, driven primarily by the significant growth recorded in our Environment business, mainly as a result of organic growth as well as the full twelve-month impact of the acquisitions completed in 2018.

Our revenue by business unit for the year ended December 31, 2019 and 2018 was as follows:

	Year ended December 31,		
	2018	2019	Percentage change
	(€ in millions, except percentages)		
Environment	62.4	85.5	37.0%
Regeneration	97.6	97.9	0.3%
Purification	119.3	117.3	(1.6)%
Total	**279.3**	**300.7**	**7.7%**

Environment revenue increased by 23.1 million, or 37.0%, from €62.4 million for the year ended December 31, 2018 to €85.5 million for the year ended December 31, 2019, mainly as a result of organic growth recorded, particularly in respect of emulsions and waste valorization, as well as the full twelve-month impact of the acquisitions completed in 2018.

Regeneration revenue were substantially stable, recording a marginal increase of 0.3 million, or 0.3%, from €97.6 million for the year ended December 31, 2018 to €97.9 million for the year ended December 31, 2019, notwithstanding a €4.4 million increase in the CONOU regeneration treatment fee, as described under "*—Key Factors Affecting Our Results of Operations—CONOU incentive mechanisms*" above, which was more than offset by a decrease in revenue due to a decrease in sale prices.

Purification revenue marginally decreased by €1.9 million, or 1.6%, from €119.3 million for the year ended December 31, 2018 to €117.3 million for the year ended December 31, 2019, mainly as a result of a marginal decrease in revenue from the sale of pure-solvent products and a decrease in waste recovery service.

Other income

Other income decreased by €1.0 million, or 28.6%, from €3.5 million for the year ended December 31, 2018 to €2.5 million for the year ended December 31, 2019, mainly as a result of reduced contribution from R&D tax credits.

Change in work in progress, semi-finished and finished product inventories

Change in work in progress, semi-finished and finished product inventories was represented by an increase of €0.3 million for the year ended December 31, 2018 to a decrease of €2.9 million for the year ended December 31, 2019. The change was primarily due to the increase in finished products recorded in our Purification business unit in terms of volume as well as unit price.

Purchase, services and other charges

Purchase, services and other charges increased by €11.5 million, or 5.8%, from €199.6 million for the year ended December 31, 2018 to €211.1 million for the year ended December 31, 2019, mainly as a result of the increased charges that supported our increase in revenue for the period. As a percentage of revenue, purchase, services and other charges were substantially stable, recording a slight decrease from 71.5% for the year ended December 31, 2018 to 70.2% for the year ended December 31, 2019.

Personnel costs

Personnel costs increased by €2.0 million, or 6.2%, from €32.1 million for the year ended December 31, 2018 to €34.1 million for the year ended December 31, 2019, mainly as a result of the full twelve-month impact of the acquisitions completed in 2018. As a percentage of revenue, personnel costs were substantially stable, recording a slight decrease from 11.5% for the year ended December 31, 2018 to 11.3% for the year ended December 31, 2019,

Other operating costs

Other operating costs increased by €1.3 million, or 24.5%, from €5.3 million for the year ended December 31, 2018 to €6.6 million for the year ended December 31, 2019, mainly as a result of full twelve-month impact of the acquisitions completed in 2018. As a percentage of revenue, other operating costs were substantially stable, from 1.9% for the year ended December 31, 2018 to 2.2% for the year ended December 31, 2019.

Provisions for risks and charges

Provisions for risks and charges were substantially stable, from €0.4 million for the year ended December 31, 2018 to €0.3 million for the year ended December 31, 2019.

Depreciation and amortization

Depreciation and amortization decreased by €3.7 million, or 8.2%, from €45.3 million for the year ended December 31, 2018 to €41.6 million for the year ended December 31, 2019, mainly as a result of full twelve-month impact of the acquisitions completed in 2018.

Impairment of receivables

Impairment of receivables was substantially stable, from €0.5 million for the year ended December 31, 2018 to €0.4 million for the year ended December 31, 2019.

Operating result

Operating result recorded a significant increase, from a loss of €0.1 million for the year ended December 31, 2018 to a profit of €6.2 million for the year ended December 31, 2019, primarily due to positive revenue performance and tight control over our costs.

Financial expenses

Financial expenses decreased by €0.7 million, or 6.0%, from €11.6 million for the year ended December 31, 2018 to €10.9 million for the year ended December 31, 2019, mainly as a result of a decrease in financial debt due to the positive cash flow performance for the period.

Loss before taxation

Loss before taxation decreased by €7.0 million, or 59.8%, from €11.7 million for the year ended December 31, 2018 to €4.7 million for the year ended December 31, 2019, primarily due to the reasons discussed above.

Income taxes

Income taxes increased by €2.7 million, from €0.7 million for the year ended December 31, 2018 to €3.4 million for the year ended December 31, 2019, mainly as a result of the increase in taxable income.

Loss for the period

For the year ended December 31, 2018, we recorded a loss of €12.4 million, while for the year ended December 31, 2019 we recorded a loss of €8.1 million. Such positive trend was due to the reasons discussed above.

Liquidity and Capital Resources

Following the consummation of the Transactions, we expect that our principal sources of liquidity will be our existing cash and cash equivalents, cash generated from operations and any borrowings under the Revolving Credit Facility. The Revolving Credit Facility Agreement will contain various conditions that must be satisfied in order for the lenders thereunder to make loans available to us under the Revolving Credit Facility. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." Cash flows from our financing activities have in the past included, among others, bank facilities and shareholder debt. Historically, our principal uses of cash have been, and we expect that our principal uses of cash following the consummation of the Transactions will be, to fund capital expenditure, provide working capital, meet debt service requirements and fund potential future acquisitions from time to time.

We believe that our operating cash flows and borrowing capacity under the Revolving Credit Facility will be sufficient to meet our requirements and commitments for the foreseeable future. However, following the Transactions, we will have significant debt service obligations. Our actual financing requirements will depend on a number of factors, many of which are beyond our control. See "*Risk Factors—Risks Related to Our Structure and the Financing—The Issuer is a holding company that has no revenue generating operations of its own and prior to the Post Completion Merger will depend exclusively on cash from the operating companies of the Target Group to be able to make payments on the Notes*."

The following table illustrates our cash flows from the indicated sources:

	Year ended December 31,			Six months ended June 30,	
	2018	**2019**	**2020**	**2020 (unaudited)**	**2021 (unaudited)**
			(€ in millions)		
Net cash (outflow)/inflow from operating activities	26.0	43.6	34.5	(2.4)	31.8
Net cash flow used in investing activities	(19.0)	(14.6)	(43.8)	(24.7)	(9.0)
Net cash flow (outflow)/inflow from financing activities	(0.7)	(4.8)	(5.7)	11.0	4.3
Net cash flow for the period	**6.3**	**24.2**	**(15.0)**	**(16.1)**	**27.1**
Cash and cash equivalents at the beginning of the period	**23.6**	**29.9**	**54.1**	**54.1**	**39.1**
Cash and cash equivalents at the end of the period	**29.9**	**54.1**	**39.1**	**38.0**	**66.2**

Cash flow generated from operating activities

Our cash flow from operating activities increased by €17.6 million from €26.0 million for the year ended December 31, 2018 to €43.6 million for the year ended December 31, 2019. The increase was primarily due to an increase in operating result for an amount of €6.3 million, a decrease in trade receivables for an amount of €4.6 million in 2019 compared to an increase of €4.6 million in 2018, an increase in trade payables for an amount of €7.8 million and a decrease in inventories for an amount of €2.6 million.

Our cash flow from operating activities decreased by €9.1 million from €43.6 million for the year ended December 31, 2019 to €34.5 million for the year ended December 31, 2020. The decrease was primarily due to the increase in trade receivables for an amount of €5.5 million in 2020 compared to a decrease of €4.6 million in 2019, the lower increase in trade payables for an amount of €2.5 million and the higher decrease in other assets and liabilities for an amount of €4.1 million.

Our cash flow from operating activities increased by €34.2 million from negative €2.4 million for the six months ended June 30, 2020 to €31.8 million for the six months ended June 30, 2021. The increase was primarily due to a higher operating result for €21.0 million, the increase in trade receivables for €11.6 million for the six months ended June 30, 2021 compared to a decrease of €3.3 million in the six months ended June 30, 2020 and the increase in trade payables for €4.4 million for the six months ended June 30, 2021 compared to a decrease of €17.8 million in the six months ended June 30, 2020.

Cash flow used in investing activities

For the year ended December 31, 2018, our cash flow used in investing activities amounted to €19.0 million, reflecting, among other things, investments in intangible assets for €1.0 million relating to software and intellectual property, investments in property, plant and equipment for €10.3 million, including investment for equipment and plant replacements (for €2.2 million) and investments for increase in production capacity (for €1.5 million), and the effect of business combinations for €7.9 million.

For the year ended December 31, 2019, our cash flow used in investing activities amounted to €14.6 million (a €4.4 million decrease from the year ended December 31, 2018), reflecting, among other things, investments in intangible assets for €2.1 million, primarily relating to software and IT equipment, and investments in property, plant and equipment for € 12.5 million, including investment for equipment and plant replacements (for €2.3 million) and investments for increase in production capacity (€4.3 million).

For the year ended December 31, 2020, our cash flow used in investing activities amounted to €43.8 million (a €29.2 million increase from the year ended December 31, 2019), reflecting, among other things, investments in intangible assets for €1.9 million, investments in property, plant and equipment for €16.2 million, including investment for equipment and plant replacements (for €3.0 million), investments for increase in production capacity (for €5.1 million) and acquisition of land for new industrial developments (for €1.4 million), and the effect of business combinations for €25.5 million.

For the six months ended June 30, 2021, our cash flow used in investing activities amounted to €9.0 million (a €15.7 million decrease from the six months ended June 30, 2020), reflecting, among other things, investments in intangible assets for €0.9 million, primarily consisting of software and IT equipment, investments in property, plant and equipment for €9.1 million, including investment for equipment and plant replacements (for €2.8 million) and investments for increase in production capacity (for €2.3 million) and disinvestments for €0.9 million.

Cash flow (used in)/generated from financing activities

Our cash flow used in financing activities for the year ended December 31, 2018 was €0.7 million, mainly reflecting an increase of €1.2 million in short-term bank debt, an increase of €4.0 million on payables due to other financial institutions and a decrease in the financial loans due to the repayment of €5.9 million.

Our cash flow used in financing activities for the year ended December 31, 2019 was €4.8 million, mainly reflecting an increase of €4.3 million in short-term bank debt, an increase of €3.8 million on payables due to other financial institutions, an increase of €2.0 million in long term financial debt and a decrease in the financial loans due to the repayment of €14.9 million.

Our cash flow used in financing activities for the year ended December 31, 2020 was €5.7 million, mainly reflecting a decrease of €5.6 million on payables due to other financial institutions, an increase of €15.0 million in long term financial debt and a decrease in the financial loans due to the repayment of €15.1 million.

Our cash flow from financing activities for the six months ended June 30, 2021 was €4.3 million, mainly reflecting dividends paid for €2.1 million, an increase of €4.9 million in short-term bank debt, an increase of €0.3 million in payables due to other financial institutions, an increase of €9.3 million in long term financial debt and a decrease in the financial loans due to the repayment of €8.1 million.

Net working capital

We focus on the management of our net working capital. The following table sets forth the components of our net working capital as of December 31, 2018, 2019 and 2020 and as of June 30, 2021.

	As of December 31,			As of June 30,
	2018	2019	2020	2021
	(€ in millions)			
Trade receivables	63.6	58.9	80.2	91.8
Inventories	25.6	22.9	20.1	21.1
Trade payables	(56.9)	(64.7)	(81.0)	(85.4)
Accrued income and prepaid expenses	1.6	1.6	2.2	3.8
Accrued expense and deferred income	(1.2)	(0.4)	(1.0)	(1.9)
Other assets and liabilities[(a)]	(7.0)	(9.6)	(16.6)	(11.2)
Net working capital	**25.7**	**8.7**	**3.9**	**18.2**

(a) Other assets and liabilities include the line items "Other current assets" and "Other current liabilities" in our Consolidated Financial Statements for the periods presented.

Net working capital decreased by €17.0 million from €25.7 million as of December 31, 2018 to €8.7 million as of December 31, 2019, mainly due to reduction in trade payables and greater efficiency in the collection of recourse and non-recourse receivables.

Net working capital decreased by €4.8 million from €8.7 million as of December 31, 2019 to €3.9 million as of December 31, 2020, mainly due to greater efficiency in the collection of recourse and non-recourse receivables and the variation in the perimeter resulting from the acquisitions completed during 2020.

Net working capital increased by €14.3 million from €3.9 million as of December 31, 2020 to €18.2 million as of June 30, 2021, mainly due to price and volume increases on sales and purchases.

Capital expenditure

Capital expenditure consists of the sum of additions in property, plant and equipment and additions in intangible assets. Our capital expenditure incurred in the periods under review is set out below:

	Year ended December 31,			Six months ended June 30,	
	2018	2019	2020	2020	2021
	(in millions)				
Additions in property, plant and equipment	10.1	12.5	16.2	5.8	9.1
Additions in other intangible assets	1.0	2.1	1.9	0.4	0.9
Capital expenditure	**11.1**	**14.6**	**18.1**	**6.2**	**9.9**

For the year ended December 31, 2019, our capital expenditure was €14.6 million, an increase of €3.5 million from €11.1 million in the year ended December 31, 2018. This increase was mainly due to investments made to increase production capacity.

For the year ended December 31, 2020, our capital expenditure was €18.1 million, an increase of €3.5 million from €14.6 million in the year ended December 31, 2019. This increase reflected investment for extraordinary equipment and plant replacements, acquisition of land for new industrial developments and investments made to increase production capacity.

For the six months ended June 30, 2021, our capital expenditure was €9.9 million, an increase of €3.7 million from €6.2 million for the six months ended June 30, 2020. This increase reflected investment for extraordinary equipment and plant replacements and investments made to increase production capacity.

As of the date of this Offering Memorandum, we expect our capital expenditure for 2021 to be significantly higher than our capital expenditure for 2020, mainly driven by expected investments relating to capacity expansion projects, including in respect of waste storage, treatment and tank capacity, and investments to support organic growth. Our capital expenditure for 2022 is expected to be in line with our capital expenditure for 2020. We aim to maximize our plant capacity by pursuing continuous technological improvements, upgrades to our production equipment and investments in R&D projects. Furthermore, we expect to expand the revenue generating capacity of our Purification business unit by investing in special projects, primarily aimed at expanding capacity at our purification and blending plants and adding new product lines to our portfolio.

Off-Balance Sheet Arrangements

As of June 30, 2021, we had guaranties and sureties granted by the Itelyum Group to guarantee the fulfilment of non-financial obligations by third parties, including other companies and public entities, in the amount of €32.2 million. Guarantees are typically granted in favour of public bodies which issue and control the integrated environmental authorizations relating to our sites. For more information, please refer to Note 37 to our Unaudited Interim Financial Statements included elsewhere in this Offering Memorandum.

Qualitative and Quantitative Disclosures about Market Risk

Our activities and debt financing expose us to a variety of financial risks, the most significant of which are interest rate risk, currency risk, credit risk and liquidity risk. Our overall risk management strategy seeks to minimize the potential adverse effects of such risks.

Credit risk

Our credit risk represents our exposure to potential losses due to counterparties' inability to discharge the obligations undertaken. This exposure relates almost exclusively to trade receivables deriving from the sale of products and services. Our credit collection performance has historically been successful and losses incurred in the past have been relatively modest. As of December 31, 2018, 2019 and 2020 and June 30, 2021, our bad debt provision was €1.2 million (or 0.4% of our revenue for the year ended December 31, 2018), €1.2 million (or 0.4% of our revenue for the year ended December 31, 2019), €2.0 million (or 0.6% of our revenue for the year ended December 31, 2020), €2.7 million (or 0.5% of our revenue for the twelve months ended June 30, 2021), respectively.

	Year ended December 31,			Six months ended June 30,
	2018	**2019**	**2020**	**2021**
	(€ in millions)			
Opening Bad debt provision	**(1.2)**	**(1.2)**	**(1.6)**	**(2.0)**
Effect of change in scope of consolidation	(0.1)	(0.1)	(0.5)	—
Impairment of trade receivables	(0.5)	(0.4)	(0.5)	(0.9)
Utilization	0.6	0.1	0.6	0.2
Releases	—	—	—	—
Closing Bad debt provision	**(1.2)**	**(1.6)**	**(2.0)**	**(2.7)**

Currency risk

The euro is the functional currency used for our consolidated financial statements; however, we carry out operations in currencies other than the euro, principally in U.S. dollars; thus, we are exposed to currency risk. Our risk management policy seeks to reduce the impact on our Group's margins and cash flows from currency movements, minimizing at the same time protection costs against these events. For commercial or financial transactions in currencies other than the euro, the currency risk managed concerns fluctuations in the exchange rate between the agreement of the commercial/financial operation and its receipt/payment. For further information, see "*—Key Factors Affecting Our Results of Operations—Fluctuations in currency exchange rates.*"

Interest rate risk

This risk concerns the possibility that an increase in market rates results in higher interest charges. We typically seek to mitigate this risk by entering into interest rate swaps. This type of hedge seeks to minimize interest rate changes generated by loans at variable rates. The exposure to interest rate risk is calculated on the basis of the loan repayment plans and the parameters used to calculate interest.

As of December 31, 2020, Itelyum Regeneration had in place interest rate swaps for a notional total amount of €48.5 million maturing on December 31, 2021 and Itelyum Purification had in place interest rate swaps for a notional total amount of €35.8 million with maturity on December 31, 2022. The agreements are expected to be terminated in connection with the Transactions. The table below sets forth our interest rate hedges as of December 31, 2020:

	Maturity	Notional amount as of December 31, 2020	Fair value as of December 31, 2020
		(€ in millions)	
Interest Rate Swap	12/30/2022	17.9	(0.2)
Interest Rate Swap	12/30/2022	17.9	(0.2)
Interest Rate Swap	12/31/2021	24.3	(0.1)
Interest Rate Swap	12/31/2021	24.3	(0.1)

Liquidity risk

Liquidity risk is the risk we will not have enough financial resources available to meet our financial obligations and commitments when due. We have put in place certain procedures aimed at optimizing cash flow management and reducing the liquidity risk, including:

- the maintenance of an adequate level of available liquidity;
- the obtainment of adequate borrowing facilities being put in place; and
- the control of prospective liquidity conditions.

In connection with the Transactions, we will enter into the Revolving Credit Facility Agreement which will provide for a €50.0 million Revolving Credit Facility. We do not expect any amounts to be drawn under the Revolving Credit Facility on the Issue Date.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements requires our management to apply accounting principles and methods which, in certain circumstances, are based on difficult and subjective estimates and assumptions based on historical experience and assumptions that are considered reasonable from time to time and realistic according to the relative circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements and other information provided in this Offering Memorandum. These estimates and assumptions used are based on past experience and other factors considered relevant. However, actual results could differ from the estimates. Estimates and assumptions are reviewed periodically and the impacts of any resulting changes are recognized directly in the income statement in the period in which the estimates are revised, if the revision impacts only that period, or also in future periods, if the revision impacts both the current and future periods. The most significant accounts concerned by these uncertainties are: (i) valuation of goodwill; (ii) evaluation of the recoverable value of property, plant and equipment, goodwill and other intangible assets; (iii) depreciation of Property, plant and equipment and the amortization of Goodwill and Other intangible assets; (iv) environmental liabilities; (v) provision for risks and charges and bad debt provision; and (vi) the inventory obsolescence provision. In addition, the periods presented in this Offering Memorandum have been impacted by the revaluation of property, plant and equipment carried out pursuant to Law n. 126 of October 13, 2020.

Valuation of Goodwill

Valuation of goodwill involves a complex procedure that requires the application of various valuation methods, including the identification and measurement of the fair value of the assets acquired and the liabilities taken on, and is often carried out by independent experts. These methods use the following inputs: historical information, forecasts based on estimates or on observation of the market *e.g.* the royalty rate for the use of comparable assets, the discount rate, the residual useful life of the assets acquired, etc.

Evaluation of the recoverable value of property, plant and equipment, goodwill and other intangible assets

We conduct different impairment tests for each business units. For the year ended December 31, 2020, such impairment tests were made on the basis of economic and financial projection of our Group for the period 2021-2025. The forecasts are based on the assumptions characterized by intrinsic uncertainty, both with reference to macroeconomic and sector conditions as well as specific conditions tied to our Itelyum Group, based on the current status and knowledge of the pandemic crisis at the time the estimate was made.

Depreciation of property, plant and equipment and the amortization of goodwill and other intangible assets

Depreciation rates of the property, plant and equipment and the amortization rates of goodwill and other intangible assets are calculated based on the best estimate of the residual useful life of the assets linked to production carried out the Itelyum Group's experts and directors.

Environmental liabilities

We are subject to numerous laws and regulations on environmental protection at European, national, regional and local level. The measurement of future liabilities in connection with remediation and restoration obligations in relation to the sites and/or land on which our Group carries out its business is a complex process based on technical and financial assumptions made by our management and supported by independent experts, where necessary. The estimates are reviewed at each balance sheet date to verify that the amounts recorded are the best reflection of the costs our Group will face. If any significant variations are found, the amounts are adjusted. The key factors for revising cost estimates are the developments in the technologies and the environmental regulations.

Measurement of environmental liabilities recorded in the financial statements takes into account the environmental legislation currently in force. Measurements could be subject to significant variations in relation to: (i) the possibility of further contamination; (ii) the results of current and future refurbishment and the other possible effects arising from applicable laws; (iii) the possible effects of new laws and regulations relating environmental protection; (iv) the effects of any technological innovations for environmental cleansing; and (v) the possibility of disputes concerning environmental liabilities for specific sites and the difficulty of determining the potential consequences, including in relation to the liability to other parties and any indemnity.

Provisions for risks and charges and bad debt provision

Our financial statements reflects the estimate of liabilities based on the best knowledge of solvency of the counterparts and the status of litigation, on the basis of the information provided by legal and tax advisors as well as considering the outstanding contracts with our counterparts. The estimate of these risks is subject to uncertainties.

Inventory obsolescence provision

The inventory obsolescence provision reflects the management's estimate of our Group's expected losses in value, determined on the basis of past experience. Abnormal market price trends could have repercussions in future inventory write-downs.

Revaluation pursuant to Law n. 126 of October 13, 2020

In 2020, we have exercised the option provided under art. 110 of Law Decree 104/2020, converted into Law no. 126 of October 13, 2020, and registered the revaluation of selected property, plant and equipment for a number of our subsidiaries.

The higher value of property, plant and equipment was determined by comparing the fair value of the assets, as indicated in the report prepared by a third party expert, with the residual net book value, after the depreciation for the year 2020. In particular, the fair value of the assets was determined by applying an evaluation process based on its hypothetical replacement with a new similar asset. Its maximum value has been determined and it is identifiable with the cost the Itelyum Group would incur to replace it or with its exact replica ("new construction cost") or, alternatively, if less, with that of an assets with equivalent characteristics and production capacities ("replacement cost").

Subsequently, the maximum value of the assets was reduced to take into account the loss of value from the "physical depreciation" and from the "functional obsolescence" which measure their loss of value with respect to a new one. On the basis of the expert estimate, our Group has entered higher values in Property, plant and equipment for €163.4 million as of December 31, 2020. The expert estimate attests that the net book value after revaluation does not exceed the recoverable amount likely to be attributable in relation to the production capacity and the possibility of using the relevant property, plant and equipment by the companies and in relation to its current value. For the purposes of this revaluation we used the accounting technique of increasing the historical cost (gross amount) up to the level of fair value of the asset and reducing the accumulated depreciation. As a result of the assessment carried out, we opted for an extension of the period of the original depreciation, resulting from an assessment of the residual useful life of the assets by management, taking into account the expert estimate. All the relevant subsidiaries have also opted to the substitute tax, equal to 3% of the revaluation, to recognize it for tax purposes.

The table below shows the effect of the revaluation on our consolidated balance sheet as of December 31, 2020.

	Revaluation
	(€ in millions)
Land and buildings	1.0
Plant and machinery	156.1
Industrial and commercial equipment	4.2
Other assets	7.2
3% Substitute tax	(5.1)
Total	**163.4**

INDUSTRY

The information that we present below is based on management estimates and information and third-party sources. Neither we nor any of the Initial Purchasers make any representation or warranty as to the accuracy or completeness of the industry and market data set forth in this Offering Memorandum, and neither we nor any of the Initial Purchasers have independently verified this information and therefore cannot guarantee its accuracy. See "Forward-looking Statements."

Overview

We are a leading European circular economy player specializing in the collection, sorting and recycling complex streams of hazardous and non-hazardous waste. Leveraging upon our distinctive chemical competences across our integrated business units, we provide circular economy solutions to a wide and diversified customer base comprising approximately 30,000 customers across a variety of industries, including the construction, automotive and pharmaceutical industries. We operate across the special and industrial hazardous waste management value chain (excluding direct management of landfill and incineration and excluding urban waste management). We have a distinctive focus on recycling and regeneration activities and benefit from strong chemical know-how and access to treatment and recycling alternatives for complex hazardous waste streams.

We believe that the combination of our business units have enabled us to build a significant competitive advantage within the Italian waste management market, establishing our position as a leading one-stop shop service provider of circular economy solutions for a wide range of customers across various industries. For the twelve month ended June 30, 2021, we directly managed and processed approximately 837 thousand tons of waste materials (excluding intermediated waste), primarily consisting of lube oil, solvents, industrial hazardous water, waste treatment for energy valorization and other waste, with hazardous and non-hazardous waste accounting for 71% and 29%, respectively, of these volumes, and solid and liquid waste accounting for 19% and 81%, respectively, of these volumes.

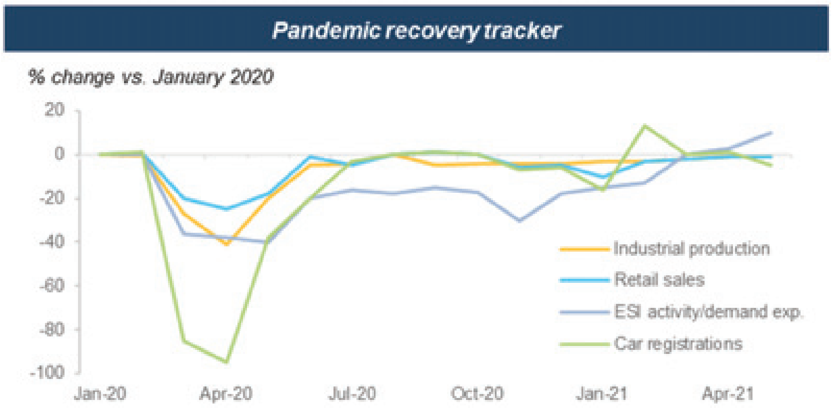
We offer our services and products through three business units:

- ***Environment***. Our Environment business unit consists of an integrated platform offering a comprehensive range of environmental services in hazardous and non-hazardous waste management covering a broad spectrum of the value chain.
- ***Regeneration***: Our Regeneration business unit benefits from over 50 years of experience in the production of quality lubricating bases through a proprietary re-refining process. Our used oil regeneration plants in Pieve Fissiraga and Ceccano primarily produce regenerated lube bases, diesel oil and other by-products for applications in bituminous membranes lube bases and, to a lesser extent, diesel oil and other by-products.
- ***Purification***. Our Purification business unit, with an authorized capacity of 100 thousand tons per year, comprises the production and trading of a variety of solvents derived from the valorization of chemical waste, including thinners and SFW. In addition, we also produce pure solvent and starting materials for APIs from virgin raw materials.

As 78.9% of our revenue was generated in Italy for the twelve months ended June 30, 2021 and almost all the waste we collect and treat derives from Italy, our results of operations are particularly dependent on the general economic conditions and developments in Italy. Based on studies conducted by Oxford Economics, Italy's GDP is expected to grow from €1.65 trillion in 2020 to an estimated €1.88 trillion in 2024. A detailed breakdown of Italy's forecasted GDP growth is set out below:

Source: Oxford Economics – Country Economic Forecast Italy (July 14, 2021). Forecasted GDP based on real year-on-year growth

This projected macroeconomic recovery is expected to translate into higher industrial production in Italy and, consequently, increased levels of hazardous waste production. Various measures of Italian economic recovery, such as industrial production, retail sales and car registrations, have bounced back in 2021 to their respective pre-COVID-19 levels, demonstrating the strong year-on-year recovery of the Italian economy. These measures have been aided by the deployment of an approximately €190 billion EU recovery fund. A detailed snapshot of the abovementioned metrics is set out below:



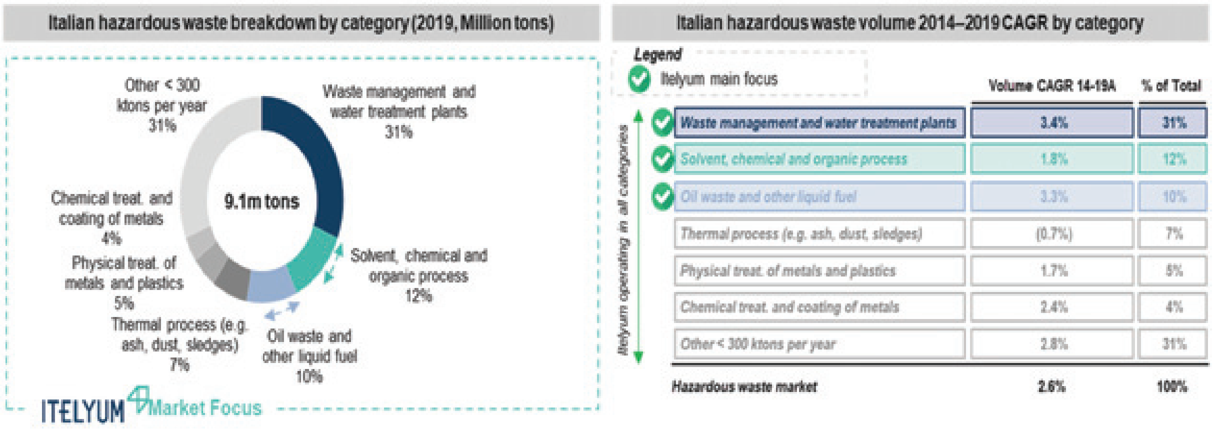
Source: Oxford Economics – Country Economic Forecast Italy (July 14, 2021). Forecasted GDP based on real year-on-year growth

On the policy front, the Italian government is increasingly focusing on sustainability, with approximately €70 billion from the EU recovery fund allocated to the "Green Revolution and Ecological Transition." Among various areas of intervention, particular attention is being paid to the enhancement of waste recycling capabilities, through (i) the injection of new liquidity into the sector, improvement of waste management plants and systems, and introduction of circular economy programs with specific recycling targets, (ii) the integration of eco-design, eco-products, "blue economy" and bio-economy into the new national strategy for the circular economy, expected to be adopted by June 2022, (iii) the development of a national program for waste management to more effectively analyze national data and achieve sustainability targets, and (iv) the provision of technical support to regional authorities to optimize the management of green public procurements. We believe that our diversified core competencies as a leading European circular economy player through our Environment, Purification and Regeneration business units will enable to us capitalize on this increasing policy focus on sustainability.

Hazardous Waste Management Market

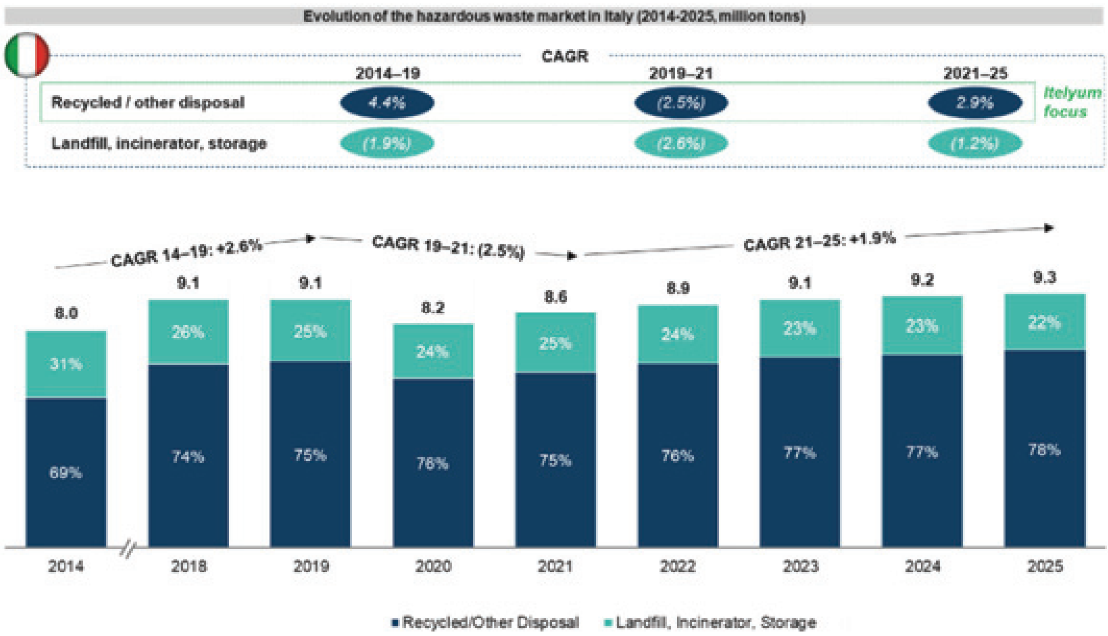
Overview

Hazardous waste management in Italy is regulated by precise norms, with authorizations granted to manage specific waste types, classified by specific waste characterization codes defined at the European level. Our addressable market in Italy consisted of 9.1 million tons of hazardous waste in 2019. In comparison, the urban waste market in Italy consisted of approximately 30 million tons in 2019 while the non-hazardous waste market consisted of approximately 131.2 million tons in 2019. We focus on (i) waste management and water treatment, (ii) solvent, chemical and organic process and (iii) oil waste and other liquid fuel, comprising 31%, 12% and 10%, respectively, of the addressable market in 2019, which have grown at a CAGR of 3.4%, 1.8% and 3.3%, respectively, over a five-year period from 2014 to 2019. A detailed breakdown of the addressable Italian hazardous waste market, by category and by CAGR from 2014 to 2019, is set out below:



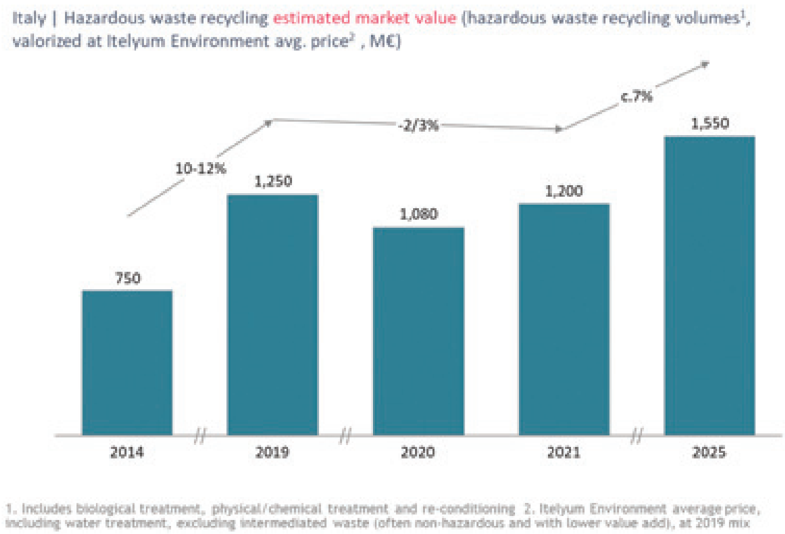
Source: Market Consultant Analyst

Moreover, volumes of recycled hazardous waste (our reference market) in Italy have been growing, and are expected to continue to grow, at a faster pace than the overall market. From 2014 to 2019, recycled hazardous waste volumes increased at a CAGR of 4.4%, while other hazardous waste volumes decreased at a CAGR of 1.9% over the same period. The COVID-19 pandemic has impacted industrial activity in 2020 and 2021, resulting in an expected 8.6 million tons of Italian hazardous waste in 2021 (down from 9.1 million tons in 2019). Between 2021 and 2025, while the overall hazardous waste market in Italy is expected to grow broadly in line with industrial production (at a CAGR of 1.9%), recycled waste volumes are once again expected to outperform the general market, growing at a CAGR of 2.9% over the same period. Besides a general secular trend towards recycling, this trend will result from regulatory restrictions on new authorizations for Italian landfills and incinerators, which are currently operating at almost full capacity, resulting in the price increases described below and the need for alternatives to landfill disposal and incineration. The evolution of volumes in the Italian hazardous waste market from 2014 to 2025 is set out below:



Source: Market Consultant Analyst

From a pricing perspective, hazardous waste treatment fees in Italy recorded a significant increase at a CAGR of approximately 10-15% from 2017 to 2019 primarily due to increasing industrial production and "traditional" end-of-waste destinations, such as incinerators and landfills, reaching close to maximum capacity. In 2019, hazardous waste treatment fees in Italy for liquid and solid waste ranged from €50-300 per ton and €300-700 per ton, respectively. In contrast, non-hazardous waste treatment fees in Italy during 2019 for liquid and solid waste ranged from €40-50 per ton and €150-250 per ton, respectively. While the impact of the COVID-19 pandemic on industrial output and the increased capacity of alternative end-of-waste destinations stabilized prices from 2019 to 2020 (with this trend expected to continue in 2021), prices are projected to grow at a CAGR of approximately 4-5% from 2021 to 2025 as a result of (i) increased industrial production as part of a post-COVID-19 recovery, driving volumes to a level similar to those in 2019, (ii) regulatory restrictions on new authorizations for other end-of-waste destinations, increasing the supply-demand imbalance, and (iii) increasing export costs. The evolution of the value of the recycling subsect of the Italian hazardous waste market between 2014 and 2025 is set out below:



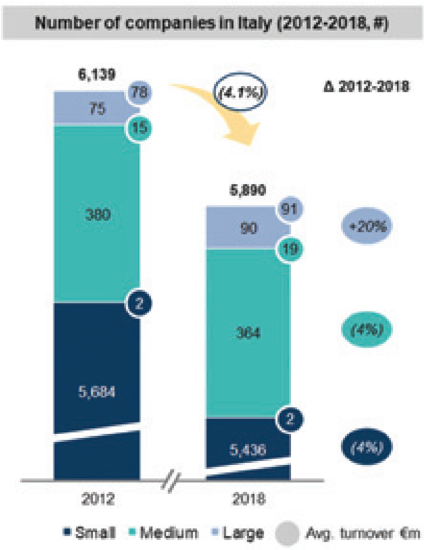
Source: Market Consultant Analyst

Market Share

We enjoy a strong market position in Italy where, through our Environment business unit, we managed approximately 4% of the total volume of hazardous waste for the year ended December 31, 2019. This figure is calculated as the volumes directly managed by our Environment business unit as a percentage of the total volume in the hazardous waste market (including waste that is not recycled), therefore excluding volumes managed or processed by our Purification and Regeneration business units. In addition, we are local market leaders in most regions in which we operate.

Competitors

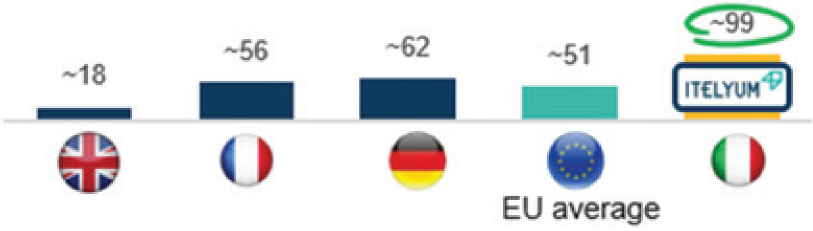
Despite its first signs of consolidation, the Italian waste management market remains highly fragmented. From 2012 to 2018, the number of companies in the Italian waste management space decreased by 4.1%, from 6,139 to 5,890, with large companies (*i.e.*, companies employing more than 250 persons), growing both in number (from 75 in 2012 to 90 in 2018) and size (from an average annual turnover of €78 million in 2012 to €91 million in 2018). The graphic below describes the evolution of the Italian waste management market between 2012 and 2018:



Used Oil Regeneration Market

Overview

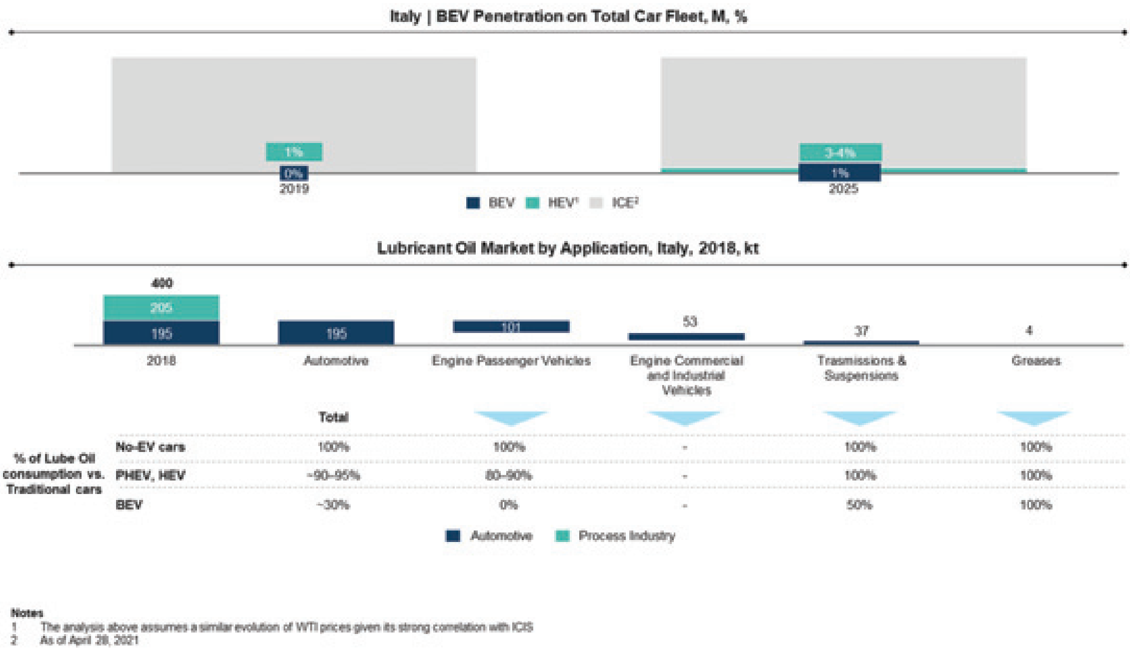
The Italian lubricant oil market has the highest level of circularity in Europe, with 99% of collected oil being regenerated, as opposed to approximately 50% in the rest of Europe. This is driven by a stable self-sustaining incentive mechanism offsetting oil price fluctuations, regulated by a private Italian consortium promoting and supporting waste oil collection and regeneration activities (CONOU). A large and growing European lubricant oil end-market, with an increasing share of regenerated lubricant oil, generates pricing upside. The chart below sets forth the percentage of collected oil being regenerated on average in the EU and certain key European countries in 2018.



In 2020, consumption of lubricant oil in Italy amounted to 370 thousand tons, with the industrial sector accounting for approximately 55% of the overall volume and the remainder coming from automotive applications. Consumption was stable between 2014 and 2019, growing at a CAGR of 1.2% over this period, driven by: (i) a new mechanism introduced in the automotive industry that generated increased oil consumption in the sector at a CAGR of 1.0% between 2014 and 2019, and (ii) a steady increase in industrial production. While the impact of the COVID-19 pandemic led to an approximately 10% reduction in overall oil consumption in 2020 (from 410 thousand tons in 2019 to 370 thousand tons in 2020, mainly driven by lower automotive use during the government-imposed lockdown), a partial recovery is anticipated in 2021, with total consumption expected to rise to 396 thousand tons.

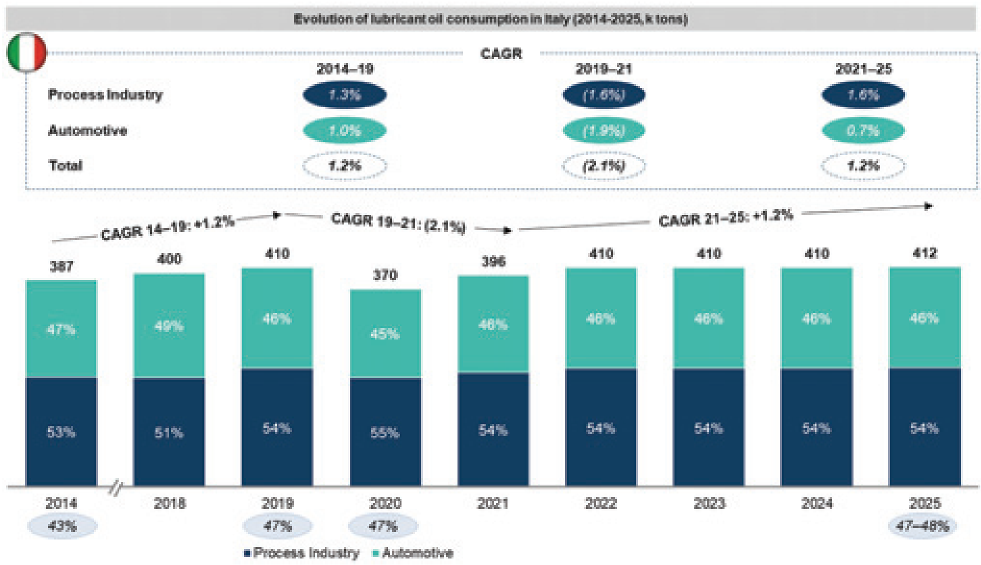
Lubricant oil consumption is expected to grow at a CAGR of 1.2% between 2021 and 2025, mainly driven by the industrial sector growing at a CAGR of 1.6%, while automotive consumption is expected to remain relatively stable, impacted by the increasing penetration of electric vehicles. In particular, full-electric vehicles ("**BEVs**") are expected to represent only a limited share of the Italian car park by 2025, consequently limiting their adverse impact on lubricant oil consumption. As electric vehicle penetration requires significant investment in recharging infrastructure, a mere 1% of the Italian car park is expected to consist of BEVs by 2025. Moreover, the impact of BEVs on the lubricant oil market is expected to be limited to engine and transmission applications only, with junctions, suspensions and other automotive applications still expected to use lubricant oils and greases.

On the other hand, hybrid and plug-in cars ("**HEVs**"), which continue to use a traditional engine alongside an electric motor, are not expected to have any significant impact on lubricant oil consumption as they consume comparable quantities of lubricant oil to traditional combustion engine cars. The graphs below describe in greater detail the electric vehicle penetration of the Italian car fleet and its impact on lubricant oil consumption, as well as the Italian lubricant oil market by application:



Source: Market Consultant Analyst

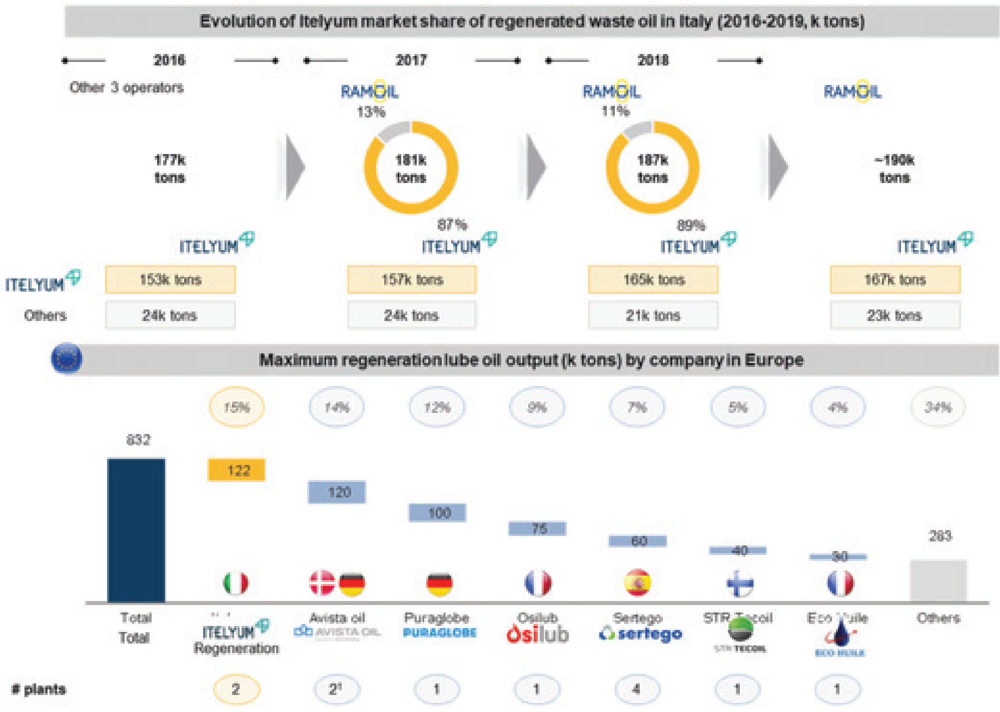
The graphic below describes the evolution of the Italian lubricant oil market in further detail (excluding the upside from (i) marine waste oils and oil emulsions, currently not regenerated, and (ii) significant available supply from neighboring countries, with used oil availability expected to further increase from 2023 as European countries strive to achieve minimum regeneration targets in line with EU regulation).



Source: Market Consultant Analyst

Competitive Landscape

We are a leading company in the Italian used oil regeneration space, with an 89% share of the Italian market in 2019, having steadily increased our waste oil volumes and market share over recent years as a result of our scale advantage, advanced technological solutions and higher profitability. Our advanced technology and asset base, in particular, ensure high quality products and significant efficiency, allowing us to maintain a clear competitive advantage over our competitors. We are also one of the market leaders in Europe in terms of oil regeneration volumes, with a 15% market share in 2019. The charts below provide additional detail on our competitive position in Italy and Europe (with the volumes set out below excluding waste oil imported from other countries):



Source: Market Consultant Analyst

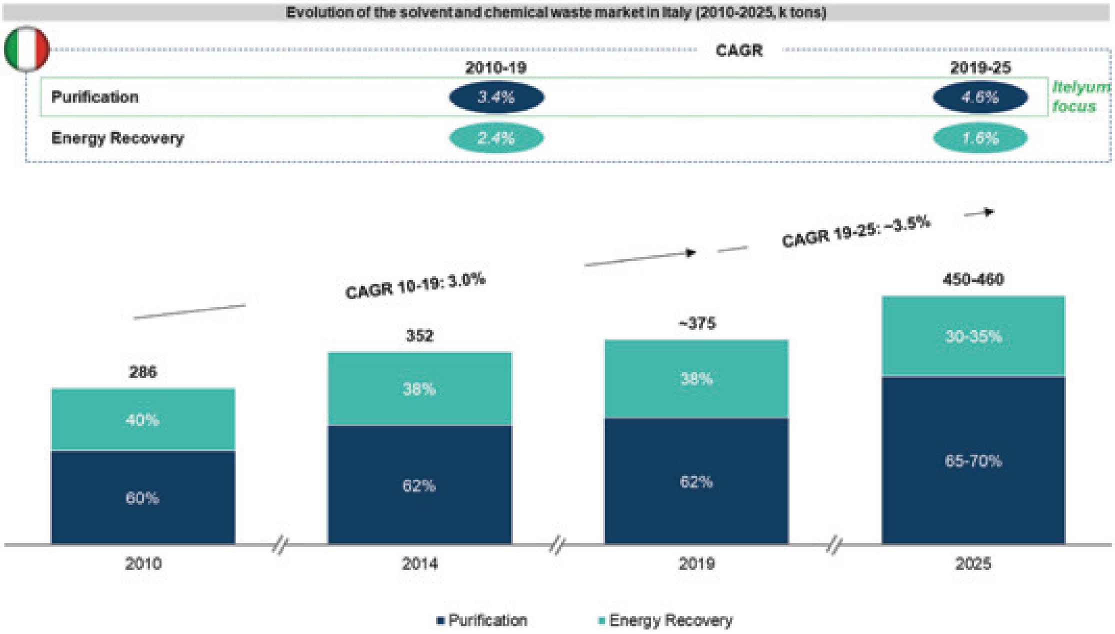
Our only competitor in Italy is RA.M.Oil, whose business is primarily concentrated in Southern Italy. We also were the largest player in Europe by volume in 2019 and are one of a handful of players who own and operate two oil regeneration plants, along with Avista Oil and Puraglobe in Germany, Osilub and Ecohuile in France, Sertego in Spain and STR Tecoil in Finland.

Solvent Purification Market

Overview

The Italian solvent purification market shows high circularity, growing waste supply and an increasing incidence of recycling as an end-of-waste destination, in addition to benefiting from a large and growing global end-market. The waste purification market is expected to continue growing at a steady pace, driven by: (i) increasing waste production, particularly in the pharmaceutical industry, (ii) the reduction of waste volumes sent to incineration and (iii) the demand for sustainable waste management solutions enabled by additional authorizations under approval (estimated to generate approximately 95 kilotons of additional capacity, part of which is expected to be to our benefit).

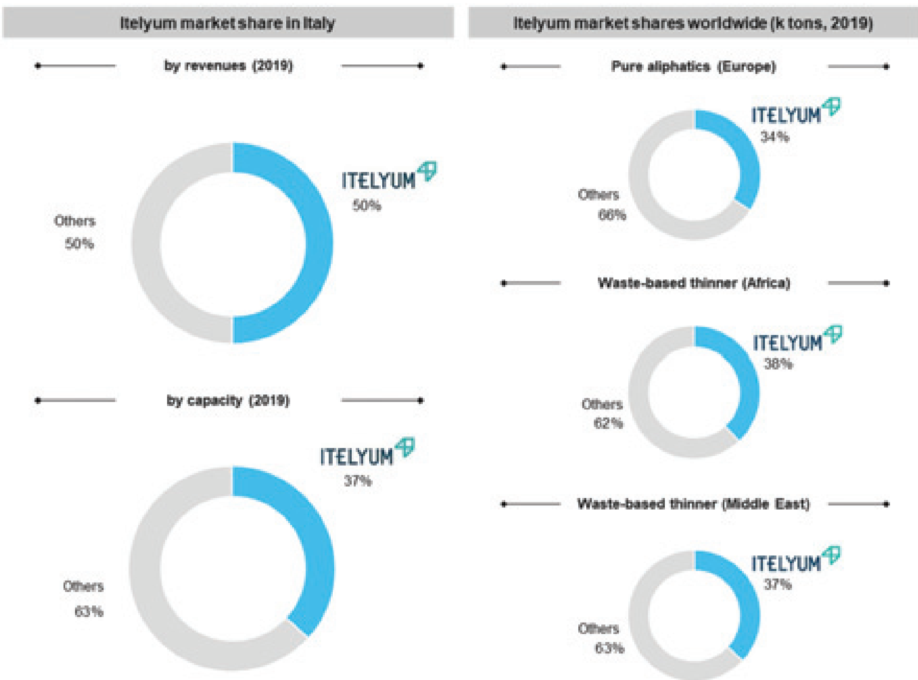
In 2019, the Italian solvent and chemical waste market amounted to approximately 375 thousand tons, with waste to purification accounting for 62% of the overall volume (approximately 230 thousand tons) while the remainder is treated for energy recovery. The Italian solvent and chemical waste market grew at a CAGR of 3.0% between 2010 and 2019 and was characterized by the increasing incidence of waste to purification volumes (from 60% in 2010 to 62% in 2019) on the back of a general trend favoring circular solutions as well as a clear price advantage over incineration for waste producers, especially for lower-water concentration solvents generating a higher yield. The projected growth of the Italian solvent and chemical waste market is underpinned by strong growth prospects in the underlying markets of industrial production (expected to grow at a CAGR of approximately 3.5% from 2019 to 2025) and particularly, API production (expected to grow at a CAGR of 6% from 2019 to 2025), driven by: (i) projected demographic trends, such as an ageing population and an increasing incidence of chronic diseases, and (ii) API producers potentially reshoring operations that were previously outsourced to the Asia-Pacific region on account of regulatory constraints. Volumes of waste solvents that are recycled are expected to continue to outperform volumes of solvents sent to energy recovery (at a CAGR of 4.6% and 1.6%, respectively, between 2019 and 2025), sustained by the trends outlined above. The graphics below describe the evolution of the Italian solvent and chemical waste market in further detail:



Source: Market Consultant Analyst

Competitive Landscape

We are a leading company in the Italian waste solvent purification space, with a capacity of approximately 100 kilotons per year. Our competitive advantage in the purification space is primarily driven by: (i) clear economies of scale underpinned by a 2-3x capacity advantage over Italian competitors, and (ii) strong relationships with pharmaceutical companies both as a supplier of quality pure solvents and as a flexible recycler of their waste solvents. Furthermore, we have built a strong presence in certain end-markets, including in the waste-based thinner segments in Africa and the Middle East (with a market share of 38% and 37% by volume, respectively, in 2019) and in the pure aliphatics segment in Europe (with a 34% market share by volume, in 2019). The charts below describe our competitive position in greater detail:



Source: Market Consultant Analyst

We have only a limited number of competitors in Italy, with relatively low production volumes and revenues, in a market that is limited by authorized capacity. These include La Vichimica (with a capacity of 50 kilotons per year), Corden Pharma (with a capacity of 34 kilotons per year), La.chi (with a capacity of 20 kilotons per year), Rechim (with a capacity of 20 kilotons per year), Nitrolchimica (with a capacity of 20 kilotons per year), Fortom Chimica (with a capacity of 18 kilotons per year) and Eco.Ra.V (with a capacity of 10 kilotons per year). In the European space, our primary competitors are Dislaub (with a capacity of 60 kilotons per year), Speichim (with a capacity of 50 kilotons), Tradebe (with a capacity of 45 kilotons per year) and De Neef (with a capacity of 40 kilotons per year).

BUSINESS

Overview

We are a leading European circular economy player specialized in the collection, management and recycling of complex streams of waste, with a distinctive focus on recycling and regeneration activities of industrial hazardous waste. Leveraging upon our distinctive chemical and recycling competences across our business units, we provide circular economy solutions to a wide and diversified client base across a variety of industries, including the automotive and pharmaceutical industries. Our mission is to act as a one-stop shop across all value chain steps for the industrial waste streams, with particular focus on recycling and regeneration activities.

Our services include the collection of waste, preliminary sorting and storage of waste, second level treatment of wastewater and oil emulsions, the preparation of waste for energy recovery or any other final destination plant through specific and specialized chemical treatments, waste oil re-refining (or regeneration) and waste solvent purification. Our products include lubricant-based oils, bitumen additives and gas oil, as well as a wide range of complex recovered waste-based thinners, solvent from waste and pure solvents. We also provide environmental consulting and chemical analysis services in respect of different types of matrices (*e.g.*, water, soil and air) through our in-house network of accredited laboratories, and offer complimentary services of commercial brokering and trading of hazardous and non-hazardous special waste and solvents.

We are the leader in the Italian oil regeneration industry, with an approximately 89% market share as of December 31, 2019, and one of the market leaders in Europe by oil regeneration volumes, with a 15% market share (measured by maximum regenerated lubricant oil output as of December 31, 2019). We are also the leader in the Italian waste solvent purification industry, with a 50% market share by revenue and an approximately 37% market share by production capacity as of December 31, 2019, and in the pure aliphatics segment in Europe, with a 34% market share as of December 2019. In addition, we managed approximately 6% of the total volume of hazardous waste in Italy in 2019 through our Environment business unit.

The industrial hazardous waste market in Italy accounted for approximately 9.9 million tons in 2019 and benefits from higher barriers to entry compared to the industrial non-hazardous waste and urban waste markets due to strict regulatory approvals and more advanced technical skills required for the waste management processes. Supported by these features, the industrial hazardous waste market in Italy has demonstrated a high level of profitability and resiliency, including during periods of economic difficulties, recording a CAGR of approximately 1.3% over the period 2010-2014 compared to a negative CAGR registered by the Italian GDP over the same period.

For the twelve months ended June 30, 2021, we generated revenue, Adjusted EBITDA and *Pro forma* Adjusted EBITDA of €406.1 million, €85.0 million and €92.0 million, respectively.

We have a large, diversified and established customer base comprising approximately 30,000 customers, ranging from large corporates to family-owned SMEs. We have long-standing relationships with the large majority of our top 20 customers, in certain cases spanning over a decade. For the twelve months ended June 30, 2021, our top 20 customers (excluding CONOU) accounted for 23.6% of our revenue. Our customers include oil companies and blenders, pharmaceutical and chemical companies, including blue chip brands such as Eni, Total, Petronas, Boehringer Ingelheim and Sanofi. While all of our operating sites are located in Italy, we benefit from a global commercial reach, serving over 60 countries through a network of local distributors. We have a strong geographical footprint in Italy, especially in its Northern regions. We currently operate 12 waste storage sites and 13 waste treatment and recycling facilities, including four plants for industrial wastewater treatment, two plants for lubricant oil regeneration, two plants for purification and blending of solvents and five treatment and pre-treatment plants. We have approximately 800 full-time employees (accounting for the acquisition of Castiglia in July 2021).

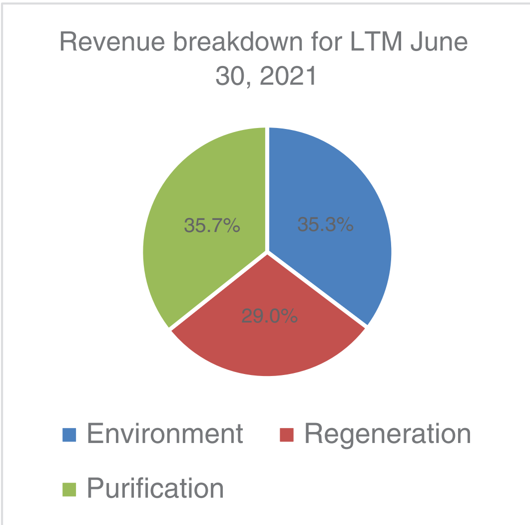
We offer our products and services through three business units:

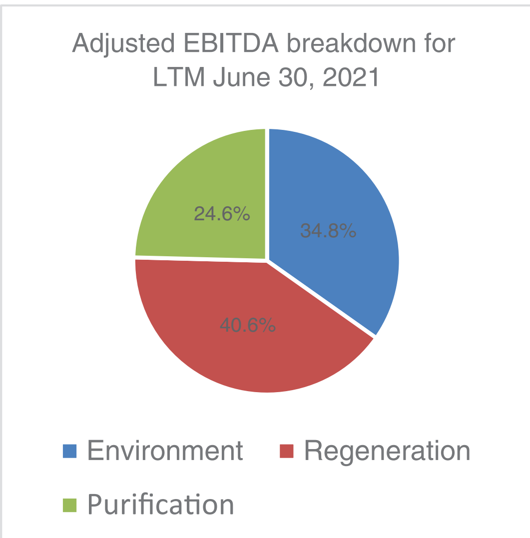
- **Environment.** Our Environment business unit consists of an integrated platform offering a comprehensive range of environmental services, mostly in hazardous waste management and, to a lesser extent, in non-hazardous waste management covering a broad spectrum of the value chain, with an emphasis on recycling and recovery activities. Our Environment portfolio includes sustainable services and solutions for the industrial waste market such as (i) collection, transportation, first level treatment and storage, (ii) consulting services and laboratory analysis carried out through our network of ten accredited laboratories, (iii) industrial wastewater treatment and (iv) solid waste treatment. In addition, we offer complimentary services of commercial brokering and trading of hazardous and non-hazardous special waste.

Our exposure to third-party-operated landfills and incinerators is limited, accounting for approximately 12% of the total volume of our end-of-waste destinations for the twelve months ended June 30, 2021. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Environment business unit were €143.5 million and €29.6 million, respectively, representing 35.3% and 34.8%, respectively, of our revenue and Adjusted EBITDA.

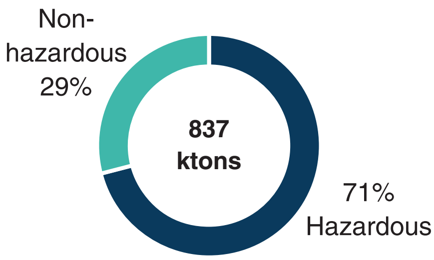
- **Regeneration.** Our Regeneration business unit benefits from over 50 years of experience in the production of quality lubricating bases through a proprietary re-refining process that transforms waste oil, a hazardous waste, into a valuable product. Our used oil regeneration plants in Pieve Fissiraga and Ceccano primarily produce regenerated lubricant bases and, to a lesser extent, diesel oil and other by-products. We believe that the high quality and price competitiveness of our regenerated lubricant bases (comparable to virgin oils), underpinned by our proprietary re-refining technology enabling the Group to process a wide spectrum of feedstock qualities, represents a strong competitive advantage over many of our competitors. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Regeneration business unit were €117.8 million and €34.5 million, respectively, representing 29.0% and 40.6%, respectively, of our revenue and Adjusted EBITDA.
- **Purification.** Our Purification business unit comprises the production and sale of a variety of solvents derived both from the valorization of chemical waste, including thinners and solvents from waste ("**SFW**"), and virgin raw materials, including pure aliphatics. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Purification business unit were €144.8 million and €20.9 million, respectively, representing 35.7% and 24.6%, respectively, of our revenue and Adjusted EBITDA.

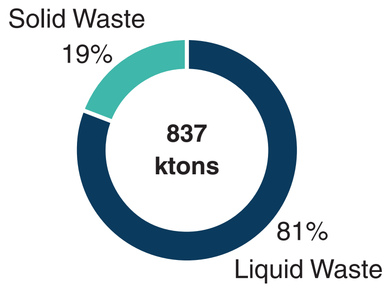
The following charts set forth our revenue and Adjusted EBITDA breakdown by business unit for the twelve months ended June 30, 2021.





We believe that the breadth of the services we offer and products we produce through our business units has enabled us to build a significant competitive advantage within the Italian waste management market, establishing our position as a leading one-stop shop service provider of circular economy solutions for a wide range of customers across various industries. For the twelve months ended June 30, 2021, we directly managed approximately 837 thousand tons of waste materials, primarily consisting of lubricant oil, solvents, industrial hazardous water, waste treatment for energy valorization and other waste (excluding intermediated waste), with hazardous and non-hazardous waste accounting for 71% and 29%, respectively, of these volumes, and solid and liquid waste accounting for 19% and 81%, respectively, of these volumes. For the same period, we managed and processed approximately 1,174 thousand tons of waste (including intermediated waste). The following charts set forth the breakdown of waste volumes treated by us for the twelve months ended June 30, 2021.

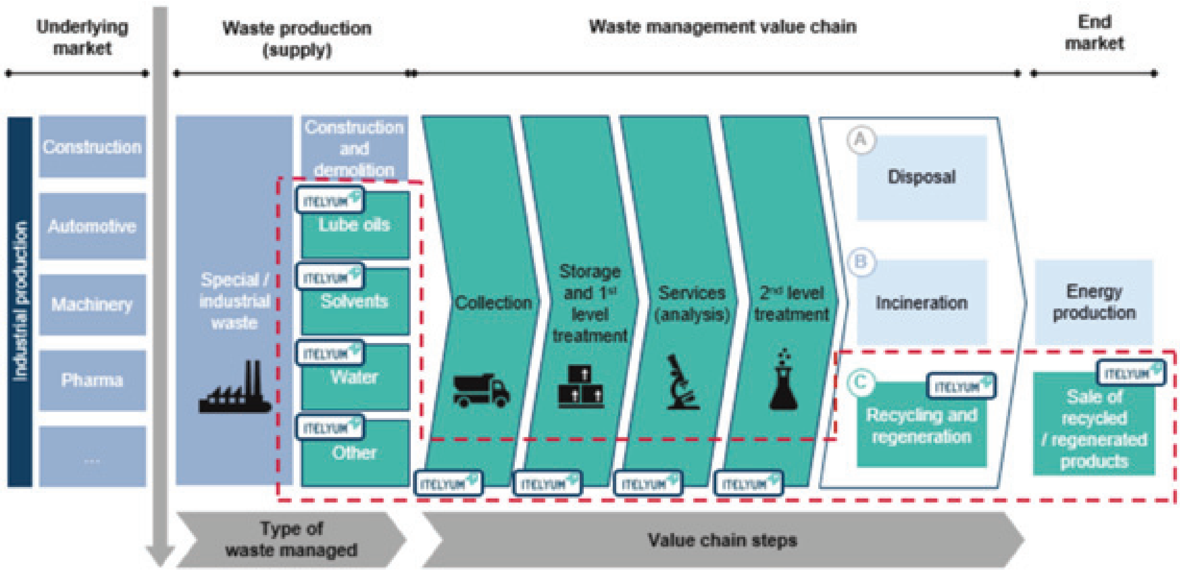




Our Strengths

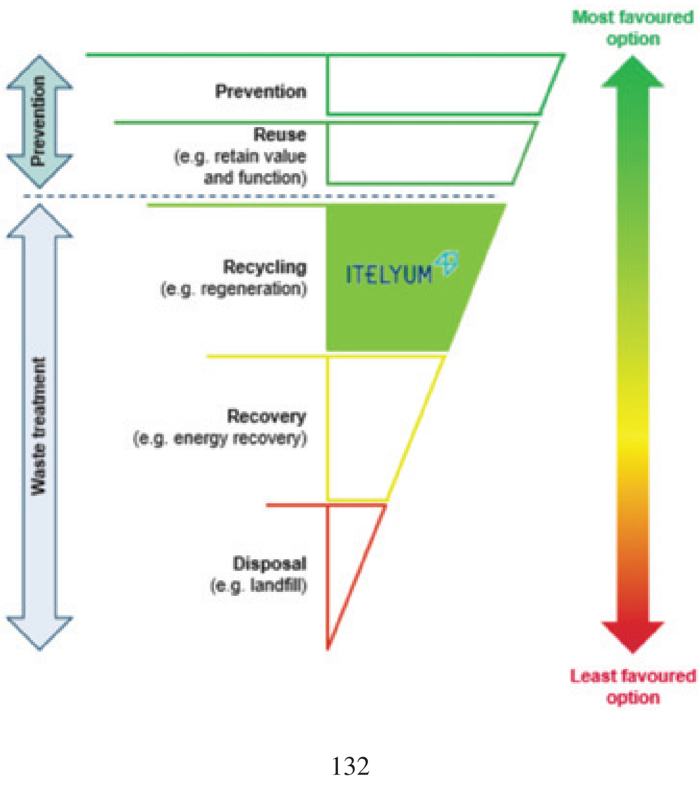
Front-runner in the circular economy solutions market, with distinctive competences in industrial hazardous waste recycling

We act as a one-stop shop across all value chain steps for the industrial waste streams through our proprietary technologies and a strong network of partners for specific types of waste. We have a distinctive focus on recycling and regeneration activities that enable us to offer circular solutions underpinned by the use of recycled products as industrial inputs. Our integrated platform: (i) drives significant commercial synergies across our business units, particularly in relation to sale channels, distributions and technological solutions; (ii) reinforces our value proposition to customers by covering a broad spectrum of waste management services; (iii) enables vertical integration by securing a steady supply of waste; (iv) facilitates centralized procurement efforts and capital expenditure optimization; (v) reduces transportation costs through fleet and route optimization; and (vi) drives efficiencies in our operations through the sharing of proprietary technologies and best practices. In addition, our scale and organizational structure often give us a competitive advantage over smaller players who may experience difficulties complying with increasingly stringent regulations. This is particularly the case of regulations imposing strict obligations on waste producers in relation to the waste cycle from collection to end-of-waste destinations. In these instances, structured players like us are able to provide customers with enhanced regulatory certainty and reduced compliance risks. The graphic below sets out our positioning across the waste management value chain for each relevant industry.



We are at the forefront of the circular economy model. The integrated nature of our platform and the circularity of our business model enable us to provide sustainable solutions across our three business units. Supported by strong technological and operational competencies, we are able to extract value out of industrial waste for the production of sustainable products and resources. For the year ended December 31, 2020, approximately 88%, 95% and 95% of the waste we managed in the Environment, Regeneration and Purification business units, respectively, was transformed into products, returned to the environment as purified water or sent to energy recovery, resulting in an overall circularity index of approximately 90%. Over this period, (i) within our Environment business unit, 48% of the waste managed was sent to recovery, 27% of the waste managed underwent water treatment, 13% of the waste managed underwent oil emulsion treatment and 12% of the waste managed was sent to other destinations, (ii) within our Regeneration business unit, 66%, 14%, 8% and 7% of lubricant oils processed were used to produce lubricant bases, bitumen additives, water and gas oil, respectively, while we outsourced 4% and 1% of lubricant oils processed for disposal and recovery, respectively, and (iii) within our Purification business unit, 60%, 25% and 10% of industrial streams and virgin raw materials processed were used to produce SFW, pure solvents from virgin raw materials and purified water, respectively, while we outsourced 4% and 1% of the materials processed for disposal and recovery, respectively. The remaining portion of the waste is delivered to third-party landfill sites and incinerators. For the year ended December 31, 2020, 72% of waste collected was internally treated (including waste oil for our Regeneration business unit), 13% was internally pre-treated and 16% was collected for sorting and storage. Our Regeneration business solutions enable us to reduce the impact on the environment compared to primary production, resulting in a reduction of approximately 90% in the consumption of fossil fuel resources, an approximately 200% reduction in CO_2 emissions, an approximately 400% reduction in emissions of fine dusts and an approximately 500% reduction in the emission of acidifying substances (NOx, SO2 and NH3), in each case as compared to primary production. Furthermore, our Purification business solutions significantly reduce the impact of solvent recycling compared to primary production, resulting in an approximately 1,000% reduction in CO_2 emissions.

In addition, our integrated platform enables us to benefit from solid and attractive market dynamics, leveraging upon the ongoing regulatory shift from a “linear economy” in favor of a “circular economy.” We benefit from favorable regulation within the EU and Italy on waste treatment and used oil regeneration. Further to the enactment of EU Directive 2008/98/EC (supplemented by EU Directive 2018/850), the EU required member states to significantly reduce waste disposal in favor of recycling, by establishing a specific waste management hierarchy. Italy implemented the EU-prescribed waste hierarchy through national legislation and set up a system of recycling authorizations, imposing stringent restrictions on authorized production capacity for special waste that has reinforced our market position by creating high entry barriers. In addition, these stringent regulatory requirements are enablers of our strong market position as waste producers are incentivized to rely on our advanced recycling and waste management solutions as a way of managing high compliance and regulatory costs relating to the disposal and treatment of industrial waste, including risks of economic penalties and criminal sanctions. The graphic below presents our advantageous position across the waste management hierarchy.



Furthermore, our Regeneration business benefits from the favorable regulatory framework established in Italy, one of the most virtuous countries in Europe in terms of collection and regeneration of used oil, where regenerated lubricant oil accounted for 99% of collected volumes in Italy in 2019, compared to an average of 51% in the EU over the same period. We benefit from incentive mechanisms established by CONOU (*Consorzio nazionale per la gestione, raccolta e trattamento degli oli minerali usati*), a private Italian consortium, to support our Regeneration business. The CONOU regeneration treatment fee, which is inversely correlated to the market price of lubricant oil (*i.e.*, the fee increases upon a decrease in lubricant oil market price and vice versa, although in no event, such as instances of high lubricant oil market prices, does the incentive mechanism require us to pay a regeneration treatment fee to CONOU), ensures that we have downside protection against fluctuations of crude oil and lubricant oil prices and supports a minimum profitability threshold in the sale of our oil-based products, under normal circumstances. This framework has been in place for over ten years and has also been subject to modifications favorable for oil regeneration companies over the years to better reflect market dynamics and support collection and regeneration activities. In particular, based on the latest amendment in October 2020, the regeneration treatment fee is no longer subject to a set cap that historically limited the amount of compensation granted to oil regeneration companies during periods of significantly low oil prices, such as in the first halves of 2016 and 2020; therefore supporting a profitability floor even in significantly unfavorable oil price scenarios. We expect that further amendments to the formula may only be effective after December 2024, except in exceptional circumstances indicated in the CONOU Operating Regulation which, in any event, cannot be retroactive. We estimate that the removal of the set cap as well as other amendments to the formula, on a *pro forma* basis for the year 2020, would have had an estimated positive impact of €1.9 million on our EBITDA for the year ended December 31, 2020.

The quality and breadth of our role as a circular economy player enabled us to achieve a strong market position in Italy, where we managed approximately 6% of the total volume of hazardous waste through our Environment business unit for the year ended December 31, 2019. Given the highly fragmented nature of the hazardous waste management market in Italy, we were the second largest company by volume over the same period, with the leading company accounting for approximately 7% of the total volume of hazardous waste. In addition, we are the number one player in the Italian oil regeneration space, with an approximately 89% market share as of December 31, 2019, and a market leader in Europe in terms of oil regeneration volumes, with a 15% market share measured by maximum regenerated lubricant oil output in 2019. We are also the leading company in the Italian waste solvent purification space, with a 50% market share by revenue, and the largest European player by capacity in 2019, with an approximately 37% share of the Italian market.

Leadership position in defensive and profitable markets, benefiting from high entry barriers

We operate in markets characterized by high barriers to entry. The industrial hazardous waste market in Italy accounted for approximately 9.9 million tons in 2019 and benefits from higher barriers to entry compared to industrial non-hazardous waste and urban waste due to strict regulatory approvals and more advanced technical skills required for the waste management processes. Supported by these features, the industrial hazardous waste market in Italy has shown profitability and resiliency during periods of economic difficulties, recording a CAGR of approximately 1.3% over the period 2010-2014, compared to a negative CAGR of 2.2% and a CAGR of 0.2% during the same period for the Italian urban waste market and non-hazardous waste market, respectively, and a negative CAGR registered by the Italian GDP over the same period. The resilience of our business in a challenging macro-economic environment was also displayed by our results for the year ended December 31, 2020 when despite the impact of the COVID-19 pandemic, our revenue remained relatively flat as compared to 2019, on a like-for-like basis.

Leveraging upon our strong and strategic local presence, especially in the most industrialized areas of Italy, we believe that our Environment business unit is advantageously positioned as a one-stop shop for producers of hazardous waste, alongside our Regeneration and Purification business units. We believe that our longstanding experience with hazardous waste, highly skilled staff and advanced waste management plants give us a strong competitive advantage over national competitors. In addition, the complexity of the authorization, certification, compliance and operational requirements in the waste management industry (especially with regard to the hazardous waste market), along with our geographical proximity to customers, also serve as natural barriers to entry.

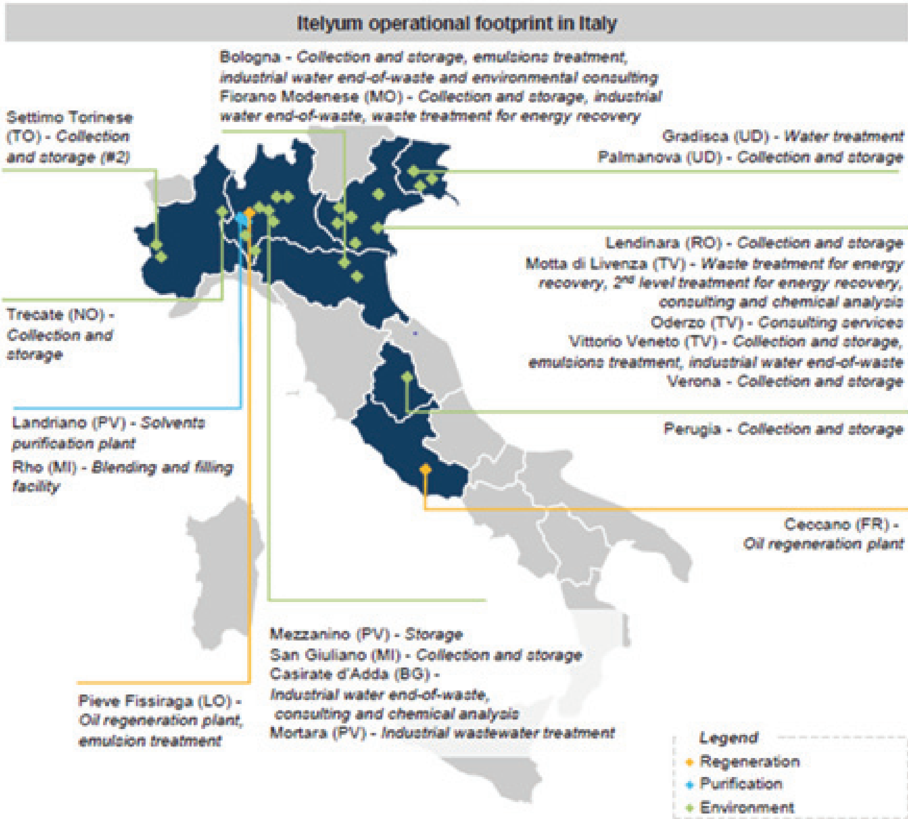
Through our Regeneration business unit, we hold a market leading position in Italy. We held approximately 89% of the market share of the Italian oil regeneration market by volume in 2019, and we are a leading company in Europe in terms of oil regeneration volumes, with a 15% market share measured by maximum regenerated lubricant oil output in 2019. We believe that our economies of scale, proprietary technologies and contracted waste streams, also in light of the CONOU framework, provide us with a strong competitive advantage. Furthermore, the Italian used oil regeneration market requires significant upfront investment and is also characterized by complex authorization, certification and operational requirements, which serve as additional barriers to entry.

Our Purification business has the largest installed capacity in the European waste solvent purification industry, at approximately 100 thousand tons per year, and we held 50% of the market share of the Italian waste solvent purification market by revenue in 2019. Reinforced by our circular partnership and established relationships with leading players in the pharmaceutical sector, we have also built strong positions in international end-markets, including leading positions in the waste-based thinner segments in Africa and the Middle East (with a market share of 38% and 37% by volumes, respectively, in 2019) and in the pure aliphatics segment in Europe (with a 34% market share in 2019). We believe that our economies of scale, know-how, proprietary technologies and long-term partnerships with a loyal customer base have enabled our Purification business unit to secure and maintain market leading positions in Italy and Europe. In addition, the Italian solvent purification market is characterized by high barriers to entry, underpinned by requirements for significant upfront investment and the complexity of the authorization, certification, compliance and operational processes.

We believe our competitors' limited ability to replicate our business model also resides in our advanced R&D capabilities across our business units. Over the years, we have internalized value-adding processes, and developed products and waste treatment methods in partnership with our customers. This has created an intangible barrier, which does not solely rely on commercial relationships, but on years of expertise matured in close collaboration with our customers (such as, for example, our collaboration with API producers for the joint development of formulas for waste optimization in our Purification business unit). Furthermore, our ability to produce high-purity aliphatic solvents from virgin materials, combined with our trading activities relating to these products, allows us to establish increasingly solid and synergistic relationships with our customers and present our Purification business unit as a one-stop shop for high-purity aliphatic solvents. Our Purification business unit benefits from an authorized capacity for the production of non-waste finished products, such as virgin materials, of additional 100 thousand tons per year.

State-of-the-art plants and well-proven proprietary technology

We operate 13 waste treatment and recycling facilities in Italy and 12 waste storage sites. Our strong geographical footprint and the density of our operational network in Northern Italy, especially in the Northern regions of Lombardia, Veneto, Piemonte, Friuli Venezia Giulia and Emilia Romagna, allow us to benefit from economies of scale in managing complex logistics and the input sourcing reach of our production. These factors also improve our efficiency by minimizing the logistical burden and costs of transporting our raw materials to our facilities. In addition, our wide-reaching asset base enables geographical proximity to our customer base and ensures extensive coverage of the Italian market. Set forth below is a chart representing the location of our waste management sites as of June 30, 2021.



We also operate two stand-alone laboratories for chemical and environmental analysis. Supported by a network of 18 waste management companies, our Environment business has an overall authorized capacity of approximately 900 thousand tons per year. Approximately 559 thousand tons of waste were processed through the waste storage and treatment plants of our Environment business unit for the twelve months ended June 30, 2021, while additional 338 thousand tons were sold through the trading activities of our Environment business unit during the same period. Underpinned by over 50 years of experience in the production of quality lubricating bases through a proprietary re-refining process, our Regeneration plants in Pieve Fissiraga and Ceccano have a combined treatment capacity of 214 thousand tons per year. Approximately 184 thousand tons of used oil were processed through our oil regeneration plants for the twelve months ended June 30, 2021. Our Purification business unit comprises two plants for purification and blending of solvents with an authorized capacity of 99 thousand tons per year for solvent and chemical purification deriving from waste, 100 thousand tons per year for solvent purification (*e.g.*, for virgin materials) and chemical synthesis and 75 thousand tons per year for our blending plant in Rho, near Milan. For the twelve months ended June 30, 2021, we treated 94 thousand tons for solvent and chemical purification deriving from waste (of which 57 thousand tons were subsequently blended and packed in our blending plant as well) and we treated 38 thousand tons for solvent purification (e.g., for virgin materials) and chemical synthesis.

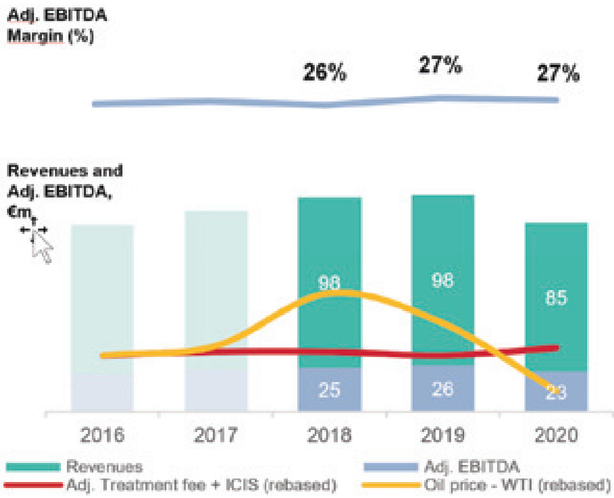
In connection with our waste management operations, we also own and maintain a fleet of more than 120 collection trucks and other industrial vehicles. Our fleet helps secure the waste we collect, allows us to adapt to individual client needs, improves our service offering and makes regulatory compliance easier, particularly regarding the different transportation requirements for specific types of waste.

Our state-of-the-art plants, extensive chemical know-how, designed industrial processes and proprietary technologies, underpinned by 14 registered patents, allow us to act as a one-stop shop across all value chain steps for industrial waste streams. Our Regeneration business benefits from a patented proprietary process for the productions of lubricant bases, which is now widely used by leading lubrication companies worldwide. See also "*Business—Research & Development, Technology and Innovation*."

In addition, we seek continuous technological improvement by leveraging upon several established partnerships with leading Italian universities.

Highly resilient business with outstanding growth backed by diversified revenues streams, solid profitability and cash generation

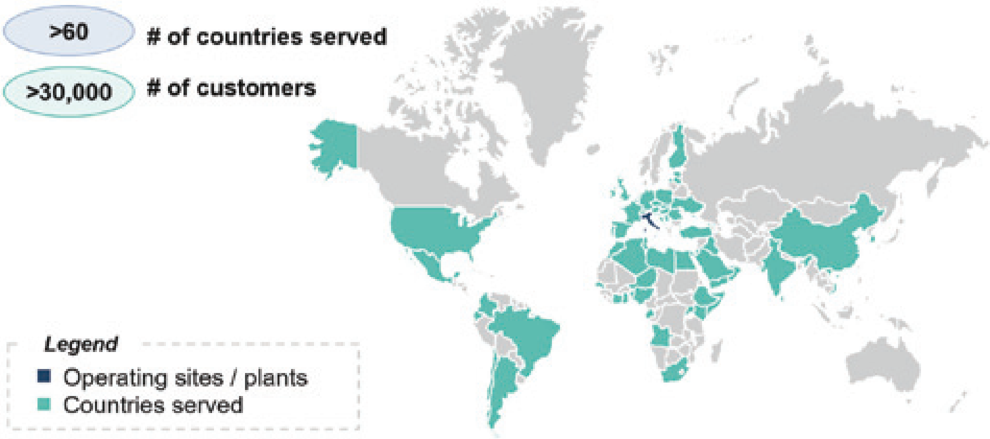
The strengths described above, coupled with attractive industry fundamentals, have enabled us to deliver strong and consistent financial performance. The solid relationships with our clients, their end-market diversification, along with the pricing stability levers inherent in our business, have allowed us to build a resilient business model with high visibility over revenue and profitability performance and operating cash generation. Anticipated structural growth in our end-markets (with an estimated CAGR of approximately 7% in the Italian hazardous waste market over the period 2021-2025), supported by structural imbalance between demand and supply, high switching costs for our customers and our entrenched presence in the most densely industrialized regions of Italy, are expected to generate premium economics in our business units. The CONOU regeneration treatment fee, which is inversely correlated to the market price of lubricant oil (*i.e.*, the fee increases upon a decrease in lube oil market price and vice versa), provides our Regeneration segment with downside protection against periods of low prices of crude oil and lubricant oil and supports a minimum profitability threshold in the sale of our oil-based products. The chart below shows the resilience of our Regeneration business unit despite fluctuations of oil prices over the period 2018-2020.



Since 2018, we have achieved revenue and profitability growth through organic initiatives and acquisitions. Our revenue increased by 15.6%, from €279.3 million for the year ended December 31, 2018 to €330.9 million for the year ended December 31, 2020. Our EBITDA increased by 10.6%, from €45.2 million for the year ended December 31, 2018 to €50.2 million for the year ended December 31, 2020. In addition to being a highly cash generative business, we have limited capital expenditure requirements, with our adjusted recurring capital expenditure being equivalent to less than 3% of our revenue on average over the period from 2018 to 2020.

The resilience of our business model was underscored during the year ended December 31, 2020, when despite the impact of the COVID-19 pandemic, our revenue, Adjusted EBITDA and Adjusted EBITDA margin on a constant perimeter basis remained broadly in line with results recorded during the year ended December 31, 2019 and with two of our three business units (*i.e.*, Environment and Purification) delivering growth.

Furthermore, while our operating sites and plants are exclusively based in Italy, we benefit from a large international commercial footprint underpinned by a strong network of international distributors acting locally within key jurisdictions worldwide, which enables us to geographically diversify our revenue streams. For the twelve months ended June 30, 2021, 21.1% of our revenue was generated abroad in over 60 countries. The graphic below presents the breadth of our international commercial footprint.



ESG-centric corporate mission, making sustainability the cornerstone of an advanced circular economy model

Sustainability is at the core of our corporate mission. Our business model is focused on maximizing (i) the use of recycled raw materials, (ii) the transformation efficiency of industrial processes and (iii) the most sustainable destinations for generated waste. Our business model is underpinned by robust Environmental, Social and Governance ("**ESG**") programs, with the circularity index of our business standing at approximately 90%. We have prepared an annual Sustainability Report for the last 15 years and constantly track ESG metrics. We have introduced a Sustainability Steering Committee ("**SSC**") in 2020 to serve as the cornerstone of sustainability management within the Itelyum Group, being tasked with reviewing and updating our sustainability strategies, verifying the state of implementation of our initiatives and deploying operational mandates to our group companies. The SSC is chaired by an independent and highly reputable advisor and comprises the members of our board of directors and the Chief Sustainability Officer. For the year ended December 31, 2020, we avoided the generation of approximately 470 thousand tons of CO_2 necessary for the production of virgin products substituted by recycled products and one thousand tons of air pollutants, generated annual savings of approximately 14 million cubic meters of water and avoided the consumption of 400 hectares of land. We promote self-production of electricity and partially rely on the electricity generated by our three photovoltaic plants, with an installed capacity of over 800 kilowatts, and our high-efficiency cogeneration plant, with an average production capacity of over 46 million kilowatt-hours, to sustain our operations. In addition, in accordance with our newly established Sustainability Performance Targets, we aim to achieve (i) a 25% increase in gross CO_2 avoided emissions for the year ending December 31, 2025, compared to the baseline of 430,449.6 tons of CO_2 for the year ended December 31, 2020; and (ii) a 25% increase in the quantity of waste collected and delivered to circular treatment for the year ending December 31, 2025, compared to the baseline of 574,184 tons of waste for the year ended December 31, 2020. Furthermore, through our sustainability policy, we aim to contribute to the achievement of the following nine major Sustainable Development Goals ("**SDGs**"):

We remain focused on promoting internationally recognized human rights and guaranteeing working conditions based on equal opportunities and development of skills in a context that considers diversity as a true source of value. We are committed to allocating considerable resources to the creation of social value through business integrity and stakeholder relations, including through new training initiatives that propose to increase sustainability-focused trainings for our staff from 17 hours per year per individual in 2019 to 30 hours per year per individual by 2025. We also believe that safety, protection and promotion of health and well-being of individuals are fundamental values to be integrated in all our activities. This principle extends to employees, companies, suppliers, visitors, local communities and any other stakeholder included in our sphere of influence. We are committed to taking concrete measures aimed at eliminating accidents, injuries and illnesses caused by work activities and reducing risks in all our activities. In 2020, our frequency index risk (calculated as number of accidents (with absence from work for more than 24 hours) per million hours of work) was 5.8.

We have also implemented strong operational risk management and compliance systems aimed at risk prevention, and strive to continuously improve our environmental performance and management systems. Our environmental management system is equipped with established standards and processes and is built around the principles of ISO 45001 and ISO 14001, which certifies our commitment to sustainable solutions and advanced health and safety standards. Most of our waste management facilities, including the oil regeneration plants of Ceccano and Pieve Fissiraga, hold ISO 14001 certifications of compliance with advanced environmental standards.

As a member of the United Nations Global Compact, we strive to implement the best practices in terms of governance through internal committee monitoring, independent supervision as well as the adoption of relevant codes, protocols and policies. Leveraging upon 13 globally recognized management systems, reference protocols and certifications, we have implemented a formal code of ethics and an organizational, management and control model across each of our group companies, and have also appointed an independent supervisory board to oversee our robust governance practices. See also "*Business—Sustainability, Environment, Social and Governance*."

Experienced management team widely recognized in the industry, supported by a solid organizational structure

We have an experienced senior management team providing strong leadership across all functional areas of our business, overseen by our chief executive officer ("**CEO**") who has over 20 years of experience in leading national and international companies. With an average of more than ten years of industry experience, our management team is aligned to execute on the Itelyum Group's growth strategy and has a proven track record in delivering growth and profitability by identifying profitable growth opportunities and effective integration processes, which we believe provide us with a significant competitive advantage over our competitors. In addition, our chairman, CEO and three senior managers on our board of directors are members of a number of industry-recognized Italian and international associations, including Federchimica, UNEM (*Unione Energie per la Mobilità*), GEIR (*Groupement Européen de l'Industrie de la Régénération*), ESRG (European Solvent Recycler Group), CONOU, COBAT (*Consorzio nazionale batterie esauste*) and the UN Global Compact Italy.

Our Strategy

Focus on organic growth driven by promoting synergies across business units

We plan to drive organic growth by continuing to optimize our integrated platform across our business units. In particular, we have launched, and expect to launch over the medium term, a number of key initiatives aimed at unlocking commercial synergies in our end-to-end waste management solutions and promoting cross-divisional opportunities for the optimization of waste supply and cost management.

These key initiatives include, among others: (i) leveraging on our wide Environment platform network to reinforce the value proposition offered to our customer base across our Regeneration and Purification business units through increased marketing, distribution and procurement synergies; (ii) securing an optimized feedstock supply via collection integration; (iii) enhancing the sharing of technology solutions and best practices to allow continuous improvement and operational efficiency; (iv) creating a centralized warehouse for spare parts and maintenance team, thus reducing unexpected unavailability or operational difficulties, in particular for our Pieve Fissiraga and Ceccano oil regeneration plants; and (v) rationalizing our vehicle fleet and optimizing routes for inbound and outbound transportation of waste and raw materials.

Leverage strategic and expansion projects with highly visible financial impact to increase production capacity, improve profitability and expand product offering

We plan to continue pursuing special operational projects with highly visible financial impact, especially aimed at increasing treated and recycled waste volumes and expanding the authorized capacity of our plants. One of these projects relates to the expansion of our waste water treatment capacity by approximately 120 thousand tons per year, mainly relating to captive volumes generated by Temix Oleo S.r.l. We also seek to expand our waste storage, treatment and tank capacity through expansion projects at our existing plants.

In addition, we expect to diversify the product range of our Regeneration business unit and broaden its client base by increasing our focus on high value-added lubricant oils. We also aim to maximize our plant capacity by pursuing continuous technological improvements, upgrades to our production equipment and investments in R&D projects.

Furthermore, we expect to expand the revenue generating capacity of our Purification business unit by investing in special projects, primarily aimed at expanding capacity at our purification and blending plants and adding new product lines to our portfolio. For example, we plan to invest approximately €17 million over the period 2021-2025 to (i) expand the production capacity of thinners and SFW products by increasing the production capacity of our existing plants and the acquisition of new plants and (ii) establish new product lines for our starting material for active pharmaceutical ingredients ("**API**").

Pursue value-accretive and strategic acquisitions to expand and consolidate our platform

We intend to continue to deploy an acquisition strategy that focuses on acquiring and integrating small and medium-sized regional and national businesses. Our latest acquisition, Castiglia, is headquartered in Puglia, a region in the south of Italy, and provides integrated services for environmental protection and sustainability with a particular focus on the management of waste deriving from water purification processes. Through the acquisition of Castiglia, we expect to enhance our market position in the Southern regions of Italy.

We believe that our reputation and track record in the Italian waste management market leads to us being chosen by specialist and generalist waste management businesses as a natural market consolidator. Once an acquisition is executed, we seek to implement a well-defined integration process that includes coordinating administration, finance and treasury, IT, human resources and other support functions with our central management functions, and seek to leverage our national network and commercial structure in order to increase the waste volumes processed at the sites that are acquired.

The Italian waste management market remains highly fragmented, with more than 90% of companies that operate in the market employing fewer than 50 full-time employees, which offers growth opportunities for leading players such as Itelyum. Our strong geographical footprint and diverse product portfolio create opportunities for acquisitions that bolster our existing platform. Excluding acquisitions made in the last 24 months, the Adjusted EBITDA of companies we acquired grew at an average CAGR of more than 60% over the two years that followed the relevant acquisitions. We intend to selectively consider further bolt-on or strategic acquisitions to capitalize on our competitive strengths, extend our territorial coverage and preserve or improve our financial performance and profitability. We may seek to consolidate our leading positioning in our core verticals or expand into new, complementary verticals. In addition, we may in the future enter new geographies and seek to leverage our core expertise and know-how by penetrating new European markets, such as the industrial waste management, the oil regeneration or the pharmaceutical purification markets. We plan to continue to take a disciplined approach to evaluating potential investments and maintain prudent overall liquidity and leverage.

History

Our business dates back to 1963, when we were established as Viscolube S.r.l. ("**Viscolube**"), an oil regeneration company located in the province of Lodi in the Italian region of Lombardy. Through the following decades, we have significantly grown as a result of both organic growth and acquisitions of strategic companies and assets, including the acquisition of the Ceccano oil regeneration plant from Eni S.p.A. in 2001, which helped us establishing our position as a leading Italian used oil regeneration company.

In 2011, Viscolube was acquired by Stirling Square Capital Partners, along with minority investors, with the goal of pursuing a transformational path towards becoming a diversified platform in the circular economy space. Between 2013 and 2015, we enhanced our growth trajectory through the acquisition of several players in the Italian waste management industry specialized in the collection, transportation, storage and treatment of solid and liquid waste, including Sepi Ambiente S.r.l. in 2013, Recoil S.r.l., Rimondi Paolo S.r.l. and Neda Ambiente FGV S.r.l. in 2014, as well as the acquisition of a number of waste collectors and waste pre-treatment platforms in 2015, including Deluca Servizi Ambiente S.r.l., which further strengthened our Environment solutions and treatment of emulsion.

In 2016, SSCP Fund III acquired a control stake in Viscolube. Over the following years, we have established our position in the Italian waste solvent market through the acquisition of leading Italian players. In 2017, we acquired Bitolea Chimica Ecologica S.r.l. (subsequently renamed Itelyum Purification), a company specialized in the recycling and recovering of used solvents and the production of pure solvents. Between 2018 and 2020, we continued to pursue growth opportunities that allowed us to further expand our Environment business unit by expanding our geographical coverage, client base and the breadth of waste streams collected and services offered, such as the acquisition of Centro Risorse S.r.l. in 2018, and Idroclean S.r.l. and Ferolmet S.r.l. in 2020.

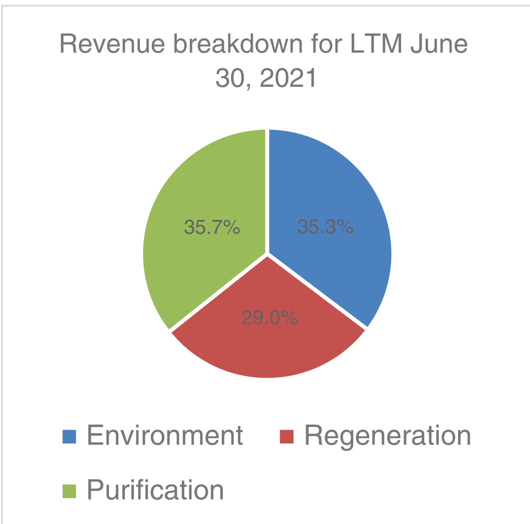
In 2019, we undertook a rebranding process leading to the establishment of the Itelyum brand and the associated trademarks, which identify all companies of the Itelyum Group that were previously operating under a number of separate brands.

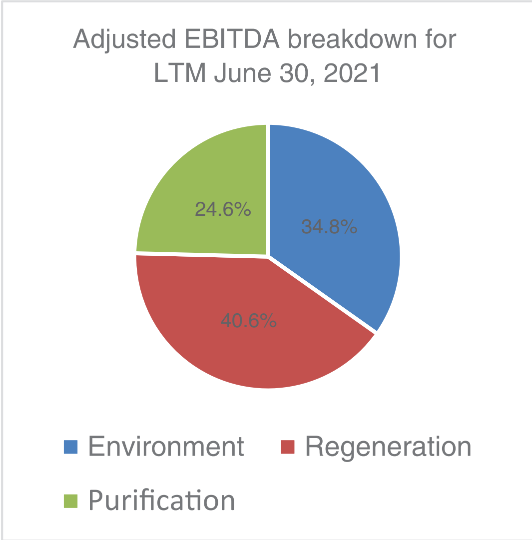
Our Business

We offer our services and products through three business units:

- ***Environment***. Our Environment business unit consists of an integrated platform offering a comprehensive range of environmental services in hazardous and non-hazardous waste management covering a broad spectrum of the value chain for the industrial waste market. Our Environment business is supported by a network of 18 waste management companies, primarily located in Northern Italy, with an overall authorized capacity of approximately 900 thousand tons per year. Our network of Environment facilities also includes a certified laboratory for chemical and environmental analyses and four treatment plants for industrial wastewater. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Environment business unit represented 35.3% and 34.8%, respectively, of our revenue and Adjusted EBITDA.
- ***Regeneration***: Our Regeneration business unit benefits from over 50 years of experience in the production of quality lubricating bases through a proprietary re-refining process. Our used oil regeneration plants in Pieve Fissiraga and Ceccano have a treatment capacity of 214 thousand tons per year, primarily producing regenerated lube bases, diesel oil and other by-products for applications in bituminous membranes. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Regeneration business unit represented 29.0% and 40.6%, respectively, of our revenue and Adjusted EBITDA.
- ***Purification***. Our Purification business unit with an authorized capacity of 99 thousand tons per year comprises the production and trading of a variety of solvents derived from the valorization of chemical and pharmaceutical waste, including thinners and solvents from waste (“**SFW**”). With an authorized capacity of additional 100 thousand tons per year, we produce pure solvent products obtained from selected oil fractions, technical streams and starting materials from active pharmaceutical ingredients (“**APIs**”). Our blending plant in Rho, near Milan, has an authorized capacity of 75 thousand tons per year. Our products are sold directly in Italy to chemical and pharmaceutical companies and abroad through a wide network of distributors. For the twelve months ended June 30, 2021, revenue and Adjusted EBITDA generated by our Purification business unit represented 35.7% and 24.6%, respectively, of our revenue and Adjusted EBITDA.

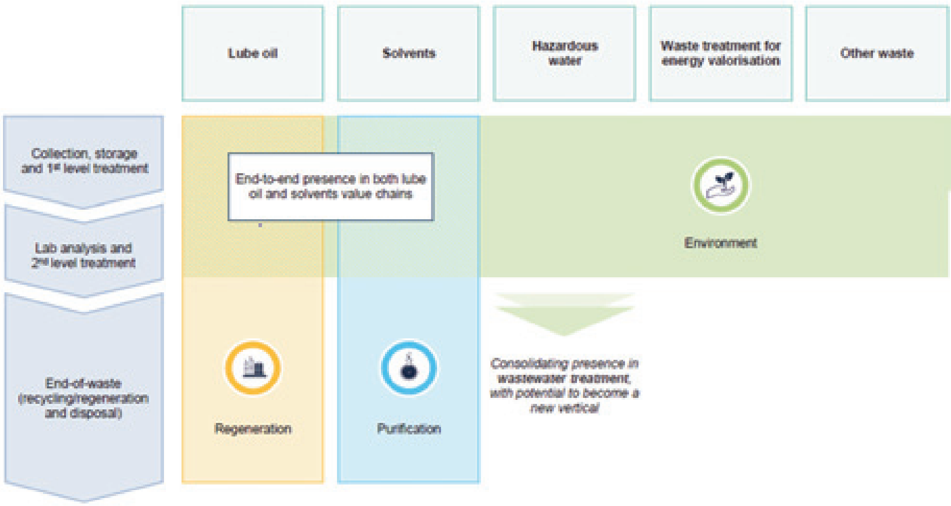
The following charts set forth our revenue and Adjusted EBITDA breakdown by business unit for the twelve months ended June 30, 2021.





We operate across the waste management value chain (excluding direct management of landfill and incineration and urban waste). We have a distinctive focus on recycling and regeneration activities and benefit from a strong chemical know-how and access to treatment and recycling alternatives for complex hazardous waste streams.

We believe that the combination of our business units have enabled us to build a significant competitive advantage within the Italian waste management market, establishing our position as a leading one-stop shop service provider of circular economy solutions for a wide range of customers across various industries. For the twelve month ended June 30, 2021, we directly managed approximately 837 thousand tons of waste materials (excluding intermediated waste), primarily consisting of lube oil, solvents, industrial hazardous water, waste treatment for energy valorization and other waste, with hazardous and non-hazardous waste accounting for 71% and 29%, respectively, of these volumes, and solid and liquid waste accounting for 19% and 81%, respectively, of these volumes. Over the same period, we processed approximately 338 thousand tons of waste though our trading activities.



A portion of the waste volumes managed through our Environment business activities is provided to our Regeneration and Purification businesses and, in turn, our Environment business processes a portion of the waste volumes produced by our Regeneration and Purification business activities, thus providing our overall business with captive solutions. For the twelve months ended June 30, 2021, 32 thousand tons of used oil collected by Environment were provided to Regeneration.

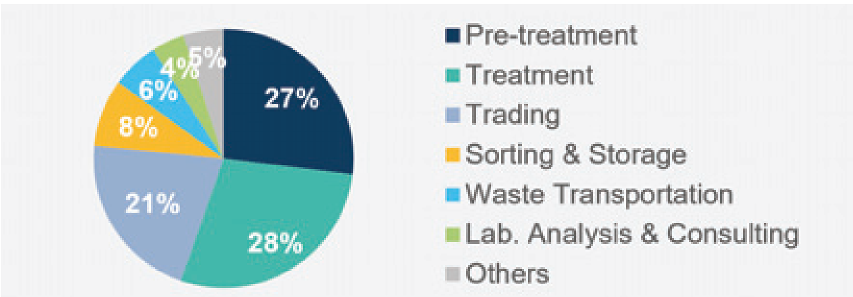
Environment

Environment solutions

Our Environment portfolio comprises the following sustainable services and solutions for the industrial waste market:

- ***Collection, transportation and storage.*** We provide waste collection, transportation and storage services that cover a variety of hazardous and non-hazardous industrial waste, including used oil and emulsions, automotive waste (*e.g.* batteries, tires), industrial sludges, packaging and wastewater. This service is carried through our network of more than 120 industrial waste collection vehicles and twelve storage sites.
- ***Consulting services, analysis and laboratory***. We offer environmental consulting and chemical analysis services in respect of different types of matrices (*e.g.*, water, soil and air) through our network of ten accredited laboratories operating for both intra-group analysis and third-party customers.
- ***Wastewater treatment.*** We provide chemical, physical and biological water purification services to support different industries such as the construction, naval, chemical, pharmaceutical and mechanical sectors. Our treatment services cover industrial wastewater (hazardous and non-hazardous) and emulsions, wastewater from the textile, ceramic, wood and metals chemical treatment industries. This service is conducted through a network of four wastewater plants and three emulsion pre-treatment plants.
- ***Solid waste treatment.*** We offer industrial solid waste treatment services comprising selection, volumetric reduction, stabilization and inserting of solid matrices for recovery in mine or landfill disposal and covering a variety of industrial solid waste, including packaging, rags, filters, inks, sludges, waste for waste-to-energy treatment and industrial inorganic sludges derived from chemical, mechanical and textile processes.
- ***Trading***. We offer complimentary services of commercial brokering and trading of hazardous and non-hazardous special waste (the latter accounting for approximately 70% of our trading activities), including plastic waste, ash, industrial waste from various sources (*e.g.*, chemical, pharmaceutical, petrochemical, agrifood) and biological sludges.

The following charts set forth the revenue breakdown of our Environment business unit for the twelve months ended June 30, 2021.



Through our Environment business unit, we collect, treat and recycle several hazardous waste streams, comprising industrial waters, emulsions, mineral oils, industrial solid waste and other types of waste, representing 46%, 20%, 6%, 12% and 17%, respectively, of the hazardous waste volumes managed by our Environment business unit for the twelve months ended June 30, 20201.

Regeneration

We operate at the heart of the Italian lube oil circular economy by providing regeneration of used oil into high-quality lubricating bases and other by-products, including gas oil and bitumen additives. Our Regeneration business benefits from the Italian regulatory framework that incentivizes waste collection and regeneration activities and is conducted through two facilities with an authorized capacity of 214 thousand tons per year and an operating capacity of approximately 190 thousand tons per year, supported by proprietary technology solutions. For the twelve months ended June 30, 2021, approximately 184.4 thousand tons of used oil were processed through our two Regeneration facilities, with a lubrificant base oil regeneration yield of 66.8%. The table below set forth the regeneration yield of our Regeneration business unit for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018	2019	2020	2020	2021	2021
Regeneration yield*	64.9%	65.5%	66.7%	66.5%	66.7%	66.8%

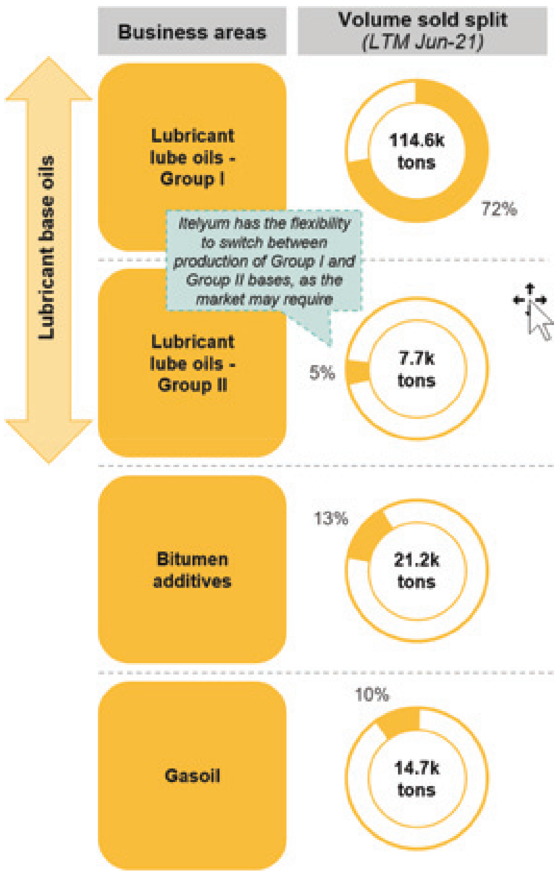
* Represents the quantity of regenerated base oil produced over a period divided by the quantity of used oil processed over the same period.

Regeneration solutions

Our Regeneration portfolio comprises the following products:

- ***Lubricant base lube oils.*** We produce re-refined base lube oils in the Group I and Group II categories, with a viscosity index in the range of 100-115 and 105-120, respectively. Group II bases offer superior anti-oxidation properties, clearer color and higher marginality compared to Group I bases. We have the flexibility to switch production between Group I and Group II oil bases based on market demand. Our base oils are primarily used by lubricant producers for a variety of applications (motor oils, oils for industrial uses, oils for production processes).
- ***Bitumen additives.*** We produce bitumen additives mainly used for the production of bituminous membranes (*e.g.* for rooftop coating) and, residually, for asphalt used in road paving.
- ***Gas oil.*** We produce gas oil obtained through the re-refining processes of waste oil. Our gas oil is primarily used as industrial fuel and is sold to players in the oil and gas industry, including oil companies and traders and industrial gas oil blenders.

The following graphic sets forth our volume breakdown by Regeneration product for the twelve months ended June 30, 2021.



CONOU Incentive Mechanisms

Regeneration activities in Italy benefit from a specific framework aimed at supporting collection and regeneration of used oil. CONOU is a private Italian consortium established in 1984 to promote and support waste oil collection and regeneration activities in Italy. Today, CONOU has relations with over sixty used oil collectors and has set up an incentive mechanism paid to oil regeneration companies, the CONOU regeneration treatment fee, which is inversely correlated to the market price of lube oil (*i.e.* the fee increases upon a decrease in lube oil market price and *vice versa*), thus ensuring that Itelyum and other players in the regeneration industry are granted certain downside protection against fluctuations of crude oil and lube oil prices. The CONOU regeneration treatment fee is paid to oil regeneration companies on a monthly basis based on the volumes of regenerated oil bases produced and is calculated based on the ICIS average price of lube oil recorded during the preceding quarter. The regeneration treatment fee granted by CONOU sustains the circularity in all the phases of the waste oil economic cycle and permits us to offset the cyclical decrease in oil price by guaranteeing a minimum profitability threshold in the sale of our oil-based products; therefore strengthen the resilience of our Regeneration business unit vis-a-vis fluctuations in oil price. See also "*Industry*" and "*Regulation.*"

For the twelve months ended June 30, 2021, the CONOU regeneration treatment fee accounted for 25.8% of revenue from our Regeneration activities for the period. CONOU regeneration treatment fee for each quarter is calculated on the basis of the ICIS average price of lube oil recorded in the preceding quarter and is paid on a monthly basis.

Purification

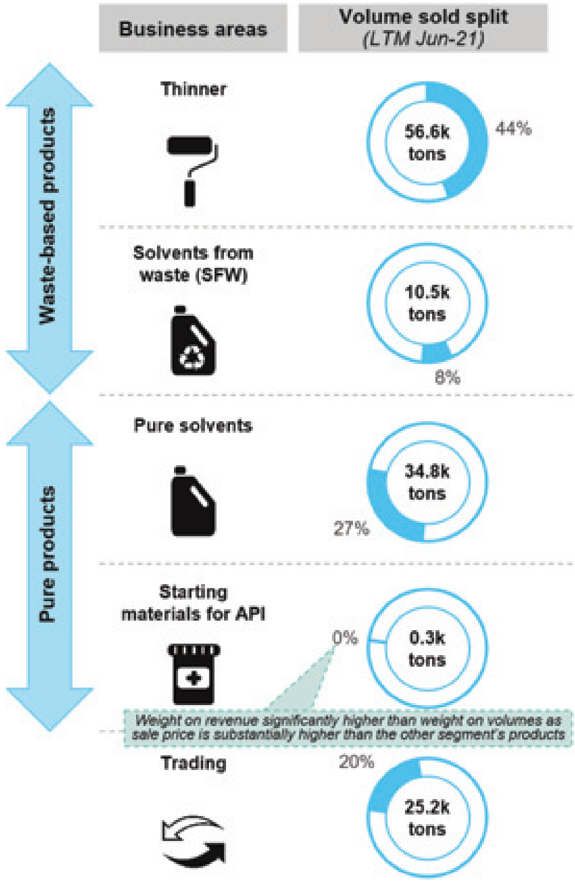
Our Purification business unit comprises complex recycling and production activities covering a wide range of solvents and thinners derived from the purification of pharmaceutical and chemical waste streams. Our purification plant in Landriano (near Milan) is specialized in recycling and recovery of used solvents, production of pure solvents and synthesis of API starting materials, providing us with the largest installed recycling capacity in Europe at approximately 100 thousand tons of authorized capacity per year for waste purification. Our plant in Rho (near Milan) provides bottling and logistics services that are functional to the operation of our Landriano plant. For the twelve months ended June 30, 2021, approximately 93.7 and 23.0 thousand tons of used solvents and pure solvents were processed through our Landriano plant, respectively.

Purification solutions

Our Purification portfolio comprises the following solutions:

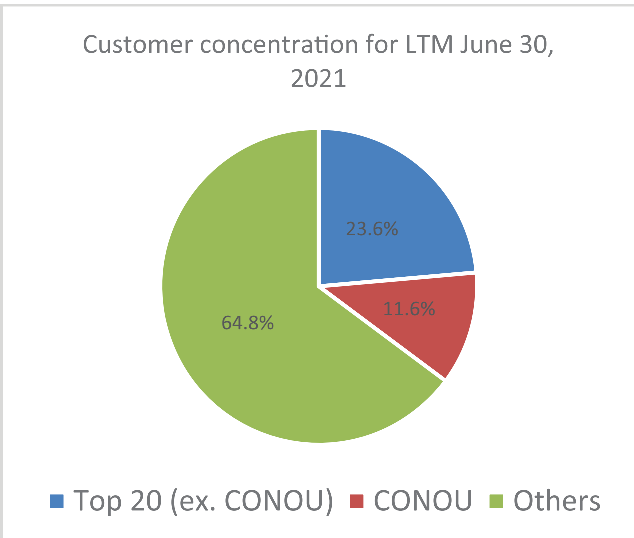
- ***Thinners.*** We produce and sell a wide range of recovered thinners derived from used solvent, primarily obtained from pharmaceutical companies. Our thinner products are principally used for tool cleaning, paints, inks and varnishes, construction and other chemical applications, such as the dilution of viscous substances.
- ***Solvents from waste ("SFW").*** We produce high-grade solvents (*e.g.*, acetone, isopropanol, tetrahydrofuran ("**THF**"), methyl tert-butyl ether ("**MTBE**"), methanol and acetates) and resins obtained from the purification of waste solvents. Our SFW products are used in a diversified range of industries, including API, chemical as well power generation and clay target production.
- ***Pure solvents.*** We produce specialty and technical aliphatic solvents (*e.g.*, pentane, hexane and heptane) derived from the processing of pure virgin materials, such as virgin naphtha and tetrahydrofuran. Our pure solvents are primarily used in API production, production of chemicals and adhesives, as well as in the power generation and oil extraction sectors.
- ***Starting materials for API.*** We produce highly specialized starting materials for API and custom-made products through complex chemical processes. These products primarily are sold to a leading U.S. based pharmaceutical company, with an important presence in Italy.
- ***Trading.*** We engage in trading activities that complement our Purification offering and primarily cover hydrocarbon aromatic and oxygenated solvents such alcohols, acetone, toluene. Our principal customers are API producers, additives and intermediate chemicals companies.

The following charts set forth our volume breakdown by Purification product for the twelve months ended June 30, 2021.



Customers and Contracts

We benefit from a diversified customer base of approximately 30,000 customers operating in a wide range of industries. We have long-standing relationships with the vast majority of our largest 20 customers, in certain cases spanning over a decade. For the twelve months ended June 30, 2021, our top 20 customers (excluding CONOU) accounted for 23.6% of our revenue for the period. The following chart sets forth our customer concentration breakdown by revenue for the twelve months ended June 30, 2021.



While our operational footprint is located in Italy, we benefit from a geographically diversified clientele, serving customers in over 60 countries across four continents. For the twelve months ended June 30, 2021, 78.8% of our revenue was generated in Italy, 9.9% in the rest of Europe, and 11.2% in the rest of the world.

Environment

Our Environment business has a loyal customer base comprising approximately 30,000 accounts. Our customers include leading Italian consortia (*e.g.* CONOU and COBAT (Consortium for Spent Lead Batteries and Lead Waste)), medium-large companies and small medium enterprises ("SMEs"), in certain instances on the basis of full-service agreements over a multi-year framework. More than 100 customers account for more than 500 tons of managed waste per year each and represent approximately 50% of our total managed waste volumes; among these customers, other waste management companies account for approximately 15% of our total managed waste volume per year. Contracts with large corporations and other waste management players have an average duration of approximately one year, with approximately 80% of our customers who account for more than 500 of tons of managed waste per year each having been associated with us for over three years. Periodic price adjustments on an annual or six month basis are set out for contracts with large clients, while contracts with SMEs typically provide for agreed pricelists which are periodically updated based on customer needs, type of waste and volumes. Key customers include CONOU, COBAT, COREPLA, Hera, A2A, Iren, Basf and Fincantieri. For the twelve months ended June 30, 2021, the top 10 customers and top 20 customers for our Environment business unit generated 16.6% and 24.0%, respectively, of revenue from our Environment activities.

Regeneration

Our Regeneration business benefits from long-standing relationships with a selected customer base comprised of approximately 80 customers, including the majority of the oil & gas companies operating in Italy. Key customers include Eni, Total and Petronas. For the most part, our Regeneration products are sold pursuant to standardized contracts with an average length of one to three years providing for a correlation between the sale price and the ICIS lube oil price index, as well as the volumes forecast for the period. We also enter into spot orders in the context of framework agreements with long standing customers, with pricing terms indexed to ICIS prices. Multi-year agreements constitute approximately 40% of our volumes, with relationships with a number of key customers averaging over ten years. Our customer base has seen an increase of 80% over the past 10 years, with more than 20 customers (most based outside Italy) added over the last two years to a historical customer base of more than 50 customers. For the twelve months ended June 30, 2021, our top 10 accounts and top 20 accounts in our Regeneration business unit (excluding CONOU) generated 33.1% and 45.7%, respectively, of revenue from our Regeneration activities.

Purification

Our Purification products are sold to a geographically diversified and loyal base primarily comprised of customers and distributors in the chemical and pharmaceutical industries. For the twelve months ended June 30, 2021, approximately 28% of the volume of our Purification products were sold in Middle East and Africa, 66% in Italy and 7% in the rest of the world. Our relationship with a number of key customers ranges from five to ten years. Key customers include Bidachem, Abbvie, FIS Fabbrica Italiana Sintetici, Abro Industries, Brussa and Versalis.

Thinner products are mainly sold to distributors for paint and varnishing pursuant to standardized contracts setting out purchase volumes ranging from three to six months, with spot prices based on type and quality of thinner and size of packaging. For the twelve months ended June 30, 2021, approximately 50% of the volume of SFW products were sold via yearly contracts, while traded volumes are mainly sold on a spot order basis over the same period, approximately 60% of the volume of pure solvents were sold through yearly contracts, with price indexed to virgin naphtha (and thus creating a natural price hedge for approximately one-third of our products), while the rest was sold on a spot order basis. Starting materials for APIs are typically sold to a leading U.S. based pharmaceutical company with an important presence in Italy based on a three-year contracts with minimum-guaranteed volumes and fixed prices. For the twelve months ended June 30, 2021, the top 10 accounts and top 20 accounts for our Purification business unit generated 36.6% and 46.1%, respectively, of revenue from our Purification activities.

Suppliers

Most of the waste we manage require the waste producer to pay a fee to Itelyum; therefore, such waste suppliers also represent customers to the Itelyum Group's business. This is particularly the case of our Environment and Purification business units, where the waste supplied to us is used for our waste recovery and recycling processes. In respect of certain type of waste, such as used batteries, we pay fees to the waste producers that supply the waste to us without such producers paying any amount to us for the waste collection we carry out.

Environment

We have long standing relationships with a number of key suppliers, which primarily include incineration players, waste recovery and disposal companies and brokerage transport companies. Our supplying contracts typically range from six months to one year. For the twelve months ended June 30, 2021, the top 10 suppliers and top 20 suppliers in our Environment business unit accounted for 25.0% and 33.1%, respectively, of volumes supplied to us for the period.

Regeneration

The majority of the used oil that we process in our Regeneration activities is supplied to us by the approximately 60 used oil collectors affiliated with CONOU. Supplying arrangements with the CONOU oil collectors are typically regulated by individual standardized contracts with a typical duration of three years, which are currently expected to expire in December 2021. For the twelve months ended June 30, 2021, CONOU-affiliated companies supplied approximately 93% of the volume of used oil supplied to us for the period. Approximately 7% of the volume of used oil supplied to us over the same period came from companies operating in bordering countries, such as France and Austria, pursuant to long-term framework agreements. For the twelve months ended June 30, 2021, the top 10 suppliers and top 20 suppliers in our Regeneration business unit accounted for 63.7% and 70.8%, respectively, of volumes supplied to us for the period, with CONOU-affiliated oil collectors alone accounting for 38.4% of the volumes supplied to us for this period.

Purification

In our Purification business unit, we typically enter into individual contracts with selected suppliers for each of our product categories, primarily petrochemical, chemical and pharmaceutical companies, with an average length of one to three years. For the twelve months ended June 30, 2021, the top 10 suppliers and top 20 suppliers in our Purification business unit accounted for 45.6% and 61.6%, respectively, of volumes supplied to us for the period.

Geographical Footprint, Real Estate and Equipment

We are headquartered in Pieve Fissiraga (Lodi), Italy. We have a strong geographical footprint in Italy, especially in the Northern regions of Lombardia, Veneto, Piemonte, Friuli Venezia Giulia and Emilia Romagna. We also operate collection and storage sites in Umbria and the Ceccano oil regeneration plant in the province of Frosinone, Lazio.

In connection with our waste management operations, we also own and maintain a fleet of more than 120 collection trucks and other industrial vehicles. We view our fleet of vehicles as an important asset for our operations and therefore ensure that our vehicles are covered by an adequate level of insurance, well-maintained and in good working order through scheduled maintenance programs. Our fleet helps secure the waste we collect, allows us to adapt to individual customer needs, improves our service offering and makes regulatory compliance easier, particularly regarding the different transportation requirements for specific types of waste.

We believe our equipment is in good condition and suitable for the purposes for which such equipment is being used. In addition, we believe we have sufficient capacity to meet our obligations to our customers.

Intellectual Property

We rely on a combination of trademarks, license agreements and non-disclosure agreements to protect our proprietary rights**.** In particular, our trademarked brand name, Itelyum, is an important element of our brand awareness and customer loyalty. We have a number of other important brands in our portfolio that we have acquired and developed throughout our history. These include Viscolube and Revivoil. In addition, certain waste management and production processes, particularly in our Regeneration business, are protected by patents and benefits from an advanced stage of digitalization. We currently hold 14 registered patents, primarily relating to our Regeneration business, and we are in the process of registering four additional patents.

In addition, we employ various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants to protect our trade secrets and know-how. See "*Risk Factors—Risks Related to Our Business—Third parties may infringe upon our intellectual property rights*." At present, we believe our business is not materially dependent on patents, intellectual property licenses, trademarks or licenses from third parties. There are, in our view, no patents, intellectual property licenses, trademarks or licenses from third parties necessary for the operation of our business that we do not have or cannot readily attain.

Employees

For the six months ended June 30, 2021, we had a workforce comprised of 692 employees on average. Our employee count has grown steadily from 162 employees on average in 2011 to our current headcount, as a result of acquisitions and organic growth.

All of our employees are covered by collective bargaining agreements. Employees' representation includes the main Italian unions. From time to time, our operating sites may experience union organizing efforts. During the past ten years, we have not experienced any local strikes or work stoppages. We currently have no disputes or bargaining circumstances that we believe could cause significant disruptions in our business and our management believes we have good relations with our employees and unions.

Competition

The Italian waste management market is highly competitive and fragmented, comprised of a variety of small, medium-size and large players. We compete with a large number of small local companies specialized in selected aspects of the waste management process, including Marazzato, Vidori and Venanzieffe. These local family-owned companies comprise the majority of the Italian market. In addition, we face competition from waste management branches of established national multiutility companies, such as A2A Ambiente, Iren and HERAmbiente. Furthermore, we compete against structured private groups, such as Ecoeridania, Riccoboni, Ambienthesis and Mecomer. See "*Risk Factors—Risks Related to Our Business—We operate in a highly competitive and fragmented market, and competition from established companies as well as local specialized competitors could have a negative impact on our business and financial condition.*"

We believe we have several competitive advantages over a number of our competitors. Some of these advantages include the breadth of our service offering and strong territorial coverage thanks to our integrated network of plants in Northern Italy, our longstanding experience in the waste management industry, the technological advancement of our production processes and our strong and consolidated relationship with pharmaceutical customers. For more information about the competitive landscape in which we operate, see *"Industry*."

IT and Internal Control Systems

Our information systems handle our information flow in accordance with the procedures established under our quality standards and allow us to monitor the security and reliability of our information. We have a dedicated team of IT personal working in close contact with our consultants and third-party providers of IT solutions, which include leading companies in the Italian IT industry. We are currently implementing a number of IT initiatives aimed at improving the efficiency and effectiveness of our software and infrastructure, including through the modernization and standardization of our IT hardware and software and the enhancement of the IT security features.

In order to further improve our operational capabilities, we plan to implement a digital strategy that would allow us, *inter alia*, to reduce unplanned downtime, obtain real -time visibility into asset usage and extend equipment life span.

Research & Development ("R&D"), Technology and Innovation

Our Regeneration business benefits from a patented proprietary process for the productions of lubricant bases, which is now used by leading lubrication companies worldwide. Specifically, the Revivoil technology, developed in collaboration with the French company Axens, allows the highest control of product quality and environmental performance and enables the production of base oils with low sulfur and unsaturated content and a very low content of aromatic compounds.

In addition, we seek continuous technological improvement by leveraging upon several established partnerships with distinctive Italian universities, such as Politecnico di Milano and Università di Roma Sapienza. Our ongoing R&D projects include process and product research projects that cover a range of environmental-related initiatives aimed at reducing the environmental impact of our operations as well as other innovative solutions that are expected to expand our product portfolio and generate operational improvements.

Our primary ongoing R&D projects include:

- valorization of plastic waste;
- re-use of treated waste water in industrial processes, which will enhance the circularity of our oil regeneration processes;

- development of CO_2 capture technology aimed at reducing CO_2 emissions by approximately 85 thousand tons per year;
- production of recycled asphalt from bitumen and additives from other recycling streams (including cellulosic waste, rubber powder, waste catalysists), which will lower the cost of our waste production and enhance the value of bitumen products; and
- production of biolubrificants and biosolvents from used vegetable oil, which will expand our product portfolio, and production capacity increase of additional 30 thousand tons.

Sustainability, Environment, Social and Governance

Itelyum embraces and publicly supports its core values of integrity, diversity, efficiency, responsibility and innovation as a guide for its daily activities and transforms them into strategies, shared objectives and operational programs. In line with the highest standards of business integrity, we have the ambition to create value and fostering economic development supported by innovation, environmental protection and improved quality of life. Our business model is focused on the maximization of the use of recycled raw materials, the efficiency of our industrial processes and the valorization of the most sustainable destinations for our waste. Reaching these objectives requires constant involvement and transparent communication with local communities, stakeholders, institutions, non-governmental organizations and representatives of the public and private sectors.

All our companies apply principles of equality to all stakeholders, from employees, contractors, subcontractors, suppliers to customers, end users and all those involved in the sphere of influence of the industry in which we operate. We believe that each source of well-being and use of natural or financial resources shall not be neglected or wasted, but valorized. Our mission is to help saving natural resources and improving the quality of life though our sustainable processes, products and solutions for waste management and the optimization of markets we serve, sharing creation of value with our business partners, the society and the environment.

Our sustainability policy is inspired by the highest international standards (*i.e.*, the Universal Declaration of Human Rights, the United Nations Sustainable Development Goals (SDGs), the Conventions, Protocols and Recommendations of the Organization International Labor, the SA8000 standards, ISO 26000 and the Global Reporting Initiative). We also participate in the United Nations Global Compact, the world's largest strategic initiative on sustainability built on the effort to promote a global economy that respects human and labor rights, environmental protection and the fight against corruption. Furthermore, we support the Sustainable Development Goals issued by the United Nations in 2015, which inspire the actions of governments, civil society, stakeholders and individuals. Our sustainability policy applies to all group activities, business partnerships, acquired companies, and in all activities involving our stakeholders. In order to ensure its effectiveness, this policy is subject to periodic review and update. Our sustainability policy is built around the following four "guiding principles":

- Health and Safety
- Environment and Resources
- Rights and Society
- Quality and Responsibility

Health and Safety

We believe that safety, protection and promotion of health and well-being of individuals are fundamental values to be integrated in all our activities. This principle extends to employees, companies, suppliers, visitors, local communities and any other stakeholder included in its sphere of influence. We are committed to taking concrete measures to eliminate accidents, injuries and illnesses caused by work activities, reducing risks in all its activities. We also aim to achieve the highest levels of collective and individual awareness, encouraging a process of continuous improvement through the adoption of effective management systems and visible leadership.

All employees are properly trained and equipped to perform their job in fully safe and healthy conditions. Our key Health and Safety policy pillars include the following:

- ensuring that all facilities and equipment are designed, built, used and maintained in order to minimize health and safety risks, adopting the best available techniques in new installations or in case of revamping or replacement of existing ones;

- adopting operational standards of excellence for the main activities and provides the operational tools to ensure their full application in all sites;
- performing regular checks at the workplace and adequate health surveillance to monitor workers exposure and prevent any risk that may compromise their health and safety;
- adopting management systems subject to regular audit activities and periodic updates;
- promoting transparent and effective information, using the most appropriate tools for both reporting and analysis of incidental events, and timely sharing of best practices and improvement actions;
- ensuring that all employees participate regularly in training courses and develop a personal sensitivity towards the culture of health and safety, adopting responsible behaviors at work and promoting its application as lifestyle.

The health and safety objective extends to local communities, especially in the four sites of the group that according to the legislation are classified at "major-accident hazard" due to the volume of storage of flammable or potentially toxic substances for human health or for the environment. In these sites, dedicated protocols and measures are adopted, also involving local communities, with a real integrated management system aimed at risk prevention, according to the best practice of the sector.

Supported by strong health and safety policies, no fatality was recorded over the past five years. Our last fatality was recorded in 2016 due to a third party involved in a road accident outside company premises. All serious accidents or situations that could potentially have generated more serious consequences from a health and safety perspective are discussed at the highest corporate level and our board of directors is updated monthly on the trend of safety indicators.

Environment and Resources

Our business model is based on circularity, maximizing the use of recycled raw materials. We are committed to prevent, minimize, mitigate and compensate the environmental footprint generated by our activities and we recognize the need for a pro-active transition to a circular and low-carbon economy, capable of mitigating the impact on society at the same time. For the year ended December 31, 2020, our recycling of used oils, solvents and chemical streams has created net environmental value, helping to avoid the emissions of almost 470 thousand tons of CO_2; the release of over one thousand tons of air pollutants; the withdrawal of approximately14 million cubic meters of water. The following table sets forth the material balance of waste material and circularity of our processes by business unit for the year ended December 2018, 2019 and 2020:

Material balance (t) / Regeneration	**2018**	**2019**	**2020**
Input: raw materials and waste	171,133	181,001	148,336
Raw materials	—	—	—
Used oils (hazardous waste)	171,133	181,001	148,336
Output: products	147,829	156,734	126,802
Remanufactured lubricating bases	111,009	118,582	98,941
Diesel	12,889	12,906	10,665
Bitumen	23,931	25,246	17,197
Output: purified water	14,564	14,047	14,125
Output: waste for recovery (at third parties)	2,439	2,241	1,856
Circularity (%)	**96%**	**96%**	**96%**

Material balance (t) / Purification	**2018**	**2019**	**2020**
Input: raw materials and waste	127,875	123,152	124,661
Raw materials	38,056	35,654	36,619
Waste containing solvents (hazardous waste)	89,819	87,498	88,042
Output: products	111,706	107,842	104,300
Solvents and other recycled products	77,671	73,948	72,830
Pure solvents	33,908	33,719	31,222
Other products	127	175	248
Output: purified water (at third parties)	11,320	11,011	11,501
Output: waste for recovery (at third parties)	132	823	5,101
Circularity (%)	**96%**	**97%**	**97%**

Material balance (t) / Ambiente	2018	2019	2020
Waste managed	448,872	445,268	643,977
Non-hazardous	250,291	205,570	344,606
Hazardous	198,581	239,698	299,371
Destination and circular treatment	383,162	418,411	574,184
Recovery	221,740	269,689	377,680
Water treatment	60,907	47,073	111,164
Oil emulsion treatment	100,515	101,649	85,341
Circularity (%)	**85%**	**94%**	**89%**

Our activities are energy intensive. Our oil regeneration plants in Pieve Fissiraga and Ceccano and the Landriano solvent purification plant consume both thermal and electrical energy. In all three plants, electricity demand is largely supported by high-efficiency cogeneration. In our Environment business unit, we primarily use electricity purchased from the grid and fuel for our fleet. In order to partially offset our energy consumption, we own and operate three photovoltaic fields, for a total installed power of over 800 kW, which self-produce and inject electricity into the grid.

Our plants in Pieve Fissiraga, Ceccano and Landriano fall within the scope of the European Emission Trading System, partly benefiting from free CO_2 allocations, and are therefore subjected to specific environmental accounting rules and third-party verification. The combination of optimization initiatives implemented in the most energy intensive sites ensure specific consumption and carbon intensity in line with the best practices of the sector. In addition, fleets of managed vehicles generate emissions in proportion to the mileage and the type of fleet in circulation. Our most significant emissions are subject to periodic measurement campaigns and, in some cases, are covered by continuous monitoring systems of the main emission parameters. In addition, the production of lube bases and solvents by recycling industrial wastes permits to avoid significant quantities of CO_2 when compared to production processes from virgin resources.

At our operating sites, we use water resources to meet our supply needs for drinking and civil use (*e.g.*, canteens) or for industrial use. Our industrial cycle is managed in a closed circuit as much as possible. In all sites, discharges of industrial or meteoric waters, both in surface water streams or sewages, are equipped with modern treatment systems that guarantee the full environmental quality of wastewater. In four of our sites, hydraulic barrier systems are active, aimed at reducing pre-existing contamination of soils and aquifers.

We have adopted practical solutions, in collaboration with institutions and other responsible players in the interconnected industrial and consumptions cycles, promoting the valorization of alternative resources, the design of sustainable products and the dissemination of eco-efficient technologies and management methods. Our key Environment and Resources policy pillars include the following:

- ensuring that all facilities and equipment are designed, built, used and maintained in order to reduce environmental risks, adopting the best available techniques in new plants or in case of revamping or replacement of existing installations.
- promoting responsible use of natural resources over the entire life cycle;
- protecting the quality of waters and soils, safeguarding the collective usability and protecting biodiversity and ensuring environmental management of any historical contamination of dismissed sites and plants according to best practices;
- maximizing the valorization in direct or indirect waste management and prioritizing the recycling, material recovery, energy recovery and eventually adopting forms of responsible disposal, fostering environmental and social safety;
- proactively addressing the challenges of climate change; and
- implementing internal standards for the assessment and monitoring of environmental performance in order to establish and verify improvement objectives.

Rights and Society

We strongly support human rights and establish relationships with all our stakeholders. We are committed to ensure that no human rights abuse is committed in the supply chain and in trade relations with all the countries with which we operate. Our group companies aim to establish and maintain relations with suppliers based on partnerships, shared commitments and a transparent exchange of information and experience. The internal processes for managing purchases of goods and services is aimed at ensuring compliance with internal rules, including those concerning health and safety, and the dissemination of best practices. Suppliers and contractors are required to respect human rights, guarantee acceptable working conditions, freedom of association, and mitigation of environmental impacts and the rejection of any form of corruption and crime. Compliance by our suppliers is subsequently assessed through questionnaires and verified by audit activities.

We also strive to build and maintain strong relationships with local communities by understanding their needs and promoting sustainable local projects. We regularly involve local and national authorities and institutions through individual or collective dialogues during the authorization phases or other institutional procedures or through voluntary multi-stakeholder and partnership initiatives. This also includes active participation in local trade associations, encouraging common initiatives and the dissemination of responsible business practices. Starting from educational "open days" in our regeneration plants in Pieve Fissiraga and Ceccano and the Landriano solvent purification plant, we intend to continue promoting the continuous contact with local communities and all stakeholders in the territory and organizing cultural and educational initiatives.

We are also members of various national and international groups and organizations at the forefront of sustainability efforts. Among the most significant memberships, we actively participate in CONOU, Federchimica, UNEM (*Unione Energie per la Mobilità*), ESRG (European Solvent Recycler Group) and GEIR (European association of regenerators of used mineral oils), of which it holds the presidency from 2020.

Our key Rights and Society policy pillars include the following:

- guaranteeing equality of opportunity and treatment without distinction of sex, age, ethnicity, nationality, social conditions and origins, religion, sexual or political orientation;
- promoting health protection programs and initiatives towards communities affected by natural and health disasters; and
- supporting school education and sharing culture of sustainability particularly neighboring our production facilities.

Quality and Responsibility

We seek to continually improve the quality of our products, processes and services. To this end, we adopt a systematic approach aimed at meeting increasingly challenging quality requirements, creating value along the life cycle of products and improving relations with customers and suppliers. Our sustainability efforts deeply permeate our governance systems. Our sustainability indicators are discussed in periodic meetings with our shareholders and in the boards of directors of our group companies, with dedicated training sessions to maintain skills aligned with the international sustainability agenda. With the aim of further strengthening this approach, a Sustainability Steering Committee ("**SSC**") was introduced in 2020 to serve as cornerstone of sustainability management within the Itelyum Group, being tasked with reviewing and updating our sustainability strategies, verifying the state of implementation of our initiatives and deploying operational mandates to our group companies. The SSC is chaired by an independent and highly reputable advisor and comprises the members of the board of directors and the Chief Sustainability Officer.

Our key Quality and Responsibility policy pillars include the following:

- adoption of methods of monitoring and control of production cycles and service activities based on appropriate instruments, metrics and procedures, performed by qualified technicians;
- promoting and adopting management systems according to internationally recognized reference schemes and subject to regular audit activities and periodic updates;
- ensuring compliance with all standards, technical norms, applicable codes of practice, market requirements and customer requests;
- committing to obtain and maintain the trust of suppliers and customers, guaranteeing the quality of products, processes and services, and fair economic conditions; and
- communicating responsibly to customers, dealers, final users and interested parties all information on technical and environmental performance and any potential health and safety defects of our materials and products.

Compliance with Applicable Regulations

Our operations are subject to increasingly stringent governmental regulations that impose various conditions and limitations on the treatment, acceptance, identification, storage, handling, transportation and treatment of industrial hazardous solid and liquid waste materials and by-products, air emissions and soil contamination, among others. See "*Regulation*." We believe that we are currently in material compliance with applicable laws and regulations governing the protection of human health and the environment, including all laws and regulations concerning employee health and safety. We believe the following regulations are particularly relevant to our business.

EHS Matters

We are committed to integrating EHS protection into our business operations. In addition to complying with applicable laws and other voluntary obligations, we strive to continuously improve our environmental performance and management systems. Our environmental management system is equipped with established standards and processes and is built around the principles of ISO 45001 and ISO 14001. All of our waste management facilities except for our purification plant in Landriano hold ISO 14001 certifications of compliance with advanced environmental standards. We expect to obtain an ISO 14001 certification of compliance for our purification plant in Landriano by the end of 2021.

Italian Legislative Decree No. 231/2001

We have taken and will continue to take action to ensure the constant and complete implementation of the best practices for compliance with Legislative Decree No. 231/2001. We have adopted a "Code of Ethics" extended to all companies controlled by the Itelyum Group, which includes provisions addressing compliance with anti-corruption and anti-bribery laws and regulations and best practices. The core values set out in our Code of Ethics include integrity, diversity, efficiency, responsibility and innovation. In addition, certain of our subsidiaries have adopted a 231/2001 Management and Organizational Model (*Modello di Organizzazione e Gestione*) aimed, *inter alia*, at preventing the possibility to commit specifically identified offences in the interest or for the benefit of the Itelyum Group. These companies have appointed an independent supervisory body, with the scope to supervise the functioning and the adherence to the 231/2001 Management and Organizational Model and the related internal procedures. See also "*Risk Factors—Risks Related to Our Business—We may incur liabilities for the actions of our directors, employees, agents, representatives and intermediaries.*"

Data Protection

We process personal data as part of our business. We have adopted internal procedures and structured our operations to comply with the requirements imposed by Regulation (EU) 2016/679 ("**General Data Protection Regulation**" or "**GDPR**"). We have taken and will continue to take action to ensure the constant implementation of the best practices for compliance with the applicable data protection laws and regulation. See also "*Risk Factors—Risks Related to Our Business—More stringent regulations in the area of data privacy could adversely affect our business, financial condition, results of operations and prospects*" and "*Risk Factors—Risks Related to Our Business—We are subject to risks associated with security breaches of or damage to our IT systems.*"

Legal and Other Proceedings

We are, and may continue to be from time to time, party to legal disputes, administrative and criminal proceedings or audits within the scope of our business activities. Although the outcome with respect to such legal disputes, administrative proceedings or audits cannot be predicted with certainty, we do not believe that the ultimate resolution of these matters, or any current or potential future matters of which we are currently aware, will have a material adverse effect on our business, financial condition or results of operations. We note, however, that the outcome of legal proceedings can be difficult to predict and we offer no assurance in this regard. See also "*Risk Factors—Risks Related to Our Business—Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects*."

We have briefly summarized below two of these proceedings, which relate to health and safety related matters.

In particular, two criminal proceedings for, among other things, alleged culpable injuries pursuant to the applicable Italian Criminal and health and safety law provisions, are currently pending against the former technical director (*direttore tecnico*) and sole director of Castiglia and a manager of Itelyum Regeneration. These two proceedings relate to different accidents which resulted in serious personal injuries for one of our employees (in respect of the proceeding against the manager of Castiglia) and for one employee of a third-party company providing on-site services for us (in respect of the proceeding against the manager of Itelyum Regeneration). These accidents were allegedly associated with the violation of applicable Italian workplace health and safety regulations. No final and binding (*i.e.*, non-appealable) decision has been issued as of the date of this Offering Memorandum in relation to these proceedings.

The proceeding against the manager of Castiglia is pending against such individual in his role as former legal representative of Castiglia and it was initiated by the relevant prosecutors as a result of an accident relating to an employee of Castiglia, who suffered in 2017 serious personal injuries at the premises of certain customers of Castiglia. Moreover, in June 2021, the abovementioned former legal representative of Castiglia was sentenced to one and a half months of imprisonment after a final and binding (*i.e.*, non-appealable) ruling issued against him in his position as former legal representative of Castiglia by the Italian Supreme Court (*corte di cassazione*) for, among other things, culpable injuries in relation to another accident occurred in 2014 to another employee of Castiglia, who suffered serious personal injuries during operations carried out at Castiglia premises. Said former legal representative of Castiglia is currently a manager of Castiglia but no longer has delegation of powers, nor does he operate as a technical director (*direttore tecnico*) of Castiglia.

The proceeding against the manager of Itelyum Regeneration was initiated against such individual in his role as supervisor of health and safety standards compliance for Itelyum Regeneration, and relates to an accident which occurred in 2018 at a site managed by Viscolube S.r.l. (now Itelyum Regeneration). In particular, an employee of a third-party company providing on-site services to Itelyum Regeneration was severely injured during certain oil discharge operations.

In terms of potential consequences for the Group, while neither Castiglia nor Itelyum Regeneration is itself party to any criminal proceeding in relation to these accidents as of the date of this Offering Memorandum, these alleged violations may potentially lead to an assertion of criminal liability for Castiglia or Itelyum Regeneration, as applicable, under Legislative Decree No. 231/2001. If Castiglia or Itelyum Regeneration were to be involved in a proceeding under Legislative Decree No. 231/2001, a potential conviction of either company could result in, among other things, sanctions and penalties, civil and administrative fines, operational bans (including on a precautionary basis) being imposed on it. Moreover, according to general principles of Italian administrative law, the alleged health and safety violations and associated proceedings, besides needing to be mandatorily disclosed to the relevant public tendering authorities in the context of the public tender procedures to which Castiglia and Itelyum Regeneration take part pursuant to applicable Italian regulations, could also, irrespective of any potential liability under Legislative Decree No. 231/2001, result in the disqualification of Castiglia or Itelyum Regeneration, as applicable, from future or ongoing tender processes for the awarding of contracts with public entities (both upon a discretional assessment by the competent public contracting authority or upon a decision by an administrative court following a claim by competitors of Castiglia or Itelyum Regeneration, as applicable, on a case by case basis, and as a general and automatic effect), in particular in the event of a final and binding conviction (*i.e.* non-appealable) of the manager of Castiglia or Itelyum Regeneration, as applicable. In addition, as well as the one that occurred in 2014 mentioned above in relation to which a final and binding conviction verdict was issued in June 2021 against the former technical and sole director of Castiglia, these alleged violations could potentially trigger the termination of certain ongoing contracts to which Castiglia or Itelyum Regeneration, as applicable, is party with public entities, as well as the enforcement of any bid or performance bond provided by Castiglia or Itelyum Regeneration to the relevant public contracting entities, where applicable. See also "*Risk Factors—Risks Related to Our Business—Potential liabilities, costs and reputational impacts from litigation and other proceedings could adversely affect our business, financial condition, results of operations and prospects*."

Although our potential ultimate legal and financial liabilities with respect to such proceedings cannot be estimated with certainty, based on information available as of the date of this Offering Memorandum and taking into account, among others, the following elements, we do not believe that the outcome of these legal proceedings, individually or in aggregate, will have a material adverse effect on our business, financial position or results of operations: (i) while health and safety legislation provisions could potentially trigger administrative liability for us under Legislative Decree No. 231/2001, as of the date of this Offering Memorandum, none of these criminal proceedings against individuals is accompanied by a proceeding against us under Legislative Decree No. 231/2001; (ii) certain remediation actions to strengthen health and safety standards and related compliance procedures have already been implemented by each of Castiglia and Itelyum Regeneration following the accidents at issue and, in this respect, the applicable case law and statutory laws provide that any such internal measures aimed at minimizing the possibility of further health and safety violations may be taken into account by the competent courts and authorities, thereby avoiding or mitigating potential sanctions, including any applicable operational ban or exclusion (so called "**Self-Cleaning Measures**"); (iii) as of the date of this Offering Memorandum, neither Castiglia nor Itelyum Regeneration has suffered any material negative consequences (including from a legal, business and reputational standpoint) as a result of the abovementioned accidents and the related proceedings; (iv) Itelyum Regeneration does not have any material contracts with public contracting authority following a public tender process, therefore potential disqualification or contract termination risks appear to be remote and/or not applicable; and (v) as far as the proceeding against the manager of Castiglia is concerned, we have obtained indemnification protections in the contractual documentation relating to the acquisition of such business in July 2021.

Insurance

We continually monitor the risks associated with our activities and regularly verify and adjust our insurance coverage accordingly. We have put in place, among others, the following insurance policies:

- public, products and professional liability insurance covering liabilities resulting from but not limited to professional misconduct, hidden errors, defects, omissions and negligence;
- environmental liability insurance covering liabilities arising due to pollution that occurs in connection with our activities;
- civil responsibility and group accident insurance for certain employees covering insurance for accidents that can occur in connection with the work conducted by our employees, including in relation to the operation of our fleet of vehicles; and
- property damage and business interruption insurance covering material damages and financial consequential losses.

We believe that we have insurance coverage against most material risks that are typically insured by similar companies with comparable risk exposure.

REGULATION

This section sets forth a brief description of the more significant aspects of the regulations governing waste collection, sorting, transportation, treatment and disposal, which have a significant effect on the business of the Itelyum Group. While the following summary description contains the primary information concerning such regulations that are considered material by us, it is not an exhaustive account of all applicable laws and regulations. References and discussions to treaties, laws, regulations and other administrative and regulatory documents are entirely qualified by the full text of such treaties, laws, regulations and other administrative and regulatory documents themselves. See "Risk factors—Risks Related to Our Business—Our operations are subject to an increasingly demanding level of governmental regulations, especially in regards to the environment."

European Union Framework

The Waste Framework Directive

The EU legislation relating to the protection of the environment, which is based on the key principle "polluter pays," is constantly evolving. Amongst the regulations set forth by EU institutions under an environmental standpoint, waste management legislation is of paramount importance.

The waste management regulatory framework is currently governed by the directive 2008/98/EC (the "**Waste Framework Directive**") which limits the production of waste, promotes reuse and recycling and ensures that waste is adequately treated. The Waste Framework Directive has been lastly modified by EU directive 2018/851.

The Waste Framework Directive was adopted on November 19, 2008, and entered into force on December 12, 2010, replacing the previous directive 2006/12/EC on waste and directives 75/439/EEC and 91/689/EEC on waste oils and hazardous waste, respectively. The Waste Framework Directive sets forth the basic waste management requirements for EU member States and establishes a hierarchy in the waste treatment, from disposal prevention, through preparing for-reuse, recycling and recovery up to disposal (as last resort).

In addition to the Waste Framework Directive, there are specific regulations relating to peculiar waste deriving, for instance, from batteries and accumulators, electric and electronic devices, end-of-life vehicles and products' packaging. Furthermore, with the aim to reduce the use of single-use plastics, the EU directive 2019/904 has been introduced.

In July 2014, the European Commission has published the so-called "waste package," aimed at amending several EU directives (*i.e.*, four directives, all amended on May 30, 2018) and at introducing new waste targets, with the focus on resource efficiency and circular economy.

The main elements of the "waste package" include, *inter alia*, at national levels: (i) the recycling and preparing for reuse of municipal waste to be increased to 60% by 2030; (ii) the recycling and preparing for reuse of packaging waste to be increased to 70% by the end of 2030. Such global 70% target shall include material-specific targets (*i.e.*, to reach 85% for paper and 55% for plastic, 80% for ferrous metals; 60% for aluminum and 75% for glass by the end of 2030 and other targets by the end of 2025); (iii) phasing out landfilling by 2035 for recyclable (including plastic, paper, metals, glass and bio-waste) waste in non-hazardous waste landfills, corresponding to a maximum landfilling rate of 25% or (iv) measures aimed at reducing food waste generation by 50% by 2030.

EU member States are required to implement legislative measures in order to reinforce the waste treatment hierarchy, by regulating, *inter alia*, the principles of:

- waste management responsibility (*i.e.*, waste producers are responsible for the disposal or treatment of their own waste or for using a waste services provider authorized by the competent authorities to treat their waste);
- extended producer's responsibility (*e.g.*, producers recover products, collect waste arising from selected products or accept returned products). The extended producer's responsibility is mandatory for end-of-life vehicles, batteries and electronic/electric waste and it will be mandatory for waste deriving from packaging in 2025;
- "polluter pays" (*i.e.*, the costs of disposing of waste must be borne by the waste holder, by previous holders or by the producers of the products originating the waste);

- self-sufficiency (*i.e.*, EU member states shall create an adequate network of waste disposal installations and recovery installations);
- proximity (*i.e.*, waste disposed/recovered in the nearest appropriate installations);
- prevention promotion (*i.e.*, EU member states shall promote the prevention of waste production through the development of clean technologies as well as the reuse and recycling of materials).

Definition of waste

According to the Waste Framework Directive, waste is defined as "*any substance or object, which the holder discards, or intends or is requested to discard.*" The Waste Framework Directive also clarifies the distinction between waste and non-waste and introduces the process for how waste can become non-waste. Decision 2000/532/EC and Annex III of the Waste Framework Directive establish the classifications of waste, including the distinction between hazardous and non-hazardous waste.

Batteries and accumulators - the Batteries Directive

The EU legislation on waste batteries is embodied in the directive 2006/66/EC (the "**Batteries Directive**"), as subsequently amended, which intends to contribute to the protection, preservation and improvement of the quality of the environment by minimizing the impact of batteries and accumulators and waste batteries and accumulators. It also seeks to strengthen the environmental performance of the operators involved in the life-cycle of batteries and accumulators.

On December 10, 2020, the EU Commission proposed a new batteries regulation, aiming at ensuring that batteries placed in the EU market are sustainable and safe throughout their entire life cycle.

End-of-life vehicles - the ELV Directive

The directive 2000/53/EC (the "**ELV Directive**"), as subsequently amended, sets out measures to prevent and limit waste from end-of-life vehicles and their components, with the aim to ensure their reuse, recycling and recovery as well as the improvement of the environmental performance of the relevant economic operators.

According to the ELV Directive, manufacturers must design and produce products which can be dismantled, reused and recovered while importers and distributors must provide systems to collect ELVs and owners of ELVs delivered for waste treatment must receive a certificate of destruction.

Packaging and packaging waste - the Packaging Directive

The packaging and packaging waste, at EU level, is governed by directive 94/62/EC (the "**Packaging Directive**"), as subsequently amended, which aims at harmonizing national measures relating to the management of packaging and relevant waste and at reducing the relevant impact on the environment by promoting the prevention of the production of packaging waste and, in any case, the reuse, recycling or recovery thereof.

As above outlined, by end of 2025, EU countries should ensure that producer responsibility schemes are established for all packaging.

Waste from electrical and electronic equipment - WEEE Directive

The EU regulation on waste from electrical and electronic equipment aims to contribute to sustainable production and consumption. It addresses environmental and other issues caused by the growing number of discarded electronics in the EU.

This type of waste contains a complex mixture of materials, some of which are hazardous and can therefore cause environmental and health problems if the discarded devices are not properly managed. Accordingly, the directive 2012/19/EU (the "**WEEE Directive**"), as subsequently amended, aims at preventing the creation of WEEE and contributing to the efficient use of resources and retrieving secondary raw materials through reuse. To do so, the WEEE Directive requires the separate collection and proper treatment of WEEE and makes harder for exporters to disguise their illegal shipments.

Restriction of hazardous substances in electrical and electronic equipment - the RoHS Directive

Electric and electronic equipment contain hazardous substances which may result, in case of use, collection, treatment or disposal of waste deriving from electrical and/or electronical devices, in major environmental and health issues.

To address the risk of environmental/health problems, the EU directive 2011/65/EU (the "**RoHS Directive**"), as subsequently amended, restricts the use of certain hazardous substances in electrical and electronical devices and provides for safer alternatives. Furthermore, it also promotes the recyclability of electric and electronic equipment and relevant components that have become waste, given that they contain fewer amounts of hazardous substances.

REACH Regulation

The EU legislation governing the treatment and use of chemical substances consists of the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation 1907/2006/EC (the "**REACH Regulation**").

The REACH Regulation has been adopted with the aim to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. To comply with the regulation, companies - which produce, import or somehow use chemicals - must identify and manage the risks linked to the substances they manufacture and market in the EU; they have to demonstrate to the competent EU authority (*i.e.*, the European Chemicals Agency) how the substance can be safely used, and must communicate the risk management measures to the users.

REACH establishes procedures for collecting and assessing information on the properties and hazards of substances and it requires companies to register their substances. See "*Risk Factors—Risks Related to Our Business—Maintaining compliance with the chemical safety regulations applicable to both our products and raw materials could adversely affect our business.*"

EU ETS System

In order to face the production of greenhouse gas emissions, the European Union has established the "Emission Trading System" (the "**EU ETS System**"), which aims at providing an efficient mechanism to reduce emissions.

The EU ETS System is governed by the directive 2003/87/EC, as subsequently amended, which provides for a "cap and trade" system. Within the cap, installations which produce greenhouse gases buy or receive emissions allowances, which they can trade with one another, as needed. Since the total number of allowances available is limited, they have a value.

Companies operating within certain sectors (*e.g.*, electricity and heat generation; commercial aviation) or using certain gases (*e.g.*, Carbon dioxide; nitrous oxide) have the obligation to participate in the EU ETS System. However, companies operating in other sectors may participate in the EU ETS, under certain conditions.

Major accident hazards - the Seveso Directive

The directive 2012/18/EU, as subsequently amended (the "**Seveso Directive**") has been enacted with the aim to prevent major accidents at premises where hazardous substances are present in quantities exceeding certain thresholds and to limit the consequences of accidents which may anyway occur.

Depending on the amount of hazardous substances present at the premises, the latter may be subject to highly strict requirements.

Operators of facilities where hazardous substances are present, are subject to several obligations, relating to the adoption of all the necessary measures to limit possible dangerous consequences for human health (*e.g.*, notification of all concerned facilities; production of safety reports and implementation of major accidents prevention policies).

Failure to comply with the provisions set forth by the above-represented EU regulatory framework, as implemented by national legislation, may entail the application of monetary sanctions (up to € 150.0 thousand).

Italian Environmental Regulatory Framework

The Italian legal framework governing the Itelyum Group's business is mainly set forth by Legislative Decree no. 152 of April 3, 2006 (the "**Environmental Code**") which governs, *inter alia*, the management of waste in general and the granting of the permits for the opening and management of treatment plants.

The Environmental Code

(i) Waste - regulatory framework

In compliance with the principles set forth by the Waste Framework Directive, the Environmental Code promotes the prevention of production of waste and defines the waste as "any substance or object that the holder discards or intends or is required to discard" (reference is made to article 183, para. 1, let. a) of the Environmental Code).

Waste is classified, according to its origin, into municipal waste and special waste and, according to its characteristics, into hazardous and non-hazardous waste. Additionally, following the latest amendments (reference is made to Legislative Decree no. 116 of September 3, 2020) to the Environmental Code, waste can be classified as "deriving from construction works," food waste and organic waste. The legislation applicable to the waste depends on said classifications.

Depending on the type of waste and on the activity carried out in connection with the waste, the Environmental Code requires the producers or holders of waste to carry out the treatment of waste themselves or to have the treatment and/or the collection and transportation handled by an authorized third party or arranged by a public collector under a special agreement.

The waste produced is traced through an integrated system which provides for a national register where information about the waste management - by means of registers relating to the operations of waste loading and unloading and waste forms reporting the whole transportation of waste - is reported.

See "*Risk Factors—Risks Related to Our Business—We may fail to obtain, renew, or comply with the terms of the licenses, authorizations and permits required for our operations, and development or operation of our waste management facilities may be slowed or interrupted due to administrative law and rules and conditions imposed by local governments.*"

(ii) Waste treatment - operating permits

The implementation and management of plants for disposal or recovery of waste, including hazardous waste, is subject to the obtainment of a single operating permit (*Autorizzazione unica per i nuovi impianti di smaltimento e di recupero dei rifiuti*), issued by the competent authority, where all the obligations and characteristics of the plants are listed. The single operating permit, for plants having certain characteristics requested by the Environmental Code, may be substituted by the integrated environmental authorization (*Autorizzazione Integrata Ambientale*).

Furthermore, in order to carry out the activities of collection, transportation and/or sale of waste, the enrolment with the national register of waste managers (*Albo nazionale gestori ambientali*) is mandatory.

Pursuant to national legislation - implementing the WEEE, ELV and Batteries Directives - applicable to waste from electrical and electronical equipment, end-of-life vehicles, batteries and accumulators, the treatment of such special waste is subject to obtainment of the above-mentioned single permit.

(iii) Waste non-compliance – sanctions

Failure to comply with the legislation applicable to waste, both in relation to the treatment operations (*e.g.*, collection, transportation, recovery and/or disposal) and in relation to the obligations to obtain the relevant authorizations or to be enrolled with the specific registers/*consortia*, may entail the application of administrative and/or criminal monetary sanctions (up to €45.0 thousand) or, in the worst-case scenario, other criminal sanctions (imprisonment up to eight years).

(iv) Contamination events

The detection of potential polluting substances in environmental matrixes (*i.e.*, soil and/or groundwater) entails that the polluter adopts, in the following 24 hours, the necessary prevention measures and communicates the detected potential contamination to the competent authorities. The person responsible of the contamination, once adopted the first prevention measures, has to carry out preliminary investigations on the polluting events and, should the contamination thresholds provided for by applicable legislation be exceeded, has to start an administrative procedure in front of the competent authorities which may consist of a remediation procedure (or alternative measures ordered by the environmental authorities). Should the contamination be caused by hazardous waste, criminal monetary sanctions (up to €52.0 thousand) or, in the worst-case scenario, other criminal sanctions (imprisonment up to two years) would apply.

(v) National Consortium for the management, collection and treatment of Used Oils

In order to organize the management of used oils, which must be mandatorily regenerated, the companies which produce oils (also following regeneration), collect and recover used oils or substitute and sell lubricants, must enroll with the "National Consortium for the management, collection and treatment of Used Oils" (*Consorzio nazionale per la gestione, raccolta e trattamento degli oli minerali usati*, the "**CONOU**").

The CONOU aims - *inter alia* - at promoting public awareness of collection issues, ensuring and encourage collection of used oils, directly carrying out collection of used oils from holders who request it, transferring the used oils collected. The functions of the CONOU may be directly carried out by third parties operating in certain sectors, specifically entitled, by virtue of a power of attorney granted by the CONOU, to do so.

The participation to the consortium entails the compliance with all the obligations deriving from the CONOU's regulation, including payment obligations in connection with the membership in the CONOU itself. Nonetheless, the consortium has established an incentive mechanism, according to which CONOU's members operating in the regeneration industry are granted a regeneration treatment fee for the regeneration of waste oils.

(vi) National consortium for the collection and treatment of spent lead batteries and lead waste

The national consortium for the collection and treatment of spent lead batteries and lead waste (*Consorzio Nazionale per la raccolta dei rifiuti di pile e batterie*, the "**COBAT**") is a collection and treatment system for spent lead batteries and lead waste.

COBAT grants an efficient service or the collection, storage and start-up for recycling of any type of waste and offers companies a wide range of services that enhance and support their choice to be protagonists of the circular economy.

The participation to the consortium entails the compliance with all the obligations deriving from the COBAT's regulation, including payment obligations in connection with the membership in the COBAT itself.

Asbestos legislation

The removal and/or remediation of asbestos-containing materials ("**ACM**") is regulated, under an environmental standpoint, by law March 27, 1992, no. 257 (the "**Asbestos Law**") according to which owners and/or employers operating facilities where ACM have been detected have the obligation to remove, encapsulate or remediate said ACM, should their conditions be sufficiently friable to endanger human health. Pursuant to Italian laws and regulations, the presence of ACMs in a building does not result, *per se*, in a duty to carry out remediation activities. If ACMs have been detected on site, an asbestos inventory shall be conducted in order to map the ACMs and inspections and maintenance plans shall be prepared periodically, which may also include the removal of ACMs.

If, following the asbestos inventory, it results that ACMs are deteriorating or in poor condition with consequent risk for release of fibers, the owner of the property shall prevent further deterioration and promptly adopt certain remediation activities, *i.e.* either securing and encapsulating the ACMs present at the property, or removing them and providing for the disposal of such ACMs by specialized and authorized operators. Once such operators are appointed, a removal plan shall be submitted to the ATS at least 30 days before starting the remediation activities.

Failure to comply with applicable legislation may entail the application of administrative monetary sanctions (up to approximately €25 thousand) and, for the employers, of criminal sanctions (*i.e.*, imprisonment up to six months).

MANAGEMENT

The following is a summary of information relating to management of the Itelyum Group and certain provisions of the Issuer's, Itelyum Regeneration's and Itelyum Purification's bylaws (statuto) and Italian law regarding corporate governance. This summary is qualified in its entirety by reference to the Issuer's, Itelyum Regeneration's and Itelyum Purification's bylaws and/or Italian law, as the case may be, and does not purport to be complete.

The Issuer

The Issuer is a joint stock company (*società per azioni*) incorporated and existing under the laws of the Republic of Italy. The Issuer was formed as a limited liability company (*società a responsabilità limitata*) on July 12, 2019, and subsequently converted into a joint stock company (*società per azioni*) on September 1, 2021. The Issuer is registered with the Companies' register of Milan, Monza, Brianza and Lodi under registration number and fiscal code 08672310961. The registered office of the Issuer is at Via Alessandro Manzoni n. 38, Milan, Italy.

Board of Directors

The board of directors of the Issuer currently comprises three directors and is responsible for managing the Issuer in accordance with applicable laws, constitutional documents and resolutions of the shareholders' meeting. The principal functions of the board of directors are to carry out the business of the Issuer and to legally represent the Issuer in its dealings with third parties. The following table lists the current members of the Issuer's board of directors, together with their age and position within the board.

Name	Age	Position
Marco Codognola	54	Director
Enrico Biale	44	Director
Tom Alzin	41	Director

Summarized below is a brief description of the experience of the individuals who serve as members of the board of directors of the Issuer:

Marco Codognola. A graduate in Electrical Engineering, Mr. Codognola joined the Itelyum Group in 2012 as Director of Business Development. Mr. Codognola became Commercial Director in 2014, General Manager of the Environment business unit in 2016 and General Manager of the Regeneration business unit in 2018. He was then promoted to Group CEO in 2019. Mr. Codognola held numerous positions in business development (national and international) for companies such as Falk Renewables, IREN, Enelpower and Montedison in the last 20 years.

Enrico Biale. Mr. Biale was appointed on the board of Itelyum Regeneration and Itelyum Purification in 2016. Mr. Biale joined Stirling Square in 2010. Previously, he worked in the Investment Banking division of Goldman Sachs, where he focused on Mergers & Acquisitions and Leveraged Buyouts in the Healthcare and Consumer sectors. He began his career at Deloitte within their Assurance and Corporate Finance teams. Enrico holds a Master of Business Administration degree from Columbia Business School and a degree in Economics and Business from the University of Genoa.

Tom Alzin. Mr. Alzin was appointed to the board of the Issuer in September 2021. With over 15 years of experience in the private equity sector, he joined DBAG in 2014. A member of the Board of Management of DBAG, Mr. Alzin is primarily responsible for DBAG's investments and market development in Italy. He holds a degree in business administration from HEC Lausanne.

Itelyum Group

Itelyum Regeneration and Itelyum Purification are the two main operating companies of the Itelyum Group.

Itelyum Regeneration is a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy and registered with the Companies' Register of Milano Monza Brianza Lodi under registration number and fiscal code 00818740151. Itelyum Regeneration's registered office is located at Via Tavernelle 19, 26854, Pieve Fissiraga, Lodi, Italy and its telephone number is +39 0371 25031. As of the date of this Offering Memorandum, we expect that Itelyum Regeneration will be converted into a joint stock company (*società per azioni*) before the Completion Date.

Itelyum Purification is a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy and registered with the Companies' Register of Pavia under registration number and fiscal code 02445010180. Itelyum Purification's registered office is located at Via Stanislao Intini 2, 27015, Landriano, Pavia, Italy and its telephone number is +39 0382 6121. As of the date of this Offering Memorandum, we expect that Itelyum Purification will be converted into a joint stock company (*società per azioni*) before the Completion Date.

As of the date of this Offering Memorandum, Itelyum Regeneration's and Itelyum Purification's board of directors are composed of the same five members. Members of the board of directors are appointed by an ordinary shareholders' meeting for a term indicated in the appointment deed, expiring on the date of the shareholders' meeting called to approve the financial statements for the financial year of their term. The members of the board of directors of Itelyum Regeneration and Itelyum Purification were appointed in May 2020 and will remain in office until approval by the shareholders of Itelyum Regeneration's and Itelyum Purification's financial statements for the year ended December 31, 2022, respectively.

Board of Directors

The following table lists the current members of Itelyum Regeneration's and Itelyum Purification's boards of directors, together with their age, position and other roles they hold within the these companies.

Name	Age	Position
Antonio Lazzarinetti	63	Chairman
Marco Codognola	54	Managing Director
Stefano Alberto Bonfiglio	57	Director
Enrico Biale	44	Director
Matteo Nichil	34	Director

Summarized below is a brief description of the experience of the individuals who serve as members of the boards of directors of the Itelyum Regeneration and Itelyum Purification.

Antonio Lazzarinetti. A graduate in Economics, Mr. Lazzarinetti joined the Itelyum Group in June 2001 as CFO. In 2008, he was appointed CEO and has been a member of the Board of Directors of CONOU since 2010. He then transitioned to an Executive Chairman role in 2019. Previously, Mr. Lazzarinetti was Head of Administration, Finance and Control for a division of the Camuzzi Group operating in the collection, transport and treatment of urban waste and in the planning and development of water purification plants.

Marco Codognola. See "*—The Issuer—Board of Directors*" above.

Stefano Alberto Bonfiglio. Mr. Bonfiglio was appointed on the board of Itelyum Regeneration and Itelyum Purification in 2021. Mr. Bonfiglio is a co-founder of Stirling Square. Previously, he was a Partner with DLJ Merchant Banking ("**DLJMB**"), the Private Equity division of Donaldson, Lufkin & Jenrette, in New York and London. Before joining DLJMB, Stefano was at Bankers Trust in New York and Milan, where he worked in the Private Equity, Mergers & Acquisitions, and Acquisition & Structured Finance divisions. Stefano holds a Master of Business Administration degree from The Wharton School, a Masters of Arts degree in International Studies from the University of Pennsylvania, and a Bachelor of Science degree in International Economics from the Edmund A. Walsh School of Foreign Service at Georgetown University.

Enrico Biale. See "*—The Issuer—Board of Directors*" above.

Matteo Nichil. Mr. Nichil was appointed on the board of Itelyum Regeneration and Itelyum Purification in 2016. Mr. Nichil joined Stirling Square in 2013. Previously, he worked in the Investment Banking division of Bank of America Merrill Lynch, where he focused on Mergers & Acquisitions. Matteo holds a Master of Science degree in Mathematical Trading and Finance from Cass Business School and a Laurea in Economics and Finance from Università Bocconi in Milan.

Itelyum Group Senior Management

The following individuals are members of the senior management team of the Itelyum Group:

Name	Age	Position
Marco Codognola	54	Chief Executive Officer
Stefano Cavacini	50	Chief Financial Officer
Filippo Viale	42	Finance Director

Summarized below is a brief description of the experience of the members of the senior management team of the Itelyum Group:

Marco Codognola. See "*—The Issuer—Board of Directors*" above.

Stefano Cavacini. A graduate in Business Management and Economics, Mr. Cavacini joined the Itelyum Group as Chief Financial Officer in August 2021, having previously held the role of Group CFO at Saipem S.p.A., a major listed company in the oil & gas market. Mr. Cavacini has over twenty years of experience in finance management roles and, before joining Saipem S.p.A., held the role of CFO at several listed multinational companies and family owned businesses, in various industries, including Fiat Auto S.p.A (automotive), Indesit Company S.p.A (white goods) and Zambon S.p.A (pharma).

Filippo Viale. A graduate in Business Administration, Mr. Viale joined the Itelyum Group in 2014 as Finance Director, taking over certain responsibilities previously covered ad interim by Mr. Lazzarinetti. Previously, Mr. Viale worked as Finance Director in Bistefani and covered roles as Investment Manager in Private Equity.

Compensation

For the year ended December 31, 2020, the members of the board of directors of the entities comprising the Target Group received aggregate remuneration and other benefits, excluding bonuses, of €2.1 million.

Board of Statutory Auditors

Pursuant to applicable Italian law, each of Itelyum Regeneration and Itelyum Purification 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 the Boards of Statutory Auditors.

Members of our Boards of Statutory Auditors are appointed by our shareholders at an ordinary shareholders' meetings for a three-year term expiring on the date of the shareholders' meeting called to approve the financial statements for the third financial year of their term. The members of the Board of Statutory Auditors of Itelyum Regeneration were appointed in 2021 will remain in office until approval by the shareholders of the Itelyum Regeneration's financial statements for the year ended December 31, 2023. The members of the Board of Statutory Auditors of Itelyum Purification were appointed in 2020 will remain in office until approval by the shareholders of the Itelyum Regeneration's financial statements for the year ended December 31, 2022.

The following table sets forth the members of our Board of Statutory Auditors of Itelyum Regeneration and Itelyum Purification as of the date of this Offering Memorandum.

Name	Age	Position
Attilio Torracca	59	Chairman
Riccardo Ronchi	61	Statutory Auditor
Giovanna Crenna	50	Statutory Auditor
Federico Sala	46	Alternate Auditor
Ruggiero Delvecchio	57	Alternate Auditor

PRINCIPAL SHAREHOLDERS

The Issuer is a direct wholly-owned subsidiary of Holdco. The ultimate controlling party of the Issuer is Verde Holdings S.C.A., an entity whose controlling shareholder is Itelyum Co-investment LP, whose ultimate general partner is Bay Fox Verde GP Limited.

On the Completion Date, (i) the Issuer will become the direct owner of 100% of the entire issued and outstanding share capital of the Target, (ii) SSCP Fund IV and other SSCP co-investors will indirectly control the Target Group through Itelyum Co-investment LP, which will indirectly own 64% of the share capital of the Target and (iii) certain minority investors, comprised of DBAG and the Management Investors will indirectly own approximately 29% and 7%, respectively, of the share capital of the Target.

Itelyum Co-investment LP and DBAG Diamante Investment S.à r.l. have entered into an investment and shareholder agreement (the "**Shareholder Agreement**"), which will govern, *inter alia*:

- the management and administration of the affairs of the Itelyum Group;
- reserved matters which require the consent of certain shareholders, including changing the nature of the business of the Itelyum Group and making material acquisitions and/or disposals of assets;
- certain matters relating to potential exits and transfer restrictions in respect of shares held by each shareholder, including the provision of certain pre-emptive, tag-along and drag-along rights.

See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The interests of our principal shareholders may conflict with your interests as a holder of the Notes.*"

In addition, Itelyum Co-investment LP and the senior management team of the Itelyum Group (the "**Key Managers**") have entered into separate investment agreements (collectively, the "**Managers Investment Agreements**"), pursuant to which such Key Managers have agreed to invest in the Itelyum Group.

It is expected that, prior to the Completion Date, other members of the senior management of the Itelyum Group selected by Itelyum Co-investment LP (the "**Other Managers**" and, together with the Key Managers, collectively, the "**Management Investors**"), will invest in the Itelyum Group by entering into separate investment agreements with Itelyum Co-Investment LP (such agreements, together with the Managers Investment Agreements, collectively, the "**Management Agreements**").

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we may from time to time enter into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into from time to time within the ordinary course of business.

We believe that all transactions with affiliated companies are negotiated and conducted on a basis equivalent to those that would have been achievable on an arm's-length basis at market conditions. Our affiliate transactions for the years ended December 31, 2018, 2019 and 2020 primarily consisted of intercompany loans for *de minimis* amounts.

The Itelyum Group has not otherwise been party to any transactions with related companies that warrant disclosure.

Prior to the consummation of the Acquisition, our principal shareholders, including the Management Investors have entered (or will enter) into the Shareholder Agreement and the Management Agreements, as further described under *"Principal Shareholders."*

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. 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. We recommend you refer to the actual agreements for further details, copies of which are available upon request.

Revolving Credit Facility

In this section, the following words and expressions have the following meanings, unless the context otherwise requires or unless otherwise so defined.

"*Acquisition*" means the acquisition by the Issuer of the issued share capital of the Target (together with all rights attaching thereto or exercisable in respect thereof) on the terms of the acquisition documents.

"*Closing Date*" means the first date on which both:

(a) either:

(i) the proceeds of the Notes have been released from any escrow arrangements; and/or

(ii) the senior secured bridge facility has been drawn; and

(b) the Acquisition has completed in accordance with the terms of the acquisition documents.

"*Group*" means the Issuer and each of its restricted subsidiaries from time to time including on and from the Closing Date, the Target Group (unless any subsidiary of the Target Group is designated as an unrestricted subsidiary on or after the Closing Date).

"*Intercreditor Agreement*" means the intercreditor agreement to be entered into on or about the Issue Date between, *inter alios*, the Issuer, the Parent, the agent under the Revolving Credit Facility Agreement and the Security Agent, as further described under "*Description of certain financing arrangements—Intercreditor Agreement*."

"*Issuer*" means Verde Bidco S.p.A.

"*Italian Banking Law*" means the Italian Legislative Decree No. 385 of September 1, 1993, as subsequently amended and supplemented.

"*Merger Date*" means the date on which the potential merger between the Issuer, the Target, and Itelyum Regeneration S.r.l. on terms complying with Article 2501-bis (et seq.) of the Italian Civil Code and in accordance with the tax structure memorandum becomes effective pursuant to Article 2504-bis of the Italian Civil Code.

"*Notes*" means the Notes offered hereby.

"*Parent*" means Verde Midco S.r.l.

"*Target*" means SSCP Green Holdings S.C.A.

"*Target Group*" means SSCP Green Holdings S.C.A. and its subsidiaries.

"*Transaction*" means the Acquisition, refinancing or otherwise discharging of certain existing indebtedness of the Target Group and the other transactions contemplated by the transaction documents or directly or indirectly in connection with the Acquisition (in each case including the financing or refinancing thereof).

Overview and structure

The Revolving Credit Facility Agreement provides for a super senior revolving credit facility in a principal amount of 50.0 million (the "*Revolving Credit Facility*"), made available to the Issuer as original borrower.

The Revolving Credit Facility may be utilized by the Issuer (and certain restricted subsidiaries of the Issuer who accede as additional borrowers) in euro and U.S. dollars and any other currency approved by the lenders under the Revolving Credit Facility, by the drawing of cash advances, the issuance of letters of credit and by way of ancillary facilities (on a bilateral and fronted basis). Subject to certain exceptions and conditions, amounts under the Revolving Credit Facility that have been repaid or prepaid may be re-borrowed. The Revolving Credit Facility may be used towards financing or refinancing, directly or indirectly (a) all amounts payable in connection with the Acquisition other than any payment of the purchase price made on the Closing Date, (b) the refinancing, discharge and/or acquisition of existing indebtedness of the Target Group and paying any breakage costs, redemption premium, make-whole costs and other fees, costs and expenses payable in connection with such refinancing and/or acquisition, (c) any other purpose or payment contemplated by the tax structure memorandum, the funds flow statement or the transaction documents, (d) other related amounts, including fees, costs, expenses, liabilities, taxes (including stamp duty) and other amounts, including those incurred in connection with the Transaction, the tax structure memorandum and/or the transaction documents and (e) the general corporate and/or working capital purposes of the Group (including the Target Group from the Closing Date) and any related fees, costs, expenses, liabilities, taxes (including stamp duty) and other amounts.

The Revolving Credit Facility may be utilized from the date of the Revolving Credit Facility Agreement until the date which is one month prior to the maturity date applicable to the Revolving Credit Facility.

In addition, the Issuer may elect to request additional facilities either as a new additional or existing commitment or facility or as an additional tranche or class of, or an increase of, or an extension of an existing facility under the Revolving Credit Facility Agreement (the "*Additional Facility Commitments*") provided that the aggregate principal amount of total commitments under the Revolving Credit Facility Agreement (including the Additional Facility Commitments) does not exceed the amount permitted to be incurred under clause (1) of the covenant described under "*Description of Notes—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*" below. The Issuer and the lenders may agree to certain terms in relation to the Additional Facility Commitments, including the margin, the termination date and the availability period (each subject to parameters as set out in the Revolving Credit Facility Agreement). There are certain limitations on the ability to incur Additional Facility Commitments.

Maturity and repayment requirements

The Revolving Credit Facility matures on the date falling 54 months after the Closing Date.

Each advance of the Revolving Credit Facility will be repaid on the last day of the interest period relating thereto, subject to an ability to rollover cash drawings. All outstanding amounts under the Revolving Credit Facility must be repaid in full on or prior to the maturity date for the Revolving Credit Facility.

The termination date for a facility under an Additional Facility Commitment is the date agreed between the Issuer and the relevant lenders, and must fall on or after the original termination date for the Revolving Credit Facility as at the date of the Revolving Credit Facility Agreement, unless the lenders under the Revolving Credit Facility are offered the opportunity by the Issuer to amend the original termination date for the Revolving Credit Facility to a date on or prior to that of the relevant additional facility provided that (i) each lender under the Revolving Credit Facility will be deemed to have declined any such offer and consented to the proposed termination date of the relevant additional facility unless 50.1 per cent. of the lenders by commitment under the Revolving Credit Facility notify the agent under the Revolving Credit Facility that they (A) accept such offer or (B) reject such offer and do not consent to the termination date of the relevant additional facility, in each case by 11 a.m. 7 business days after the date of such offer, and (ii) no such offer shall be required if the Additional Facility Commitments with an earlier termination date do not exceed the greater of €12.5 million (or its equivalent in other currencies) and 15 per cent. of consolidated EBITDA.

Interest and fees

As of the date of this Offering Memorandum, loans under the Revolving Credit Facility bear interest at rates per annum initially equal to 3.50 per cent. plus EURIBOR or LIBOR, as applicable, and provided that no insolvency, payment (insofar as it relates to the payment of principal and/or interest and/or fees) or breach of other obligations (insofar as it relates to failure to deliver a compliance certificate such that the margin cannot be determined) event of default has occurred or is continuing, will be subject to margin ratchet step downs based on the Group's senior secured net leverage ratio starting from the date falling 6 months after the Closing Date, as set out in the Revolving Credit Facility Agreement.

If EURIBOR, or where applicable LIBOR, is less than zero, EURIBOR or LIBOR (as applicable) shall be deemed to be zero in respect of loans under the Revolving Credit Facility.

LIBOR for loans in USD will be able to be replaced with risk free rates by the Issuer prior to 30 June 2023.

A commitment fee will be payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility from (and including) the Closing Date to (and including) the last day of the availability period for the Revolving Credit Facility. The commitment fee is equal to 30.00 per cent. of the margin applicable at that time, and is payable quarterly in arrear, on the last day of the availability period of the Revolving Credit Facility and on the date on which a lender's commitment is cancelled.

Default interest will be calculated as an additional 1 per cent. on the overdue amount, although unpaid default interest may only be compounded to the extent permitted under any applicable laws, including, but not limited to, the Italian Civil Code and/or the Italian Banking Law.

The Issuer is also required to pay customary agency fees to the Agent and the Security Agent in connection with the Revolving Credit Facility Agreement and/or the Intercreditor Agreement, arrangement fees to the arrangers, and fronting fees to the issuing bank under the Revolving Credit Facility Agreement and letter of credit fees to the lenders in an amount equal to the margin of the Revolving Credit Facility with respect to an issuance of a letter of credit.

Borrowers and Guarantors

The original borrower under the Revolving Credit Facility is the Issuer but the Revolving Credit Facility Agreement includes a mechanism to enable any of the Issuer's restricted subsidiaries in Italy, the same jurisdiction as an existing borrower, any borrower jurisdiction contemplated in the tax structure memorandum or otherwise with the consent of all of the lenders under the Revolving Credit Facility, to accede as an additional borrower under the Revolving Credit Facility, subject to certain conditions.

At the Closing Date, the Revolving Credit Facility will be guaranteed by the Issuer.

If any of the Issuer's restricted subsidiaries is or becomes a material subsidiary under the Revolving Credit Facility Agreement, the Issuer shall procure (or, if the Merger Date has not occurred, use commercially reasonable efforts to procure) that such material subsidiary shall, subject to the Agreed Security Principles and to any agreed limitation language, become a guarantor of the Revolving Credit Facility Agreement and shall accede to the Intercreditor Agreement, no later than (i) the earlier of (x) 90 days following the Merger Date and (y) 90 days after the date falling 15 months following the Closing Date and (ii) the date falling 90 days after the latest due date on which the annual financial statements are required to be delivered to the agent in respect of each subsequent financial year (the Issuer together with any members of the Group that accede to the Revolving Credit Facility Agreement as additional guarantors being the "**Guarantors**"). The Issuer shall also procure (or, if the Merger Date has not occurred, use commercially reasonably efforts to procure) that, subject to the Agreed Security Principles, tested annually by reference to the original financial statements and then the relevant annual financial statements of the Issuer (or, at the Issuer's option, any more recent available financial information which is provided to the Agent), the aggregate of earnings before interest, tax, depreciation and amortization (calculated on the same basis as consolidated EBITDA is calculated under the Revolving Credit Facility Agreement) of the Guarantors (calculated on an unconsolidated basis and excluding the contribution of any on-balance sheet joint ventures) is not less than 80 per cent. of consolidated EBITDA of wholly-owned members of the Group incorporated in a guarantor jurisdiction (the "**Guarantor Coverage**") (subject to certain exceptions).

Security

The Revolving Credit Facility (subject to certain agreed security principles set out in the Revolving Credit Facility Agreement) is secured as further described in the section entitled *"Description of Notes-Security*."

Representations and warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties, subject to certain agreed customary materiality, actual knowledge and other qualifications, exceptions and baskets as applicable (with certain representations and warranties being repeated on the date of each utilization, on the first day of each interest period and at certain other times), including: (i) status and due incorporation; (ii) power and authority; (iii) legal, valid and binding documentation; (iv) no conflict; (v) validity and admissibility in evidence; (vi) governing law and enforcement; (vii) no filing or stamp taxes; (viii) taxation; (ix) the accuracy of financial statements; (x) no litigation; (xi) legal and beneficial ownership; (xii) sanctions and anti-money laundering; and (xiii) base case model.

Undertakings and covenants

The Revolving Credit Facility Agreement contains certain of the incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments) that apply to the Notes, including: (i) limitation on indebtedness; (ii) limitation on restricted payments; (iii) limitation on liens; (iv) restrictions on distributions from restricted subsidiaries; (v) limitations on sale of assets and subsidiary stock; (vi) limitation on affiliate transactions; (vii) merger and consolidation; (viii) suspension of covenants on achievement of investment grade status; (ix) impairment of security interests; (x) additional intercreditor agreements; and (xi) IPO debt pushdown. In addition, the Revolving Credit Facility Agreement also contains certain additional affirmative and negative covenants and a financial covenant. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge and other qualifications, exceptions and baskets (as applicable).

Additional covenants

The additional covenants include, among others: (i) provision of a compliance certificate with each set of the Issuer's annual audited and quarterly financial statements (commencing not earlier than the quarter date falling at the end of the first complete quarter after the Closing Date); (ii) maintenance of the Guarantor Coverage; (iii) authorizations; (iv) compliance with laws; (v) *pari passu* ranking; (vi) further assurance; (vii) sanctions, anti-corruption and anti-money laundering; (viii) no change of "**centre of main interest**"; (ix) taxes; and (x) conditions subsequent.

Financial covenant

If at 5.00 p.m. on a testing date (being each quarter date, commencing on the quarter date falling at the end of the third complete quarter after the Closing Date) the aggregate principal amount of all loans under the Revolving Credit Facility Agreement and any additional facility that is specified to benefit from the financial covenant (in each case excluding (i) any utilizations by way of letters of credit (or bank guarantees), (ii) ancillary facilities, and (iii) any loans drawn to fund any fees and/or original issue discount or other fees, costs and expenses in connection with the Transaction) on such testing date less any cash and cash equivalents exceeds 40 per cent. of the aggregate of (A) the total commitments under the Revolving Credit Facility as at the date of the Revolving Credit Facility Agreement and (B) the aggregate of all Additional Facility Commitments established after the date of the Revolving Credit Facility Agreement (disregarding, in each case, any reduction of commitments following the establishment thereof) (the "**Test Condition**"), the senior secured net leverage ratio in respect of the relevant period will not exceed 7.94 to 1.0 (the "**Financial Covenant**"). The Financial Covenant, if breached, will trigger an event of default under the Revolving Credit Facility Agreement.

The Revolving Credit Facility Agreement contains an equity cure provision enabling the Issuer to cure or prevent an event of default at any time if the Group has received one or more shareholder injections by way of shareholder loan and/or equity and the Issuer has elected that all or any part of any amounts so received shall, at the option of the Issuer, either (i) increase the consolidated EBITDA or (ii) decrease senior secured indebtedness, in each case under the Revolving Credit Facility Agreement. The equity cure right may not be exercised on more than five occasions during the term of the Revolving Credit Facility Agreement and may not be utilized in consecutive quarters and no more than twice in any four consecutive quarters. The Issuer can also cure or prevent an event of default by electing to recalculate (i) the senior secured net leverage ratio for any relevant period for which the Issuer has sufficient available information to effect such recalculation and/or (ii) the Test Condition on any subsequent date notwithstanding that such date is not a test date (including to give effect to any reduction in the aggregate principal amount of loans outstanding, any reduction in senior secured indebtedness and/or any increase in cash and/or cash equivalents).

Prepayments

Upon a change of control under the Revolving Credit Facility Agreement, each lender under the Revolving Credit Facility Agreement shall be entitled to cancel its commitments and require repayment of all of its share of the utilizations and payment of all amounts owing to it under the finance documents provided that the relevant lender gives notice to the agent within 30 days of the Issuer notifying the agent of the change of control.

A borrower may voluntarily prepay amounts outstanding under the Revolving Credit Facility, without penalty or premium, at any time in whole or in part, subject to agreed minimum amounts and multiples, on not less than one business day's notice to the agent, provided that the Revolving Credit Facility shall only be able to be prepaid in full from the date falling 18 months and 2 days after the Closing Date.

Events of default

The Revolving Credit Facility Agreement provides for events of default, the occurrence and continuance of which would allow, unless otherwise indicated below, subject to certain exceptions, 66 2/3 per cent. of the lenders by commitment under the Revolving Credit Facility to (among other things) accelerate all outstanding loans and terminate their commitments, including (subject in certain cases to customary materiality, actual knowledge and other qualifications, exceptions, baskets and/or grace periods, as appropriate). The Revolving Credit Facility Agreement provides for the following events of default: (i) misrepresentations; (ii) breach of the Intercreditor Agreement; (iii) unlawfulness, invalidity and repudiation of finance documents; (iv) non-payment of amounts due under the finance documents; (v) non-compliance with other obligations under the finance documents; (vi) cross payment default and cross acceleration; (vii) final judgment default; and (viii) insolvency and insolvency proceedings.

Governing law

The Revolving Credit Facility Agreement and any non-contractual obligation arising out of or in connection with it are governed by, and shall be interpreted in accordance with, English law although the restrictive covenants, the information undertakings and the events of default, which are scheduled to the Revolving Credit Facility Agreement and any non-contractual obligations arising out of or in connection with such schedules, shall be interpreted in accordance with the laws of the State of New York.

Intercreditor Agreement

To establish the relative rights of the relevant creditor groups, amongst others, the Senior Secured Notes Issuer, the lenders under the Revolving Credit Facility Agreement (the "**RCF Lenders**"), each obligor in respect of the Revolving Credit Facility (collectively, the "**Obligors**"), the Third Party Security Providers, the Security Agent, the Trustee, and the Subordinated Creditors (as that term is defined in the Intercreditor Agreement) will enter into an intercreditor agreement prior to the Issue Date (the "**Intercreditor Agreement**"). The following description is a summary of certain provisions, among others, contained in the Intercreditor Agreement and which relate to the rights and obligations of the holders of the Notes. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines certain rights of the holders of the Notes. Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of the Revolving Credit Facility, the Indentures and the Intercreditor Agreement, the provisions of the Intercreditor Agreement will prevail. Capitalized terms used below shall have the meanings given to them in the Intercreditor Agreement unless otherwise defined.

Overview

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain indebtedness of the Group (as defined below);
- the relative ranking of certain security granted by certain members of the Group;
- when payments can be made in respect of certain indebtedness of the Group;
- when enforcement action (including acceleration and/or demand for payment and certain similar actions) ("**Enforcement Action**") can be taken in respect of the Transaction Security (as defined below);
- provisions relating to the making of any acceleration or demand for payment in respect of the Notes;
- the terms pursuant to which certain indebtedness will be subordinated upon the occurrence of certain insolvency events;
- the requirement to turn over amounts received from enforcement of the Transaction Security;
- when the Transaction Security and any guarantee(s) issued by certain Obligors and Third Party Security Providers will be released to permit an enforcement sale;
- the circumstances in which creditors' claims (including noteholders' claims against the Senior Secured Notes Issuer and/or Future Senior Issuer) might be required to be transferred to third parties or released to assist in enforcement; and
- the order for applying proceeds from the enforcement of the Transaction Security and other amounts received by the Security Agent.

Parties

Upon the issuance of the Notes, the principal parties to the Intercreditor Agreement will be: (i) Verde Midco S.r.l. in the capacity of Topco and Original Shareholder Creditor, (ii) the Senior Secured Notes Issuer (in such capacity and certain other capacities), (iii) the agent for the finance parties under the Revolving Credit Facility Agreement (the "**RCF Agent**"), (iv) the RCF Lenders, (v) the Senior Secured Notes Trustee and (vi) the Security Agent.

The "**Super Senior Creditors**" include the RCF Lenders and the RCF Agent together with, upon accession, the Super Senior Hedging Lenders (as defined below). The "**Senior Secured Creditors**" include the holders of the Senior Secured Notes, the Senior Secured Notes Trustee together with, upon accession, the *Pari Passu* Hedging Lenders (as defined below), the Future *Pari Passu* Creditors (as defined below) and the Cash Management Facility Creditors (as defined in the Intercreditor Agreement). The "**Senior Creditors**" include, upon accession, the Future Senior Creditors (as defined below).

The Intercreditor Agreement therefore allows for accession by certain future creditors in order to share (to the extent set out in the Intercreditor Agreement) in the relevant security, including (i) hedge counterparties pursuant hedging agreements which are secured on a super senior basis with (among other liabilities) the Revolving Credit Facility (the "**Super Senior Hedging Agreements**" and the providers thereof the "**Super Senior Hedging Lenders**"), (ii) hedge counterparties pursuant to hedging agreements which are secured on a *pari passu* basis with (among other liabilities) the Senior Secured Notes (the "***Pari Passu* Hedging Agreements**" and the providers thereof, the "***Pari Passu* Hedging Lenders**" and together with the Super Senior Hedging Lenders, the "**Hedging Counterparties**"), (iii) creditors of future loan or bond indebtedness of the Obligors (which is permitted by or not restricted under the terms of the Credit Facility Documents (as defined in the Intercreditor Agreement) and the Senior Secured Notes, and which is not subordinated in right of payment to the liabilities owed to the Super Senior Creditors or the Senior Secured Creditors) (the "**Future *Pari Passu* Debt**"), including any senior secured notes issued after the Issue Date pursuant to the Senior Secured Notes Indenture (the "**Future *Pari Passu* Creditors**"), (iv) creditors of future loan or bond indebtedness of the Obligors (which is permitted by or not restricted under the terms of the Credit Facility Documents and the Senior Secured Notes, and which is *pari passu* with, and not subordinated in right of payment to, the liabilities owed to the Senior Creditors) ("**Future Senior Debt**"), (the "**Future Senior Creditors**") and (v) creditors of future loan or bond indebtedness of the Obligors (which is permitted by or not restricted under the terms of the Credit Facility Documents and the Senior Secured Notes, and which is not subordinated in right of payment to the liabilities owed to the Super Senior Creditors or the Senior Secured Creditors but is secured on the Transaction Security on a second ranking basis ("**Future Second Lien Debt**" and the providers thereof, the "**Future Second Lien Creditors**").

No Restricted Subsidiary (as that term is defined in the Intercreditor Agreement) of the Senior Secured Notes Issuer (each a member of the "**Group**") nor any shareholder of a member of the Group which, in each case, is not otherwise party to (1) a document creating security in favor of the Super Senior Creditors, the Senior Secured Creditors or the Senior Creditors or (2) the debt documents thereby secured, will be party to the Intercreditor Agreement save for (i) any shareholder of the Senior Secured Notes Issuer in respect of any existing or future loan made to the Senior Secured Notes Issuer or any other member of the Group (each a "**Shareholder Creditor**") (the Intercreditor Agreement contains customary subordination provisions and restrictions relating to the receivables owing from the Senior Secured Notes Issuer or any member of the Group to any Shareholder Creditor (the "**Shareholder Liabilities**")) and (ii) certain members of the Group that lend to another member of the Group (each an "**Intragroup Lender**") that will accede to the Intercreditor Agreement with respect to the loans or indebtedness owing from such members of the Group to such Intra-Group Lenders in respect of intra-group loans (the "**Intra-Group Liabilities**"). The Intercreditor Agreement contains subordination provisions relating to any Intra-Group Liabilities. However, members of the Group will not be prohibited from incurring, amending or making payments in respect of any Intra-Group Liabilities until an acceleration event under the Credit Facility Documents or the Indentures is continuing and at any time prior to such acceleration event, such Intra-Group Liabilities may be converted into equity (subject to certain security being granted where required).

Ranking and priority

Priority of indebtedness

The Intercreditor Agreement provides that the liabilities of the Obligors shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(a) *first*, the liabilities owed to the Security Agent, the liabilities owed to the Super Senior Creditors (the "**Super Senior Liabilities**"), the liabilities owed to the Senior Secured Creditors including with respect to the Senior Secured Notes (the "**Senior Secured Liabilities**"), the liabilities owed to any Hedging Counterparty (to the extent not already included in the Super Senior Liabilities), the liabilities owed to the Cash Management Facility Creditors (the "**Cash Management Facility Liabilities**"), the liabilities owed to any Future Second Lien Creditors (the "**Future Second Lien Liabilities**"), the Future *Pari Passu* Debt, the Future Senior Debt of any future issuer of senior debt to the Future Senior Creditors (the "**Future Senior Issuer Liabilities**"), and certain customary costs and expenses of the Senior Secured Notes Trustee (the "**Trustee Liabilities**") *pari passu* and without any preference between them;

(b) *second*, any guarantee liabilities owed to any Future Senior Creditor *pari passu* and without any preference between them;

(c) *third*, the Intra-Group Liabilities and any liabilities owed by the Senior Secured Notes Issuer and any of its subsidiaries to any Future Senior Issuer *pari passu* and without any preference between them; and

(d) *fourth*, the Shareholder Liabilities.

The Intercreditor Agreement contains an acknowledgment by all parties thereto that the Future Senior Issuer Liabilities are senior obligations of the relevant issuer, and provides that nothing in the Intercreditor Agreement shall impair the right of the Senior Creditors to institute suit for the recovery of any payment due by such an issuer in respect of the Future Senior Issuer Liabilities (as applicable), but provided that the Senior Creditors shall not, until the Senior Secured Debt Discharge Date (as defined in the Intercreditor Agreement), take any steps to appropriate the assets of such an issuer subject to the Transaction Security in connection with any Enforcement Action other than as expressly permitted by the Intercreditor Agreement.

Priority of security

The Intercreditor Agreement provides that the security provided for the liabilities described in paragraphs (a) to (c) below (the "**Transaction Security**") shall rank and secure these liabilities in the following order (and subject to the proceeds of such security being distributed in accordance with the Payments Waterfall defined below):

(a) first, the liabilities owed to the Security Agent, the Super Senior Liabilities, the Senior Secured Liabilities, the liabilities owed to any Hedging Counterparty (to the extent not already included in the Super Senior Liabilities), the Cash Management Facility Liabilities, the Future *Pari Passu* Debt and the Trustee Liabilities, *pari passu* and without any preference between them (but only to the extent that such Transaction Security is expressed to secured those liabilities);

(b) second, the Future Second Lien Liabilities *pari passu* and without any preference between them (but only to the extent that such Transaction Security is expressed to secure those liabilities); and

(c) third, the Future Senior Debt *pari passu* and without any preference between them (but only to the extent that such Transaction Security is Shared Security (which term shall include, for the purposes of the Intercreditor Agreement, certain other security as may be granted in future and designated by the Senior Secured Notes Issuer as "**Shared Security**")).

The Intercreditor Agreement further provides that any security provided for the Future Senior Debt only (the "**Senior Notes Only Security**") shall rank and secure the Future Senior Debt, *pari passu* and without any preference between them (but only to the extent that such Senior Notes Only Security is expressed to secure such liabilities).

The Shareholder Liabilities, the Holdco Liabilities and the Intra-Group Liabilities (the "**Subordinated Liabilities**") shall not be secured by the Transaction Security or the Senior Notes Only Security.

If security is to be granted for certain future indebtedness (including Credit Facility Lender Liabilities (other than with respect to the Revolving Credit Facility) (as defined in the Intercreditor Agreement), Cash Management Facility Liabilities, Future *Pari Passu* Debt, Future Second Lien Debt and Future Senior Debt) ("**Future Debt**"), to the extent such Future Debt cannot be secured with the agreed ranking without the existing security first being released, the Intercreditor Agreement contains provisions that such Future Debt will (to the extent permitted by applicable law) be secured pursuant to the execution of additional security documents securing the same assets subject to the relevant security on a second or lesser-ranking basis and such Future Debt will nonetheless be deemed and treated for the purposes of the Intercreditor Agreement to be secured by such security *pari passu* with corresponding liabilities which would otherwise have the same ranking as contemplated above and any amounts to be applied towards such Future Debt shall be applied accordingly. In the event that it is not possible to permit the recreation of additional security documents as referred to above, no amendments or release and retaking of security under the existing security documents shall be permitted without the consent of the required creditors under the documents thereby secured unless permitted by such documents (including, for the avoidance of doubt, the retaking of any such security as required by the relevant secured document).

Payments and prepayments; subordination of Future Second Lien Debt

Prior to the discharge of all Senior Secured Liabilities, no Debtor and Third Party Security Provider may make payments in respect of the Future Second Lien Liabilities without the consent of the Majority Super Senior Creditors (as that term is defined in the Intercreditor Agreement) and the Majority Senior Secured Creditors (as that term is defined in the Intercreditor Agreement) except as described in the foregoing paragraph or as permitted by the Intercreditor Agreement including the following:

(1) if:

(a) the payment is of:

(i) any of the principal or interest (including capitalized interest) amount of the Future Second Lien Liabilities which is either (1) not prohibited from being paid by the Credit Facility Documents, the Cash Management Facility Documents, the Senior Secured Notes Indenture or any Future *Pari Passu* Debt Document or (2) is paid on or after the final maturity of the Future Second Lien Liabilities; or

(ii) any other amount in respect of the Future Second Lien Liabilities which is not an amount of principal or capitalized interest accrued due and payable in cash in accordance with the terms of the Future Second Lien Debt Documents (such other amounts including all additional amounts payable as a result of the tax gross up provisions relating to the Future Second Lien Liabilities and amounts in respect of currency indemnities in the relevant Future Second Lien Debt Documents);

(b) no notice delivered pursuant to the terms of the Intercreditor Agreement blocking payments in respect of the Future Second Lien Debt (a "**Future Second Lien Debt Payment Blockage Notice**") is outstanding; and

(c) no Senior Secured Debt Payment Default (as that term is defined in the Intercreditor Agreement) has occurred and is continuing; or

(2) if the payment is pursuant to provisions contained in a Future Second Lien Debt Document that are comparable to the following provisions in the Revolving Credit Facility Agreement (and no acceleration event under the Senior Secured Debt Documents has occurred): (a) illegality, (b) right of cancellation and repayment in relation to a single lender or issuing bank, (c) change of control and (d) replacement of a lender;

(3) payments in respect of amounts due under the Future Second Lien Debt Documents to the Future Second Lien Debt Representative;

(4) certain amounts due under the original form of any fee letter relating to agency or upfront fees under any Future Second Lien Debt Document

(5) (for so long as a Future Second Lien Event of Default is continuing), if the payment is in respect of commercially reasonable work fees and professional fees, costs and expenses for restructuring advice and valuations (including legal advice and the advice of other appropriate financial and/or restructuring advisers) incurred by the Future Second Lien Debt Representative not covered by paragraph (3) above in an aggregate amount to all such Future Second Lien Debt Representatives under this paragraph not exceeding €5.0 (or its equivalent in other currencies) in aggregate until the discharge of all Senior Secured Liabilities;

(6) payments of amounts equal to any payment accrued pursuant to the Future Second Lien Debt immediately after the period during which any Future Second Lien Debt Payment Blockage Notice is outstanding or a Senior Secured Debt Payment Default or a Future Second Lien Debt Payment Default ceases to be continuing and which would otherwise have been a permitted payment pursuant to the terms of the Intercreditor Agreement;

(7) for so long as a Senior Secured Debt Event of Default is continuing certain payments as a result of the Future Second Lien Liabilities being released or otherwise discharged in exchange for the issuance of shares in any holding company of the Future Senior Issuer, subject to certain conditions;

(8) costs, commissions, taxes, consent fees and expenses incurred in respect of (or reasonably incidental to) the Future Second Lien Debt documents (including in relation to any reporting or listing requirements under the Future Second Lien Debt documents), subject to certain conditions;

(9) costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Future Second Lien Debt in compliance with the Intercreditor Agreement, the Credit Facility Documents, the Senior Secured Notes Indenture, the Cash Management Facility Documents and any Future *Pari Passu* Debt document;

(10) payments of certain reasonable and customary consent fees in connection with amendments to the Future Second Lien Debt documents in proportion to any corresponding amounts paid in respect of the Super Senior Liabilities and the Senior Secured Liabilities (to the extent such fees are paid or payable);

(11) payments in connection with purchases or redemptions of the Future Second Lien Debt permitted under the Credit Facility Documents, Cash Management Facility Documents, Senior Secured Notes documents and Future *Pari Passu* Debt documents; or

(12) payment of any other amount not exceeding €2.5 million (or its equivalent) in aggregate in any financial year of the Senior Secured Notes Issuer provided that any such amount not so applied may be carried forward and utilized in the subsequent financial year (where it shall be deemed to have been used first).

If an event of default (other than a Senior Secured Debt Payment Default) under the finance documents in respect of the Senior Secured Liabilities (each a "**Senior Secured Default**") has occurred and is continuing and the Future Second Lien Debt Representative has received a Future Second Lien Debt Payment Blockage Notice from either the Credit Facility Agent, the Cash Management Facility Agent, the Senior Secured Notes Trustee or the representative of the Future *Pari Passu* Debt, all payments in respect of the Future Second Lien Liabilities (other than those consented to by the Majority Super Senior Creditors and the Majority Senior Secured Creditors and those permitted by paragraph (2)(a), (3) and (5) above) are suspended until the earliest of:

(a) the date on which there is a waiver, remedy or cure of such Senior Secured Default in accordance with the relevant finance documents;

(b) 120 days after the receipt by the Future Second Lien Debt Representative of the Future Second Lien Debt Payment Blockage Notice;

(c) the repayment and discharge of all obligations in respect of the Senior Secured Liabilities;

(d) the date on which the Relevant Representative which issued the Future Second Lien Debt Payment Blockage Notice (and, if at such time a Senior Secured Default is continuing in relation to the Senior Secured Liabilities (other than the Senior Secured Liabilities in respect of which the notice was given), the Relevant Representative(s) in respect of those other Senior Secured Liabilities notify/ies (amongst others) the Future Second Lien Debt Representative that the Future Second Lien Debt Payment Blockage Notice is cancelled;

(e) the date on which the Security Agent or Future Second Lien Debt Representative takes any Enforcement Action against a member of the Group which it is permitted to take in accordance with the Intercreditor Agreement;

(f) the date on which the relevant Senior Secured Default is no longer continuing and if the relevant Senior Secured Liabilities have been accelerated such acceleration has been rescinded (and if such acceleration consisted solely of declaring the relevant debt payable on demand, such rescission can be effected by the relevant majority creditors in respect of the relevant debt);

(g) provided no Senior Secured Debt Payment Default is continuing, the original scheduled maturity date of the Future Second Lien Debt issued in the form of notes (provided that such maturity date is a date not earlier than the later of the original maturity date of the Senior Secured Notes and the Termination Date (as defined in the Credit Facility Documents) at the time of issuance of such Future Second Lien Debt); and

(h) if a Future Second Lien Debt Standstill Period (as defined below) is in effect at anytime after delivery of a Future Second Lien Debt Payment Blockage Notice, the date on which the Future Second Lien Debt Standstill Period expires.

No new Future Second Lien Debt Payment Blockage Notice may be served by a Future Second Lien Debt Relevant Representative in respect of a Future Second Lien Debt Default unless 360 days have elapsed since the immediately prior Future Second Lien Debt Payment Blockage Notice. No Future Second Lien Debt Payment Blockage Notice may be served in respect of a Senior Secured Debt Payment Default more than 60 days after the date that the Relevant Representative received notice of that Senior Secured Default. No Relevant Representative may serve more than one Future Second Lien Debt Payment Blockage Notice with respect to the same event or set of circumstances, and no Future Second Lien Debt Payment Blockage Notice may be served in respect of a Senior Secured Debt Payment Default notified to a Relevant Representative at the time at which an earlier Future Second Lien Debt Payment Blockage Notice was issued.

If a Future Second Lien Debt Payment Blockage Notice ceases to be outstanding and/or (as the case may be) Senior Secured Debt Payment Default has ceased to be continuing (by being waived by the relevant creditors/ creditor's representative or remedied) the relevant debtor may then make those payments it would have otherwise been entitled to pay under the Future Second Lien Debt and if it does so promptly any event of default under the Future Second Lien Debt caused by such delayed payment shall be waived and any enforcement notice which may have been issued as a result of that event of default shall be waived. A Future Second Lien Debt Payment Default is remedied by the payment of all amounts then due.

Payments and prepayments-Obligors and Third Party Security Providers

The Obligors and the Third Party Security Providers may make payments and prepayments in respect of the Credit Facility Documents, the Super Senior Hedging Agreements, the *Pari Passu* Hedging Agreements, and the Senior Secured Notes at any time in accordance with their terms and may prepay or acquire the Senior Secured Notes.

Payments and prepayments; subordination of the Future Senior Debt

Any Future Senior Issuer may make payments and prepayments in respect of the Future Senior Issuer Liabilities (including by prepaying or acquiring Future Senior Debt) at any time in accordance with the terms of the Future Senior Debt Documents and the Intercreditor Agreement provided that such payment is not made from assets subject to Transaction Security and not financed by a payment from a member of the Group that was prohibited at such time by any of the Debt Documents.

Prior to the discharge of all Senior Secured Liabilities and Future Second Lien Liabilities, no Debtor nor Third Party Security Provider may make payments in respect of the Future Senior Liabilities without the consent of the Majority Super Senior Creditors (as that term is defined in the Intercreditor Agreement), the Majority Senior Secured Creditors (as that term is defined in the Intercreditor Agreement) and the Majority Future Second Lien Creditors (as that term is defined in the Intercreditor Agreement)

(1) if:

(a) the payment is of:

(i) any of the principal or interest (including capitalized interest) amount of the Future Senior Liabilities which is either (1) not prohibited from being paid by the Credit Facility Documents, the Cash Management Facility Documents, the Senior Secured Notes Indenture, any Future *Pari Passu* Debt Document or any Future Second Lien Debt Document or (2) is paid on or after the final maturity of the Future Senior Debt; or

(ii) any other amount in respect of the Future Senior Liabilities which is not an amount of principal or capitalized interest accrued due and payable in cash in accordance with the terms of the Future Senior Debt Documents or a corresponding amount under any Holdco Debt Document (as that term is defined in the Intercreditor Agreement) (such other amounts including all additional amounts payable as a result of the tax gross up provisions relating to the Future Senior Liabilities and amounts in respect of currency indemnities in the relevant Future Senior Debt Documents or Holdco Debt Documents);

(b) no notice delivered pursuant to the terms of the Intercreditor Agreement blocking payments in respect of the Future Senior Liabilities (a "Future **Senior Debt Payment Blockage Notice**") is outstanding; and

(c) no Senior Secured Debt Payment Default (as that term is defined in the Intercreditor Agreement) or Future Second Lien Debt Payment Default has occurred and is continuing; or

(2) certain amounts due to the Future Senior Debt Representative for its own account;

(3) payments of amounts equal to any payment accrued pursuant to the Future Senior Debt Documents immediately after the period during which any Future Senior Debt Payment Blockage Notice is outstanding or a Senior Secured Debt Payment Default or Future Second Lien Debt Payment Default ceases to be continuing and which would otherwise have been a permitted payment pursuant to the terms of the Intercreditor Agreement;

(4) for so long as a Senior Secured Debt Event of Default is continuing certain payments as a result of the Future Senior Debt Liabilities being released or otherwise discharged in exchange for the issuance of shares in any holding company of any Future Senior Issuer, subject to certain conditions;

(5) certain payments of non-cash interest by way of capitalization;

(6) payments funded with the incurrence of Future Senior Liabilities;

(7) costs, commissions, taxes, consent fees and expenses incurred in respect of (or reasonably incidental to) the Future Senior Debt Documents (including in relation to any reporting or listing requirements), subject to certain conditions;

(8) costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Future Senior Debt in compliance with the Intercreditor Agreement, the Credit Facility Documents, the Senior Secured Notes Indenture, the Cash Management Facility Documents, any Future *Pari Passu* Debt document and any Future Second Lien Debt Documents;

(9) payments of certain reasonable and customary consent fees in connection with amendments to the Future Senior Debt documents in proportion to any corresponding amounts paid in respect of the Super Senior Liabilities, the Senior Secured Liabilities and the Future Second Lien Liabilities (to the extent such fees are paid or payable);

(10) payments in connection with purchases or redemptions of Future Senior Debt permitted under the Credit Facility Documents, Cash Management Facility Documents, Senior Secured Notes documents and Future *Pari Passu* Debt documents; or

(11) payment of any other amount not exceeding €2.5 million (or its equivalent) in aggregate in any financial year of the Senior Secured Notes Issuer provided that any such amount not so applied may be carried forward and utilized in the subsequent financial year (where it shall be deemed to have been used first).

Until the later of the discharge of all the Senior Secured Debt and the Future Second Lien Debt, if a Senior Secured Debt Payment Default has occurred and is continuing or a Future Second Lien Payment Default has occurred and is continuing, all payments in respect of the Future Senior Debt Liabilities (other than those consented to by the Majority Super Senior Creditors. the Majority Senior Secured Creditors and the Majority Future Second Lien Creditors and certain amounts due to any Future Senior Debt Representative for its own account) will be suspended.

In addition, if either (x) a Senior Secured Default has occurred and is continuing and any Future Senior Debt Representative has received a Future Senior Debt Payment Blockage Notice from either the Credit Facility Agent, the Cash Management Facility Agent, the Senior Secured Notes Trustee or the representative of the Future *Pari Passu* Debt (or, in the case of (y) below, the representative of the Future Second Lien Debt) (the "**Relevant Representative**" (as applicable)) or (y) an event of default (other than a Future Second Lien Payment Default) under the finance documents in respect of the Future Second Lien Liabilities is continuing and any Future Senior Debt Representative has received a Future Senior Debt Payment Blockage Notice from the Relevant Representative, all payments in respect of the Future Senior Liabilities (other than those consented to by the Majority Super Senior Creditors, the Majority Senior Secured Creditors and the Majority Future Second Lien Creditors and certain amounts due to the Future Senior Debt Representative for its own account and those permitted pursuant to paragraph (5) above) are suspended until the earliest of:

(a) the date on which there is a waiver, remedy or cure of such Senior Secured Default or Future Second Lien Debt Event of Default (as applicable) in accordance with the relevant finance documents;

(b) 179 days after the receipt by the relevant Future Senior Debt Representative of the Future Senior Debt Payment Blockage Notice;

(c) the later of the repayment and discharge of all obligations in respect of the Senior Secured Liabilities and the repayment and discharge of all obligations in respect of the Future Second Lien Liabilities;

(d) the date on which the Relevant Representative which issued the Future Senior Debt Payment Blockage Notice (and, if at such time a Senior Secured Default or Future Second Lien Debt Event of Default (as applicable) is continuing in relation to the Senior Secured Liabilities (other than the Senior Secured Liabilities in respect of which the notice was given) or the Future Second Lien Liabilities (other than the Future Second Lien Liabilities in respect of which the notice was given), the Relevant Representative(s) in respect of that other Senior Secured Liabilities or Future Second Lien Liabilities (as applicable)) notify/ies (amongst others) the relevant Future Senior Debt Representative that the Future Senior Debt Payment Blockage Notice is cancelled;

(e) the date on which the Security Agent or any Future Senior Debt Representative takes any Enforcement Action against a member of the Group which it is permitted to take in accordance with the Intercreditor Agreement;

(f) the date on which the relevant Senior Secured Default or Future Second Lien Debt Event of Default (as applicable) is no longer continuing and if the relevant Senior Secured Liabilities or Future Second Lien Liabilities (as applicable) have been accelerated such acceleration has been rescinded (and if such acceleration consisted solely of declaring the relevant debt payable on demand, such rescission can be effected by the relevant majority creditors in respect of the relevant debt); or

(g) if a Standstill Period (as defined below) is in effect at anytime after delivery of a Future Senior Debt Payment Blockage Notice, the date on which the Standstill Period expires,

provided that none of the circumstances described in this paragraph, nor those described in the paragraph above shall prevent the Future Senior Issuer from making payments in respect of the Future Senior Issuer Liabilities in accordance with the terms of the relevant documentation from its own assets (excluding at all times any assets which are subject to Transaction Security) provided that such payment is not financed by a payment to the Future Senior Issuer from a member of the Group that was prohibited by the Senior Secured Debt Documents and the Future Second Lien Debt Documents.

No new Future Senior Debt Payment Blockage Notice may be served by a Relevant Representative in respect of a Senior Secured Debt Event of Default unless 360 days have elapsed since the immediately prior Future Senior Debt Payment Blockage Notice. No Future Senior Debt Payment Blockage Notice may be served in respect of a Senior Secured Debt Event of Default or a Future Second Lien Debt Event of Default more than 60 days after the date that the Relevant Representative received notice of that Senior Secured Debt Event of Default or Future Second Lien Debt Event of Default (as applicable). No Relevant Representative may serve more than one Future Senior Debt Payment Blockage Notice with respect to the same event or set of circumstances, and no Future Senior Debt Payment Blockage Notice may be served in respect of a Senior Secured Debt Event of Default or Future Second Lien Debt Event of Default notified to a Relevant Representative at the time at which an earlier Future Senior Debt Payment Blockage Notice was issued.

If a Future Senior Debt Payment Blockage Notice ceases to be outstanding or the relevant Senior Secured Debt Payment Default and/or Future Second Lien Debt Payment Default has ceased to be continuing (by being waived by the relevant creditors/creditor's representative or remedied) the relevant debtor may then make those payments it would have otherwise been entitled to pay under the Future Senior Debt Documents and if it does so promptly any event of default under the Future Senior Debt Documents caused by such delayed payment shall be waived and any enforcement notice which may have been issued as a result of that event of default shall be waived. A Senior Secured Debt Payment Default and/or Future Second Lien Debt Payment Default is remedied by the payment of all amounts then due.

Restrictions on enforcement by the Future Second Lien Creditors; Future Second Lien Debt Standstill

Until the discharge of all the Senior Secured Liabilities, no Future Second Lien Creditor may take Enforcement Action with respect to the Future Second Lien Debt, except that such restriction will not apply in relation to any Future Second Lien Liabilities if:

(a) a Future Second Lien Debt Event of Default is continuing;

(b) the Credit Facility Agent and the other representatives of the Senior Secured Liabilities have received notice of the specified event of default from the Future Second Lien Debt Representative;

(c) a Future Second Lien Debt Standstill Period (as defined below) has expired; and

(d) the relevant event of default is continuing at the end of the Future Second Lien Debt Standstill Period.

A "**Future Second Lien Debt Standstill Period**" shall mean the period starting on the date (the "**Future Second Lien Debt Standstill Date**") that the Future Second Lien Debt Representative serves an enforcement notice on the Credit Facility Agent, the Cash Management Facility Agent, the Senior Secured Notes Trustee and the representative of any Future *Pari Passu* Debt until the earliest of:

(a) the date falling (i) 90 days in the case of a non-payment of interest, principal or fees representing the Future Second Lien Liabilities, (ii) 120 days in the case of a failure to make a payment of any other amount representing the Future Second Lien Liabilities, and (iii) 150 days in the case of any other Future Second Lien Debt Event of Default, in each case after the Future Second Lien Debt Standstill Start Date;

(b) the date on which the Security Agent takes Enforcement Action (including the enforcement of any Transaction Security permitted to be enforced under the terms of the Intercreditor Agreement), provided that the Future Second Lien Creditors may only take the same Enforcement Action against the same entity as is taken by the Security Agent and may not take any other action against any other member of the Group;

(c) the date on which an insolvency event occurs in respect of any Debtor owning Future Second Lien Liabilities against whom Enforcement Action is to be taken;

(d) in respect of Future Second Lien Debt issued in the form of notes, the date on which a Future Second Lien Debt Event of Default occurs for failure to pay principal at the original scheduled maturity of the Future Second Lien Debt; and

(e) the expiration of any other Future Second Lien Debt Standstill Period which was outstanding at the date that the current Future Second Lien Debt Standstill Period commenced (other than as a result of a cure, waiver or permitted remedy thereof).

If the Security Agent has notified the Future Second Lien Debt Representative that it is enforcing Transaction Security, no Future Second Lien Creditor may take any enforcement action against that Debtor, Third Party Security Provider, or any subsidiary of that Debtor or Third Party Security Provider (as the case may be) while the Security Agent is taking steps to enforce that Transaction Security where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom. If the Future Second Lien Creditors are permitted to give instructions to the Security Agent to require the enforcement of such Transaction Security, such Enforcement Action must require the realization of the relevant Security by way of a sale or disposal conducted in accordance with the Intercreditor Agreement.

Restrictions on enforcement by the Future Senior Creditors; Future Senior Debt Standstill

Until the later of the discharge of all the Senior Secured Liabilities and the Future Second Lien Liabilities, neither any Future Senior Debt Representative nor the holders of any Future Senior Liabilities may take Enforcement Action (including a Senior Only Distressed Disposal) with respect to the Future Senior Liabilities (including any action against the Future Senior Issuer or the guarantors of any Future Senior Liabilities (if any)) or direct the Security Agent to enforce or otherwise require the enforcement of any relevant Transaction Security or Senior Notes Only Security document without the prior consent of or as required by an Instructing Group (as defined below), except that such restriction will not apply in relation to:

(1) any Future Senior Debt Guarantee Liabilities and Shared Security if:

   (a) an event of default under the Future Senior Debt Documents is continuing;

   (b) the RCF Agent and the other representatives of the Senior Secured Liabilities and the Future Second Lien Debt Representatives, have received notice of the specified event of default from any Future Senior Debt Representative (as the case may be);

   (c) a Future Senior Debt Standstill Period (as defined below) has expired; and

   (d) the relevant event of default is continuing at the end of the Future Senior Debt Standstill Period; and

(2) any Future Senior Issuer Liabilities and/or the Senior Notes Only Security if:

   (a) an event of default under the Future Senior Debt Documents is continuing;

   (b) the RCF Agent and the other representatives of the Senior Secured Liabilities and the Future Second Lien Debt Representatives, have received notice of the specified event of default from any Future Senior Debt Representative (as the case may be);

   (c) a Future Senior Issuer Standstill Period (as defined below) has expired; and

   (d) the relevant event of default is continuing at the end of the Future Senior Debt Issuer Standstill Period,

A "**Future Senior Debt Standstill Period**" shall mean the period starting on the date that any Future Senior Debt Representative serves an enforcement notice on the Credit Facility Agent, the Cash Management Facility Agent, the Senior Secured Notes Trustee, the representative of any Future *Pari Passu* Debt and the Future Second Lien Debt Representative(s) until the earliest of:

(a) 179 days after such date;

(b) the date on which the Security Agent takes Enforcement Action (including the enforcement of any Transaction Security permitted to be enforced under the terms of the Intercreditor Agreement), provided that any Future Senior Debt Representative and Future Senior Creditors may only take the same Enforcement Action against the same entity as is taken by the Senior Secured Creditors and may not take any other action against any other member of the Group;

(c) the date on which an insolvency event occurs in respect of the Future Senior Issuer and/or any guarantor of the Future Senior Liabilities against whom Enforcement Action is to be taken; and

(d) the expiration of any other Future Senior Debt Standstill Period which was outstanding at the date that the current Future Senior Debt Standstill Period commenced (other than as a result of a cure, waiver or permitted remedy thereof).

A "**Future Senior Issuer Standstill Period**" shall mean the period starting on the date that any Future Senior Debt Representative serves an enforcement notice on the RCF Agent, the Cash Management Facility Agent, the Senior Secured Notes Trustee, the representative of any Future *Pari Passu* Debt and the Future Second Lien Debt Representative(s) until the earliest of:

(a) 90 days after such date in respect of an event of default arising by reason of non-payment and 150 days after such date in respect of any other event of default;

(b) the date on which the Security Agent takes Enforcement Action in respect of the Future Senior Issuer (including the enforcement of any Transaction Security permitted to be enforced under the terms of the Intercreditor Agreement);

(c) the date on which an insolvency event occurs in respect of the Future Senior Issuer; and

(d) the expiration of any other Future Senior Issuer Standstill Period which was outstanding at the date that the current Future Senior Issuer Standstill Period commenced (other than as a result of a cure, waiver or permitted remedy thereof).

If the Security Agent has notified any Future Senior Debt Representative that it is enforcing Transaction Security, no other Future Senior Creditor may take any enforcement action against that Debtor, Third Party Security Provider, or any subsidiary of that Debtor or Third Party Security Provider (as the case may be) while the Security Agent is taking steps to enforce that Transaction Security where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom. If the Future Senior Creditors are permitted to give instructions to the Security Agent to require the enforcement of such Transaction Security, such Enforcement Action must require the realization of the relevant Security by way of a sale or disposal conducted in accordance with the Intercreditor Agreement.

Curing of certain Events of Default and termination of Enforcement

If an Event of Default ceases to be continuing then (provided the relevant parties are made aware of such fact) any relevant enforcement process (including any requirement of consultation relating to enforcement) relying solely on that Event of Default shall cease to continue.

Consultation

Prior to giving any instructions to the Security Agent to commence enforcement of all or part of the Transaction Security and/or the requesting of a distressed disposal and/or the release or disposal of claims or Transaction Security on a distressed disposal ("**Enforcement**"), the relevant representative of the Senior Secured Liabilities and/or Super Senior Liabilities (as applicable) shall notify the Security Agent and the creditor representatives for each of the Super Senior Creditors and each of the Senior Secured Creditors that the applicable Transaction Security has become enforceable. As soon as reasonably practicable after receipt of such a notice instructing the Security Agent to solicit instructions to enforce security or take any other Enforcement Action given by the Super Majority Super Senior Creditors and/or the Majority Senior Secured Creditors, the Security Agent shall distribute such notice to the relevant addressees promptly upon receipt, following which, the Credit Facility Agent (acting on the instructions of the Super Majority Super Senior Creditors), the Cash Management Facility Agent, the representative of any Future *Pari Passu* Creditors and the Senior Secured Note Trustee will consult in good faith with each other and the Security Agent for a period of 15 days from the date such notice is received by such persons (or such shorter period as the relevant parties may agree) with a view to coordinating the instructions to be given by an Instructing Group and agreeing an enforcement strategy (the "**Consultation Period**").

No such consultation shall be required (and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action prior to the end of the Consultation Period), in each case provided such instructions comply with the Security Enforcement Principles set forth below ("**Qualifying Instructions**") where:

(a) any of the Transaction Security has become enforceable as a result of an insolvency event affecting the Future Senior Issuer, the Senior Secured Notes Issuer, a borrower or a guarantor, a Third Party Security Provider (as that term is defined in the Intercreditor Agreement) or any Material Subsidiary (as that term is defined in the Revolving Credit Facility Agreement) (each a "**Relevant Company**"); or

(b) subject to no instructions having been given by an Instructing Group in the circumstances described below, the Super Majority Super Senior Creditors or the Majority Senior Secured Creditors determine in good faith (and notifies each other representative agent of the Super Senior Creditors, each Cash Management Facility, the Senior Secured Creditors, the Future *Pari Passu* Creditors and the Security Agent) that any delay caused by such consultation could reasonably be expected to reduce the amount likely to be realized to a level such that (following application thereof in accordance with the Payments Waterfall described below) the Super Senior Liabilities would not be discharged in full or have a material adverse effect of the ability to effect an enforcement or a distressed disposal and in this case any instructions will be limited to those necessary to protect or preserve the interests of the Senior Secured Creditors or, as the case may be, the Super Senior Creditors, on behalf of which the relevant Instructing Group is acting and the Security Agent shall act in accordance with the instructions first received.

If following the Consultation Period, the Super Majority Super Senior Creditors and/or the Majority Senior Secured Creditors have agreed on an enforcement strategy, the Security Agent shall be instructed to implement the same.

Subject to the paragraph below, in the event that conflicting instructions (and for these purposes silence is deemed to be a conflicting instruction) are received by the end of the Consultation Period, the Security Agent shall enforce the Transaction Security and/or refrain from enforcing the Transaction Security and/or take the relevant other Enforcement Action in accordance with the instructions provided by the Majority Senior Secured Creditors, in each case provided such instructions are Qualifying Instructions and the terms of all instructions received by the Super Majority Super Senior Creditors during the Consultation Period shall be deemed revoked.

If the Super Majority Super Senior Creditors or the Majority Senior Secured Creditors (acting reasonably) consider that the Security Agent is enforcing the security in a manner which is not consistent with the Security Enforcement Principles, subject to (a) and (b) above, the relevant representative shall give notice to the other representatives after which each such representative shall consult with the Security Agent for a period of 10 days (or such lesser period as the relevant representatives may agree) with a view to agreeing the manner of Enforcement, provided that such representatives shall not be obliged to consult more than once in relation to each Enforcement Action.

For the purposes of Enforcement, an "**Instructing Group**" means:

(1) if prior to the Credit Facility Lender Discharge Date (as that term is defined in the Intercreditor Agreement), the Super Majority Super Senior Creditors and the Majority Senior Secured Creditors, provided that if:

   (a) the Super Senior Liabilities have not been repaid in full in cash within six months of the end of the Consultation Period (or within six months of the delivery of a specified notice by the Majority Senior Secured Creditors, where no consultation period is required);

   (b) the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action within three months of the end of the Consultation Period (or within three months of the delivery of a specified notice by the Majority Senior Secured Creditors, where no consultation period is required); or

   (c) an insolvency event has occurred with respect to a Relevant Company and the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action at that time with respect to such Relevant Company,

   then the Security Agent shall thereafter follow any instructions that are subsequently given by the Super Majority Super Senior Creditors (in each case provided the same are Qualifying Instructions) to the exclusion of those given by the Majority Senior Secured Creditors (to the extent conflicting with any instructions previously given by the Majority Senior Secured Creditors) and "**Instructing Group**" in relation to such Enforcement shall mean the Super Majority Super Senior Creditors. Subject to the foregoing, in the event of conflicting Enforcement Instructions, the "**Instructing Group**" shall mean the Majority Senior Secured Creditors provided that such instructions from the Majority Senior Secured Creditors are Qualifying Instructions, it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the timeframe for the realization of value from the enforcement of the Transaction Security or Distressed Disposal pursuant to such instructions will be determined by the Majority Senior Secured Creditors;

(2) after the Credit Facility Lender Discharge Date but prior to the Senior Secured Debt Discharge Date, the Majority Senior Secured Creditors;

(3) on or after the Senior Secured Debt Discharge Date but prior to the Future Second Lien Debt Discharge Date, the Majority Future Second Lien Creditors; and

(4) on or after the Senior Secured Debt Discharge Date and the Future Second Lien Debt Discharge Date, the Majority Senior Creditors.

Prior to the later of the Senior Secured Debt Discharge Date: (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Shared Security; or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor or Third Party Security Provider to make a Distressed Disposal, the Security Agent shall give effect to any instructions to enforce the Transaction Security which the Majority Future Second Lien Creditors are then entitled to give to the Security Agent in accordance with the Intercreditor Agreement, as described under the heading "Restrictions on Enforcement by the Future Second Lien Creditors" above. Notwithstanding the foregoing, if at any time any Future Second Lien Creditor or its Creditor Representative is then entitled to give the Security Agent instructions to enforce the Transaction Security and the Majority Future Second Lien Creditors do not give such instruction and do not indicate any intention to give such instruction, then the Instructing Group may give instructions to the Security Agent to enforce the Transaction Security as the Instructing Group sees fit in lieu of any instructions to enforce given by the Future Second Lien Creditors or its Creditor Representative under the Intercreditor Agreement and Security Agent shall act on such instructions received from the Instructing Group.

Prior to the later of the Senior Secured Debt Discharge Date and the Future Second Lien Debt Discharge Date: (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor or Third Party Security Provider to make a Distressed Disposal, the Security Agent shall give effect to any instructions to enforce the Shared Security which the Majority Senior Creditors are then entitled to give to the Security Agent in accordance with the Intercreditor Agreement, as described under the heading "Restrictions on Enforcement by the Future Creditors; Future Senior Debt Standstill" above. Notwithstanding the paragraph above, if at any time any Senior Creditor or its Creditor Representative is then entitled to give the Security Agent instructions to enforce the Shared Security pursuant to the above and the Majority Senior Creditors do not give such instruction and do not indicate any intention to give such instruction, then the Instructing Group may give instructions to the Security Agent to enforce the Shared Security as the Instructing Group sees fit in lieu of any instructions to enforce given by the Senior Creditors or its Creditor Representative under the Intercreditor Agreement and the Security Agent shall act on such instructions received from the Instructing Group.

For the avoidance of doubt, the above provisions do not apply to the enforcement of the Senior Notes Only Security in accordance with the terms of the Intercreditor Agreement where the Security Agent will act in accordance with and subject to the instructions of the Majority Senior Creditors (as that term is defined in the Intercreditor Agreement).

Security Enforcement Principles

Unless otherwise agreed in writing between the Senior Secured Notes Issuer, Super Majority Super Senior Creditors, the Majority Cash Management Facility Creditors (as defined in the Intercreditor Agreement), the Senior Secured Notes Required Holders (as defined below) (if prior to the Senior Secured Notes Discharge Date), the Future *Pari Passu* Debt Required Holders (as defined below) (and to the extent relating to the definition of Security Enforcement Objective or paragraph (a) below, the Majority Future Second Lien Creditors), enforcement of the Transaction Security must be conducted in accordance with the "**Security Enforcement Principles**," which are summarized as follows:

(a) It shall, subject to any requirements of applicable law, be the primary and overriding aim of any enforcement of the Transaction Security to maximize, so far as is consistent with a prompt and expeditious realization of value from Enforcement of the Transaction Security, the recovery by the Super Senior Creditors, the Senior Secured Creditors, the Future *Pari Passu* Creditors and the Future Second Lien Creditors (to the extent that Transaction Security is expressed to secure the Future Second Lien Liabilities) (the "**Security Enforcement Objective**").

(b) The Transaction Security will, subject to any requirements of applicable law, be enforced and other action as to Enforcement will be taken such that either (i) all proceeds of Enforcement are received by the Security Agent in cash (or substantially all in cash) for distribution in accordance with the Payments Waterfall; or (ii) sufficient proceeds from Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the Payments Waterfall, the Super Senior Liabilities are repaid and discharged in full (unless the Super Majority Super Senior Creditors agree otherwise).

(c) The Enforcement Action must be prompt and expeditious it being acknowledged that, subject to the other provisions of the Intercreditor Agreement and any requirements of applicable law, the time frame for the realization of value from the Enforcement of the Transaction Security or Distressed Disposal (as defined below) pursuant to Enforcement will be determined by the Instructing Group provided that it is consistent with the Security Enforcement Objective.

(d) On a proposed Enforcement of any of the Transaction Security, the Security Agent shall (unless such enforcement is made pursuant to a public auction or process supervised by a court of law which makes a determination as to value) obtain an opinion from a reputable internationally recognized investment bank or international accounting firm or other reputable, third-party professional firm that is regularly engaged in providing valuations of businesses or assets similar or comparable to those charged under the Transaction Security to be enforced (a "**Financial Advisor**") to opine as expert (A) on the optimal method of enforcing the Transaction Security so as to achieve the Security Enforcement Principles and maximize recovery of any such Enforcement Action, (B) that the proceeds received from enforcement is fair from a financial point of view after taking into account all relevant circumstances, and (C) that such sale is otherwise in accordance with the Security Enforcement Objective. Such Financial Advisor shall be selected by the Instructing Group giving any enforcement instructions to the Security Agent in accordance with the Intercreditor Agreement and the Security Agent shall be directed to appoint such Financial Adviser in any such enforcement instruction.

(e) The Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the Intercreditor Agreement and it has received instructions as to the identity of such Financial Advisor from the Instructing Group. The liability of any Financial Advisor in respect of the opinions referred to in paragraph (d) above may be limited to the amount of its fees in respect of such engagement.

(f) The Financial Advisor's opinion will be conclusive evidence that the Security Enforcement Objective has been met and the Security Agent shall not be liable to any party as a result of having acted on the basis of the instructions given to it by the Instructing Group, as opined on by the Financial Advisor.

(g) In the event that an Enforcement of the Transaction Security is over assets and shares and such Enforcement is conducted by way of public auction, any equity investors of the Group shall be entitled to participate in such auction. There is no requirement in the Security Enforcement Principles that requires the Enforcement of Transaction Security to take place by way of public auction.

(h) In the absence of written notice from a creditor or group of creditors that are not part of the relevant Instructing Group that such creditor(s) object to any Enforcement of the Transaction Security on the grounds that such Enforcement Action does not aim to achieve the Security Enforcement Objective (an "**Objection**"), the Security Agent is entitled to assume that such Enforcement of the Transaction Security is in accordance with the Security Enforcement Objective.

(i) If the Security Agent receives an Objection (and without prejudice to the ability of the Security Agent to rely on other advisers and/or exercise its own judgement in accordance with this Agreement), a Financial Advisor's opinion to the effect that the particular action could reasonably be said to be aimed at achieving the Security Enforcement Objective will be conclusive evidence that the requirement of paragraph (a) above has been met.

For the avoidance of doubt, the above provisions do not apply to the enforcement of the Senior Notes Only Security.

Turnover

The Intercreditor Agreement also provides that if any Super Senior Creditor, Cash Management Facility Creditor, Super Senior Hedging Lender, Senior Secured Creditor, Future *Pari Passu* Creditor, Future Senior Creditor or Future Second Lien Creditor receives or recovers the proceeds of any Enforcement of Transaction Security (whether before or after an insolvency event) or any Senior Notes Only Security not permitted under the Intercreditor Agreement or applied other than in accordance with Payments Waterfall that it shall (subject to certain prior actual knowledge qualifications in the case of the Senior Secured Notes Trustee and any Future Senior Debt Representative, as applicable):

- in relation to receipts or recoveries not received or recovered by way of set-off, (i) hold an amount of that receipt or recovery equal to the relevant liabilities of that creditor (or, if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount or an amount equal to that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities owed to such creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

- 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.

Certain further turnover obligations following receipt of non-permitted payments apply to Future Second Lien Creditors, Future Senior Creditors and Subordinated Creditors.

Application of proceeds/Waterfall

All amounts received or recovered by the Security Agent in connection with the realization or Enforcement of all or any part of the Transaction Security (and, in relation to the Future Senior Creditors, Shared Security) or otherwise paid to the Security Agent in accordance with the Intercreditor Agreement for application in accordance with the Payments Waterfall (the "**Enforcement Proceeds**"), other than with respect to the Senior Notes Only Security, will be paid to the Security Agent for application in accordance with the following payments waterfall in each case to the extent that security has been given in favor of such obligations (the "**Payments Waterfall**"):

- first, in payment of the following amounts in the following order (i) *pari passu* and pro rata any sums owing to the Security Agent, any receiver or any of its delegates and any Trustee Liabilities as the case may be, and then (ii) *pari passu* and pro rata to each Creditor Representative (as the term is defined in the Intercreditor Agreement) (to the extent not included in (i) above and excluding any Hedging Counterparty as its own Creditor Representative) of the costs and expenses of each such Creditor Representative and any receiver, attorney or agent appointed by such Creditor Representative under any Transaction Security Document or the Intercreditor Agreement;

- second, *pari passu* and pro rata, in or towards payment of all costs and expenses incurred by the Super Senior Creditors, the Senior Secured Creditors and the Senior Creditors 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;

- third, *pari passu* and pro rata, in or towards payment to (i) each Creditor Representative(s) in respect of a Credit Facility on its own behalf and on behalf of the Arrangers and the Credit Facility Lenders under that Credit Facility; and (ii) to the Super Senior Hedging Lenders for application towards the discharge of (A) the liabilities owed to the Creditor Representative in respect of each Credit Facility, the Credit Facility Lender Liabilities and the related Arranger Liabilities in accordance with the terms of the Credit Facility Documents and (B) the Priority Hedging Liabilities (in proportion to each Priority Hedge Counterparty's Priority Hedge Proportion), on a pro rata basis as between paragraphs (A) and (B) above;

- fourth, *pari passu* and pro rata to the Cash Management Facility Agent on behalf of the Cash Management Facility Creditors, the Senior Secured Notes Trustee and to the relevant Creditor Representative on behalf of the Future *Pari Passu* Creditors for application towards any unpaid costs and expenses incurred by or on behalf of any Cash Management Facility Creditors, holders of Senior Secured Notes and Future *Pari Passu* Creditors in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;

- fifth, *pari passu* and pro rata to the Cash Management Facility Agent on behalf of the Cash Management Facility Creditors for application towards the Cash Management Facility Liabilities, to the Senior Secured Notes Trustee on behalf of the holders of Senior Secured Notes for application towards the discharge of the Senior Secured Notes Liabilities (in accordance with the relevant documents) and to the relevant Creditor Representative on behalf of the Future *Pari Passu* Creditors for application towards the discharge of the Future *Pari Passu* Debt (in accordance with the relevant documents) and to the *Pari Passu* Hedging Lenders for application towards the discharge of the Non-*Priority* Hedging Liabilities (in proportion to each *Pari Passu* Hedging Lender's Non-*Priority* Hedge Proportion);

- sixth, and only to the extent that the Future Second Lien Creditors are entitled to the relevant Recoveries, *pari passu* and pro rata in or towards payment to each Future Second Lien Debt Representative on behalf of the Future Second Lien Creditors it represents for application towards any unpaid costs and expenses incurred by or on behalf of any Future Second Lien Creditors in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;

- seventh, and only to the extent that the Future Second Lien Creditors are entitled to the relevant Recoveries, *pari passu* and pro rata to each Future Second Lien Debt Representative on behalf of the Future Second Lien Creditors it represents for application towards the discharge of the Future Second Lien Liabilities (in accordance with the Future Second Lien Debt Documents);
- eighth, and only to the extent that the Future Senior Creditors are entitled to the relevant recoveries, *pari passu* and pro rata, in or towards payment to the relevant Creditor Representative on behalf of the Future Senior Creditors for application towards any unpaid costs and expenses incurred by or on behalf of the holders of any Future Senior Debt in connection with any realization or enforcement of the Shared Security taken in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;
- ninth, and only to the extent that the Future Senior Creditors are entitled to the relevant Recoveries, *pari passu* and pro rata to the relevant Creditor Representative on behalf of the Future Senior Creditors for application towards the discharge of the Future Senior Debt (in accordance with the relevant documents); and
- tenth, after the Final Discharge Date, in payment of the surplus (if any) to the relevant Obligor or other person entitled to it.

For the avoidance of doubt (other than as provided above) payments of Enforcement Proceeds may only be made to the Senior Secured Notes Trustee for the holders of the Senior Secured Notes, if all payments then due and payable under the Revolving Credit Facility to the RCF Lenders, ancillary lenders and issuing bank and to the Super Senior Hedging Lenders in respect of the Priority Hedging Liabilities and the other payments referred to under "**thirdly**" above have been paid in full.

All amounts received or recovered by the Security Agent in connection with the realization or Enforcement of all or any part of the Senior Notes Only Security will be applied in accordance with a separate payments waterfall as follows (the "**Senior Notes Only Security Payments Waterfall**"):

- first, in payment of the following amounts in the following order (i) *pari passu* and pro rata any sums owing to the Security Agent, any receiver or any of its delegates and any Trustee Liabilities, as the case may be, and then (ii) *pari passu* and pro rata to each Creditor Representative of the holders of the Future Senior Creditors of the costs and expenses of each such Creditor Representative and any receiver, attorney or agent appointed by such Creditor Representative under any Senior Notes Only Security document or the Intercreditor Agreement;
- second, *pari passu* and pro rata, to the relevant Creditor Representative on behalf of the Future Senior Creditors in or towards payment of all costs and expenses incurred by the by any of Future Senior Creditors in connection with any realization or enforcement of the Senior Notes Only Security taken in accordance with the terms of the Senior Notes Only Security documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;
- third, *pari passu* and pro rata, to the relevant Creditor Representative on behalf of the Future Senior Creditors for application towards the discharge of the Future Senior Debt (in accordance with the relevant documents); and
- fourth, after the Senior Debt Discharge Date, in payment of the surplus (if any) to the relevant Obligor or other person entitled to it.

Acceleration

If an event of default occurs under the Revolving Credit Facility, the Senior Secured Notes or Future *Pari Passu* Debt then any decision to accelerate the Revolving Credit Facility or Senior Secured Notes or Future *Pari Passu* Debt and, subject as provided below, to take any other Enforcement Action will be determined in accordance with the provisions of the Revolving Credit Facility or relevant Senior Secured Notes Indenture or in accordance with the terms of the Future *Pari Passu* Debt (as applicable). The Intercreditor Agreement contains provisions requiring relevant Creditor Representative to notify the Security Agent of such event and the Security Agent shall, upon receiving that notification, notify each other party to the Intercreditor Agreement.

Release and/or transfer of claims and liabilities in respect of the Future Senior Debt and the Senior Secured Notes and the Transaction Security

Non-distressed disposal

In circumstances where a disposal or other transaction whereby a release, consent or other step in relation to, Transaction Security is considered necessary or desirable by the Senior Secured Notes Issuer in connection with such transaction (including to reflect the Agreed Security Principles), is not being effected pursuant to a Distressed Disposal and is otherwise permitted by the terms of the Senior Secured Notes Indenture, the Credit Facility Documents, the Cash Management Facility Documents, the Future *Pari Passu* Debt Documents, the Future Second Lien Debt Documents and the Future Senior Debt Documents (as those terms are defined in the Intercreditor Agreement), the Intercreditor Agreement provides that (subject to certain conditions) the Security Agent is authorized (i) to release relevant the Transaction Security or any other relevant claim (relating to a Debt Document) over any relevant asset; (ii) where any relevant asset consists of all the shares in the capital of an Obligor, to release the Transaction Security or any other claim (relating to a Debt Document) over the assets of that Obligor and the shares in and assets of any of its subsidiaries; (iii) to execute and deliver or enter into any release of the Transaction Security or any claim described in (i) and/or (ii) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing, or return any physical collateral or other documents, in each case, as reasonably requested by the Senior Secured Notes Issuer, and (iv) to take any other action on behalf of the Secured Parties in connection with the same that is permitted under the relevant Debt Documents provided that, to the extent that replacement Transaction Security is required from the transferee under the terms of the Debt Documents, such Transaction Security shall, to the extent reasonably practicable and subject to the Agreed Security Principles, be granted at the same time as (or before) the relevant disposal is effected.

Distressed Disposal

"**Distressed Disposal**" means a disposal of an asset of a member of the Group or of a holding company (including the Parent) which in each case is subject to the Transaction Security or any disposal of a Material Subsidiary (as that term is defined in the Revolving Credit Facility Agreement as at the date of the Intercreditor Agreement) or all or substantially all of the assets of a Material Subsidiary (as defined in the Revolving Credit Facility Agreement as at the date of the Intercreditor Agreement) which is (a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable, (b) being effected by enforcement of the Transaction Security, or (c) being effected, after the occurrence of a Distress Event (as defined below), by a Debtor, any holding company (including the Parent) of a Debtor or a Third Party Security Provider to a person or persons which is not a member of the Group.

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement provides that the Security Agent is authorized and instructed:

(i) to release the Transaction Security, or any other claim over that asset and execute and deliver or 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 considered necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of an Obligor, to release (a) that Obligor and any subsidiary of that Obligor from all or any part of: (x) the liabilities it may have as a principal debtor in respect of financial indebtedness arising under the Debt Documents (whether incurred solely or jointly and including, without limitation, liabilities as a Borrower under and as defined in the Revolving Credit Facility Agreement or liabilities as an issuer of the Senior Secured Notes or in any equivalent capacity under the Future *Pari Passu* Debt Documents, Future Second Lien Debt Document and/or Future Senior Debt Documents) (the "**Borrowing Liabilities**"); (y) the liabilities under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have as or as a result of its being a guarantor or surety or giving an indemnity as a primary debtor, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Senior Secured Debt Documents, the Future Second Lien Debt Documents or the Future Senior Debt Documents (as each such term is defined in the Intercreditor Agreement) (the "**Guarantee Liabilities**") and (z) any trading and other liabilities (not being Borrowing Liabilities or Guarantee Liabilities) it may have to the Holdco Lender (as such term is defined in the Intercreditor Agreement), any Intra-Group Lender, any Obligor, any Shareholder Creditor or any holding company of any Obligor (the "**Other Liabilities**"); (b) any Transaction Security granted by that Obligor or any subsidiary of that Obligor over any of its assets; and (c) any other claim of a Subordinated

Creditor, an Intra-Group Lender, or another Obligor over that Obligor's assets or over the assets of any subsidiary of that Obligor, in each case, on behalf of, in each case the relevant Creditors, Obligors and Third Party Security Providers;

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of an Obligor, to release (a) that holding company and any subsidiary of that holding company from all or any part of its Borrowing Liabilities, Guarantee Liabilities and Other Liabilities; (b) any Transaction Security granted by any subsidiary of that holding company over any of its assets; and (c) any other claim of a Subordinated Creditor, an intra-Group Lender or another Obligor over the assets of any subsidiary of that holding company;

(iv) if the asset which is disposed of consists of shares in the capital of an Obligor or a holding company of an Obligor and the Security Agent decides to dispose of all or any part of (y) all present and future moneys, debts, liabilities and obligations due at any time of any member of the Group or any Future Senior Issuer to any Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly with any other person or in any other capacity, together with any additional liabilities (the "**Liabilities**"); or (z) any liabilities owed to any Obligor or Shareholder Creditor (whether actual or contingent and whether incurred solely or jointly (the "**Debtor Liabilities**") owed by that Obligor or holding company or any subsidiary of that Obligor or holding company on the basis that (A) if the Security Agent does not intend that any transferee of those Liabilities or Debtor Liabilities will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all (and not part only) of those Liabilities owed to the Primary Creditors or Debtor Liabilities provided that notwithstanding any other provision of any Debt Document, the transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and (B) if the Security Agent does intend that any transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of (I) all (and not part only) of the Liabilities owed to the Primary Creditors; and (II) all or part of any other Liabilities and the Debtor Liabilities, on behalf of, in each case the relevant Creditors, Obligors and Third Party Security Providers: and

(v) if the asset which is disposed of consists of shares in the capital of an Obligor or the holding company of an Obligor (the "**Disposed Entity**") and the Security Agent decides to transfer to another Obligor or a holding company of an Obligor all or part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of (x) the Intra- Group Liabilities; (y) the Liabilities owed by any member of the Group to the Holdco Lender (including for the avoidance of doubt with respect to any Proceeds Loan), together with any related additional liabilities (the "**Holdco Liabilities**"); or (z) the Debtor Liabilities to execute and deliver or enter into any agreement to (A) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities on behalf of the relevant Intra- Group Lenders, the Holdco Lender and the relevant Obligors to which those obligations are owed and on behalf of the Obligors which owe those obligations; and (B) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities on behalf of the receiving entity or receiving entities to which the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities are to be transferred.

If a Distressed Disposal is being effected (provided that, for this purpose, a Distressed Disposal shall not be deemed to include reference to any disposal of a Material Subsidiary (as defined in the Revolving Credit Facility Agreement) or all or substantially all of the assets of a Material Subsidiary (as defined in the Revolving Credit Facility Agreement)) such that the Future Second Lien Liabilities' and Transaction Security over shares in the Senior Secured Notes Issuer or assets of a Future Second Lien Guarantor or the Senior Secured Notes Issuer will be released, it is a condition to the release that either:

(i) the Future Second Lien Debt Representative has approved the release on the instructions of the Majority Future Second Lien Creditors (as defined in the Intercreditor Agreement); or

(ii) each of the following conditions is satisfied:

  (A) the proceeds of such sale or disposal are in cash (or substantially in cash);

  (B) all present or future obligations owed to the Senior Secured Creditors and the Super Senior Creditors under the Senior Secured Debt Documents by a member of the Group all of whose shares pledged under in favor of the Senior Secured Creditors and the Super Senior Creditors 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 such obligations are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of is simultaneously and unconditionally released concurrently with such sale; and

(C) such sale or disposal is made:

(I) pursuant to Competitive Process (being a public or private auction or other competitive sale process in which more than one bidder participates or is invited to participate (including any person invited that is a Primary Creditor (as defined in the Intercreditor Agreement) at the time of such invitation), which may or may not be conducted through court or other legal proceedings, and which is conducted with the advice of a Financial Advisor) in which the Future Second Lien Creditors (or a representative acting on their behalf) shall be entitled to participate as bidder or financier to the potential purchaser and shall be provided equal information rights as any other bidder, subject to applicable securities law (and for the avoidance of doubt in which the Future Second Lien Creditors or a representative acting on their behalf are also entitled to participate);

(II) pursuant to any process or proceedings approved or supervised by or on behalf of any court of law which has jurisdiction and where there is a determination of value by or on behalf of such court; or

(III) where a Financial Advisor has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and the circumstances giving rise to such sale, provided that the liability of Financial Advisor in giving such opinion may be limited to the amount of its fees in respect of such engagement.

If prior to the Senior Secured Debt Discharge Date, a Distressed Disposal is being effected at a time when the Majority Future Second Lien Creditors are entitled to give, and have given, instructions, the Security Agent is not authorized to release any Debtor, Subsidiary or Holding Company that is a member of the Group from any Borrowing Liabilities or Guarantee Liabilities or Other Liabilities owed to any Senior Secured Creditor or any Super Senior Creditor unless those Borrowing Liabilities or 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 LC, a 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 such that the Future Senior Liabilities and Shared Security will be released, it is a condition to the release that either:

(i) any Future Senior Debt representative has approved the release on the instructions of the Future Senior Debt Required Holders (as defined in the Intercreditor Agreement); or

(ii) (each of the following conditions is satisfied:

(A) the proceeds of such sale or disposal are in cash (or substantially in cash);

(B) all present or future obligations owed to the secured parties under the Future Second Lien Debt Documents by the Future Senior Debt Issuer, or a member of the Group all of whose shares pledged under the Transaction Security 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 such obligations are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of is simultaneously and unconditionally released concurrently with such sale; and

(C) such sale or disposal is made:

(I) pursuant to Competitive Process (being a public or private auction or other competitive sale process in which more than one bidder participates or is invited to participate (including any person invited that is a Primary Creditor (as defined in the Intercreditor Agreement) at the time of such invitation), which may or may not be conducted through court or other legal proceedings, and which is conducted with the advice of a Financial Advisor) in which the Senior Creditors, Super Senior Creditors of Future Second Lien Creditors (or in each case a representative acting on their behalf) shall be entitled to participate as bidder or financier to the potential purchaser and shall be provided equal information rights as any other bidder, subject to applicable securities law (and for the avoidance of doubt in which the Senior Secured Creditors, the Super Senior Creditors, the Future Second Lien Creditors or, in each case, a representative acting on their behalf are also entitled to participate);

(II) pursuant to any processor proceedings approved or supervised by or on behalf of any court of law which has jurisdiction and where there is a determination of value by or on behalf of such court; or

(III) where a Financial Advisor has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and the circumstances giving rise to such sale, provided that the liability of Financial Advisor in giving such opinion may be limited to the amount of its fees in respect of such engagement.

If prior to the later of the Senior Secured Debt Discharge Date and the Future Second Lien Discharge Date, a Distressed Disposal is being effected at a time when the Majority Senior Creditors are entitled to give, and have given, instructions, the Security Agent is not authorized to release any Debtor, Subsidiary or Holding Company that is a member of the Group from any Borrowing Liabilities or Guarantee Liabilities or Other Liabilities owed to any Senior Secured Creditor, Super Senior Creditor or Future Second Lien Creditor unless those Borrowing Liabilities or Guarantee Liabilities or Other Liabilities and any other Senior Secured Liabilities or Future 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 LC, a 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 disposal of an asset subject to the Senior Notes Only Security is being effected (i) at the request of the Majority Senior Creditors (at a time when enforcement of the Senior Notes Only Security is permitted by the "Restrictions on Enforcement by Future Senior Creditors; Future Senior Debt Standstill' section above in circumstances, (ii) by enforcement of the Senior Notes Only Security or (iii) after the occurrence of a Distress Event, by Topco or a Third Party Security Provider to a person which is not a member of the Group), the Security Agent is irrevocably authorized and instructed to take all such actions as if the disposal was a Distressed Disposal (including the release of any Senior Notes Only Security) and the net proceeds of the disposal shall be paid to the Security Agent to be distributed in accordance with the Senior Notes Only Security Payments Waterfall provided that, if such disposal occurs prior to the later of the Senior Secured Debt Discharge Date and the Future Second Lien Discharge Date, the Security Agent is not authorized to release any Debtor, Subsidiary or Holding Company that is a member of the Group from any Borrowing Liabilities or Guarantee Liabilities or Other Liabilities owed to any Senior Secured Creditor, Super Senior Creditor or Future Second Lien Creditor unless those Borrowing Liabilities or Guarantee Liabilities or Other Liabilities and any other Senior Secured Liabilities or Future 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 LC, a Cash Management Facility or an Ancillary Facility, made the subject of cash collateral arrangements acceptable to the relevant Senior Creditor), following that release.

Application of proceeds of a Distressed Disposal

The net proceeds of a Distressed Disposal (and the net proceeds of any disposal of liabilities) shall be paid to the Security Agent for application in accordance with the provisions set forth under "- Application of proceeds/ Waterfall' 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 the disposal of liabilities had not occurred.

Voting and amendments

Voting in respect of the Credit Facility, the Senior Secured Notes and/or Future *Pari Passu* Debt will be in accordance with the relevant documents.

Subject to the paragraph below and certain customary exceptions contained in the Intercreditor Agreement, amendments to or waivers and consents under the Intercreditor Agreement requires the written agreement of:

(a) the Majority Super Senior Creditors;

(b) the Majority Cash Management Facility Creditors;

(c) the Senior Secured Notes Required Holders (as defined below) (if prior to the Senior Secured Notes Discharge Date);

(d) the Future *Pari Passu* Debt Required Holders (as defined below);

(e) the Majority Future Second Lien Creditors;

(f) the Future Senior Debt Required Holders (as defined below);

(g) the Security Agent; and

(h) the Senior Secured Notes Issuer,

provided that to the extent an amendment, waiver or consent only affects one class of secured party, and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the other classes of secured party, only written agreement from the representative for any affected class (acting on the instructions of the affected class as required) shall be required. Notwithstanding the paragraph immediately above, subject to certain exceptions, including in relation to the implementation of certain future indebtedness as contemplated by the Intercreditor Agreement, an amendment or waiver relating to provisions dealing with (i) ranking and priority, (ii) turnover of Receipts, (iii) redistribution, (iv) enforcement of Transaction Security, (v) proceeds of disposals, (vi) application of proceeds, (vii) consents, amendments and overrides, and (viii) certain provisions relating to the instructions to and exercise of discretion by the Security Agent or the order of priority or subordination under the Intercreditor Agreement, shall not be made without the written consent of:

(a) the RCF Lenders;

(b) the Cash Management Facility Lenders (to the extent that the amendment or waiver would materially adversely affect the rights and obligations of the Cash Management Facility Lenders under the Intercreditor Agreement in their capacity as such);

(c) the Senior Secured Notes Trustee (acting in accordance with the terms of the Senior Secured Notes Indenture);

(d) the representative of the Future *Pari Passu* Creditors;

(e) the representative of the Future Second Lien Creditors;

(f) the representative of the Future Senior Creditors;

(g) each Super Senior Hedging Lender and each *Pari Passu* Hedging Lender (to the extent that the amendment or waiver would materially adversely affect Super Senior Hedging Lenders and *Pari Passu* Hedging Lenders); and

(h) the Senior Secured Notes Issuer,

provided that to the extent an amendment, waiver or consent only affects one class of secured party, and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the other classes of secured party, only written agreement from the representative for any affected class (acting on the instructions of the affected class as required) shall be required.

The Intercreditor Agreement provides that:

(a) "**Future Senior Debt Required Holders**" means, in respect of any direction, approval, consent or waiver, the Future Senior Creditors holding in aggregate a principal amount of Future Senior Debt which is not less than the principal amount of Future Senior Debt required to vote in favor of such direction, consent or waiver under the terms of the relevant documents or, if the required amount is not specified, the holders holding at least the majority of the principal amount of the then outstanding Future Senior Debt;

(b) "**Future *Pari Passu* Debt Required Holders**" means, in respect of any direction, approval, consent or waiver, the *Pari Passu* Creditors holding in aggregate a principal amount of Future *Pari Passu* Debt which is not less than the principal amount of Future *Pari Passu* Debt required to vote in favor of such direction, consent or waiver under the terms of the relevant documents or, if the required amount is not specified, the holders at least holding the majority of the principal amount of the then outstanding Future *Pari Passu* Debt; and

(c) "**Senior Secured Notes Required Holders**" means, in respect of any direction, approval, consent or waiver, the holders of the Senior Secured Notes holding in aggregate a principal amount of Senior Secured Notes which is not less than the principal amount of Senior Secured Notes required to vote in favor of such direction, consent or waiver under the terms of the Senior Secured Notes Indenture or, if the required amount is not specified, the holders holding the majority of the principal amount of the then outstanding Senior Secured Notes (as applicable);

Snooze/lose

If in relation to a request for a consent, to participate in a vote of a class of creditors, to approve any action or to provide any confirmation or notification, in each case, under the Intercreditor Agreement (and any other Debt Document (other than the Future Senior Debt Documents), which does not contain a substantially equivalent snooze/lose provision) any creditor fails to respond to the request within ten Business Days or fails to provide details of its credit participation, such creditor will be disregarded or be deemed to have zero participation in respect of the matter or be deemed to have provided the relevant confirmation or notification, as applicable provided that, notwithstanding the foregoing, such provision shall not apply to any holder of a Note in respect of any request where such holder of a Note is not given the option to respond to such request in the negative but shall otherwise apply to all holders of a Note.

Option to purchase

Following:

(a) any notice that the Transaction Security has become enforceable; or

(b) either (i) an acceleration of the Revolving Credit Facility, a Cash Management Facility Document, the Senior Secured Notes, the Future *Pari Passu* Debt, the Future Second Lien Debt or the Future Senior Debt, or (ii) the enforcement of any Transaction Security (a "**Distress Event**") (and provided that no option to purchase has been served by the Future Second Lien Creditors or the Future Senior Creditors), the holders of the Senior Secured Notes, the Cash Management Facilities Lenders and the Future *Pari Passu* Creditors shall have an option to purchase all (but not part) of the RCF Lenders' (or their affiliates) commitments under the Revolving Credit Facility and all their exposures in respect of any related Super Senior Hedging Agreements at par plus accrued interest and all other amounts owing under the Revolving Credit Facility Agreement and the Super Senior Hedging Agreements, with such purchase to occur all at the same time.

Following (a) any notice that the Transaction Security has become enforceable; or (b) a Distress Event (and provided that no option to purchase has been served by the Future Senior Creditors), the holders of the Future Second Lien Debt shall have an option to purchase all (but not part) of the Senior Secured Debt at par plus accrued interest and all other amounts owing in respect of such Senior Secured Debt, with such purchase to occur all at the same time.

Following (a) any notice that the Transaction Security has become enforceable; or (b) a Distress Event, the Future Senior Creditors shall have an option to purchase all (but not part) of the Senior Secured Debt and Future Second Lien Debt at par plus accrued interest and all other amounts owing in respect of such Senior Secured Debt and Future Second Lien Debt, with such purchase to occur all at the same time.

Hedging

All scheduled payments permitted under a Super Senior Hedging Agreements or a *Pari Passu* Hedging Agreement (other than certain close out payments whilst a Senior Secured Default is continuing (or payments when a scheduled payment from the hedging counterparty is due and unpaid)) are permitted payments for the purposes of the Intercreditor Agreement.

The Intercreditor Agreement contains customary provisions in relation to the circumstances in which a Super Senior Hedging Lender and a *Pari Passu* Hedging Lender may take Enforcement Action in relation to its hedging.

Provisions following an IPO

On, following or in contemplation of an initial public offering of the Company (or a holding company of the Company) (an "**IPO**") but not earlier than the Merger Date, the Senior Secured Notes Issuer is entitled to give notice that the terms of the Debt Documents will automatically operate so that, amongst other things, (i) the Group (and all related provisions) will now refer to the entity who will issue shares or whose shares are to be sold pursuant to such IPO (the "IPO Pushdown Entity,") and each of its respective 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 any Shared Security), and each Subordinated Creditor, Topco and/or Parent will be released from its obligations and restrictions under the Intercreditor Agreement in the appropriate capacity.

Subject to the consent of the requisite majority lenders under each applicable class of debt (being the Majority Super Senior Creditors, the Majority Senior Secured Creditors the Majority Senior Creditors and the Majority Future Second Lien Creditors (each as defined in the Intercreditor Agreement)), the Senior Secured Notes Issuer and each other member of the Group 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 Group) shall be required to enter into any amendment, release or replacement of any Debt Document required to facilitate such matters.

General

The Intercreditor Agreement contains provisions dealing with:

(a) close-out rights for the Super Senior Hedging Lenders and the *Pari Passu* Hedging Lenders;

(b) permitted payments (including without limitation, the repayment of Shareholder Liabilities and the payment of permitted distributions in each case to the extent permitted under the terms of the finance documents relating to the Senior Secured Debt and the Future Senior Debt);

(c) incurrence of Future *Pari Passu* Debt, Future Senior Debt or Future Second Lien Debt that will allow certain creditors and agents with respect to such Future *Pari Passu* Debt, Future Senior Debt or Future Second Lien Debt, as the case may be, to accede to the Intercreditor Agreement and benefit from, and be subject to, the provisions of the Intercreditor Agreement so long as not prohibited under the Credit Facility Documents or the Senior Secured Notes;

(d) the ability to replace or supplement the Revolving Credit Facility Agreement with facilities benefiting from a similar position under the terms of the Intercreditor Agreement;

(e) payments received by creditors which are not permitted by the Intercreditor Agreement shall be required to be held on trust for the Security Agent and provided to the Security Agent for application in accordance with the Payments Waterfall; and

(f) customary protections for any Future Senior Debt Representative and the Senior Secured Notes Trustee.

Governing law

The Intercreditor Agreement is governed by and construed in accordance with English law.

Itelyum Proceeds Loans

On or about the Completion Date, the Issuer will make available to Itelyum Regeneration the Itelyum Regeneration Proceeds Loan for an estimated aggregate principal amount of €82.3 million and to Itelyum Purification the Itelyum Purification Proceeds Loan for an estimated aggregate principal amount of €68.1 million. The amounts borrowed by Itelyum Regeneration and Itelyum Purification under the Itelyum Proceeds Loans will be used as described under "*Summary—The Transactions*" and "*Use of Proceeds*."

Interest on the Itelyum Proceeds Loans will accrue at a rate that we anticipate will be generally consistent with the rate applicable to the Notes. The maturity date of the Itelyum Proceeds Loans will be on or about the maturity date of the Notes.

Subject to certain significant exceptions, the Itelyum Proceeds Loans documentation will prohibit the repayment, reduction, extinction or equitization of the Itelyum Proceeds Loans. Such exceptions include, but are not limited to, the repayment of the Itelyum Proceeds Loans to enable the Issuer to make payments of principal and interest on the Notes. The Indenture will not include any restrictions on the Issuer, Itelyum Regeneration or Itelyum Purification to amend the Itelyum Proceeds Loans documentation, including to permit the repayment of the Itelyum Proceeds Loans in order to allow the Issuer to discharge other debt secured by the Collateral. See "*Risk Factors—Risks related to the Notes, the Guarantees and the Collateral—The principal amount of the receivables forming part of the Collateral may be reduced as a result of prepayments of such loans prior to the maturity date of the Notes*."

The agreement governing the Itelyum Proceeds Loans will not provide for any undertakings or representations by the parties. The Issuer's interest in the receivables under the Itelyum Proceeds Loans will be subject to security on a first-ranking basis as part of the Collateral securing the Notes and the Revolving Credit Facility. The agreement governing the Itelyum Proceeds Loans will be governed by Italian law.

Upon completion of the Post Completion Merger, the Itelyum Regeneration Proceeds Loan will be terminated and the security interest over the Issuer's interest in the receivables in respect of the Itelyum Regeneration Proceeds Loan will be extinguished by operation of law.

Other Financing Arrangements

Facility Agreement between Itelyum Purification and Intesa Sanpaolo S.p.A.

In March 26, 2021, Itelyum Purification entered into a facility agreement with Intesa Sanpaolo S.p.A. for an original principal amount of €2,500,000.00. The facility is guaranteed by MedioCredito Centrale S.p.A. ("**MCC**"), under COVID-19-related regulations and it is unsecured.

The interest rate on the facility is equal to 2.40% *plus* EURIBOR *per annum*. The maturity date is the date falling 72 months after the closing date.

Facility Agreement between Itelyum Purification and SACE-SIMEST S.p.A.

In March 31, 2021, Itelyum Purification entered into a medium-long-term facility agreement with SACE-SIMEST S.p.A. for an original principal amount of €600,000.00. The facility is unguaranteed and unsecured.

The interest rate on the facility is equal to 0.55%, subject to adjustment. The maturity date is December 2027.

Facility Agreement between Itelyum Purification and Banco BPM S.p.A.

In March 26, 2021, Itelyum Purification entered into a facility agreement with Banco BPM S.p.A. for an original principal amount of €2,500,000.00. The facility is guaranteed by MCC, under COVID-19-related regulations and it is unsecured.

The interest rate on the facility is equal to 1.80% *plus* EURIBOR *per annum*. The maturity date is the date falling 72 months after the closing date.

Facility Agreement between Centro Risorse S.r.l. and Intesa Sanpaolo S.p.A.

In March 26, 2021, Centro Risorse S.r.l. entered into a facility agreement with Intesa Sanpaolo S.p.A. for an original principal amount of €1,750,000.00. The facility is guaranteed by MCC, under COVID-19-related regulations and it is unsecured.

The interest rate on the facility is equal to 2.40% *plus* EURIBOR *per annum*. The maturity date is the date falling 72 months after the closing date.

Facility Agreement between Centro Risorse S.r.l. and Banco BPM S.p.A.

In March 26, 2021, Centro Risorse S.r.l. entered into a facility agreement with Banco BPM S.p.A. for an original principal amount of €1,750,000.00. The facility is guaranteed by MCC, under COVID-19-related regulations and it is unsecured.

The interest rate on the facility is equal to 1.80% *plus* EURIBOR *per annum*. The maturity date is the date falling 72 months after the closing date.

DESCRIPTION OF NOTES

Verde Bidco S.p.A. (formerly known as Noosa S.r.l.) (the "**Issuer**") will issue €450.0 million in aggregate principal amount of % Sustainability-Linked Senior Secured Notes due 2026 (the "**Notes**") under an indenture to be dated as of , 2021 (the "**Indenture**"), between, *inter alios*, the Issuer, Verde Midco S.r.l. ("**Holdco**"), as third-party security provider, The Law Debenture Trust Corporation p.l.c., as trustee of the holders of the Notes and common representative (*rappresentante comune*) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code (the "**Trustee**") under the Indenture, and UniCredit S.p.A., as security agent under the Intercreditor Agreement (as defined below) and representative (*rappresentante*) of the holders of the Notes pursuant to and for the purposes set forth under Article 2414-bis, 3rd paragraph of the Italian Civil Code (the "**Security Representative**") under the Indenture (the "**Security Agent**"). Definitions of certain capitalized terms used in this *"Description of Notes*" are set forth under the heading "*—Certain Definitions*" below. For purposes of this *"Description of Notes*," "Issuer" means Verde Bidco S.p.A. (not including any of its Subsidiaries) and any and all successors thereto (including, following the Post Completion Merger, MergerCo (as defined below)).

Upon the initial issuance of the Notes, the Notes will be obligations solely of the Issuer. Prior to the Completion Date, the Issuer will not control the Target or any of its Subsidiaries, and none of the Target nor any of its Subsidiaries will be subject to the covenants described in this *"Description of Notes*." As such, the Issuer cannot assure you that prior to the Completion Date, the Target and its Subsidiaries will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities as of and from the Issue Date and prior to the Completion Date.

If the Completion Date is anticipated to occur more than one business day after the Issue Date, pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the Initial Purchasers will, concurrently with the closing of the Offering of the Notes on the Issue Date, deposit the gross proceeds of this Offering of the Notes into a segregated escrow account (the "**Escrow Account**") pursuant to the terms of an escrow deed (the "**Escrow Agreement**"), to be dated the Issue Date, among the Issuer, the Trustee and Bank of America, National Association, as escrow agent (the "**Escrow Agent**"). The release of the Escrowed Property (as defined below) from the Escrow Account will be subject to the satisfaction of certain conditions, including the completion of the Acquisition pursuant to the terms of the Acquisition Agreement within one Business Day following the release of the funds from the Escrow Account. If the proceeds of the Notes are deposited into the Escrow Account and the conditions to the release of the Escrowed Property have not been satisfied on or prior to January 31, 2022 (the "**Escrow Longstop Date**"), or upon the occurrence of certain other events, the Notes will be subject to a Special Mandatory Redemption (as defined herein). The Special Mandatory Redemption price of the Notes will be equal to 100% of the initial issue price of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined herein). See "*—Escrow of Proceeds; Special Mandatory Redemption*."

Upon release from escrow, the proceeds of the Offering of the Notes sold on the Issue Date will be used by the Issuer, together with the Equity Contribution (as defined under "*Summary—The Transactions—The Financing*") and cash on balance sheet of the Target Group, to fund the purchase price for the Acquisition, repay certain outstanding debt of the Target Group and pay costs and expenses incurred in connection with the Transactions, as described further in this Offering Memorandum under "*Use of Proceeds*."

This *"Description of Notes*" is intended to be an overview of the material provisions of the Notes, the Guarantees and the Indenture. Since this description of the terms of the Notes is only a summary, you should refer to the Notes, the Guarantees and the Indenture for complete descriptions of the obligations of the Issuer and your rights. In addition, the following description refers to the Security Documents and the Intercreditor Agreement. Copies of such documents are available from us upon request as set forth under "*Listing and General Information*."

The Notes, the Indenture and the Guarantees thereunder will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements. The terms of the Intercreditor Agreement are important to understanding the terms and ranking of the Liens on the Collateral securing the Notes and the Guarantees. Please see "*Description of Certain Financing Arrangements—Intercreditor Agreement*" for a description of the material terms of the Intercreditor Agreement.

The registered holder (a "**Holder**") of a Note will be treated as the owner of it for all purposes. Only 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. In addition, the Indenture will not be subject to, incorporate by reference or otherwise include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

Additional Notes

The Indenture will be unlimited in aggregate principal amount, of which €450.0 million aggregate principal amount of Notes will be issued on the Issue Date. After the Issue Date, we may issue an unlimited principal amount of additional Notes having substantially identical terms and conditions as the Notes originally issued (together with any notes issued under the Indenture of any other series as further described below, the "**Additional Notes**") under the Indenture. We will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under "*—Certain Covenants—Limitation on Indebtedness*").

Any such Additional Notes shall have terms substantially identical to the Notes originally issued, except in respect of any of the following terms which shall be set forth in an Officer's Certificate (as defined below) supplied to the Trustee:

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes may be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes may 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 may 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 may be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the maturity date or dates of such Additional Notes, and 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, including, but not limited to, any special mandatory redemption using amounts released from any escrow account into which proceeds of the issuance of such Additional Notes are deposited pending consummation of any acquisition, Investment, refinancing or other transaction (such redemption, an "**Additional Notes Special Mandatory Redemption**");

(7) the provisions relating to the escrow of all or a portion of the proceeds of such Additional Notes and the granting of Liens described in clause (22) of the definition of "Permitted Liens" in favor of the Trustee solely for the benefit of the Holders of such Additional Notes (and not, for the avoidance of doubt, for the benefit of the Holders of any other Notes), together with all necessary authorizations for the Trustee to enter into such arrangements; *provided* that, for so long as the proceeds of such Additional Notes are in escrow, such Additional Notes shall benefit only from such Liens and shall not be subject to the Intercreditor Agreement or any Additional Intercreditor Agreement and shall not benefit from any security interest in the Collateral;

(8) 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 may be issued and redeemed;

(9) the status of registration with the SEC of such Additional Notes or the applicable exemption from such registration pursuant to which such Additional Notes may be offered or sold; and

(10) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes, and the relevant clearing systems.

The Notes (together with any Additional Notes issued from time to time) will be treated as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for a specific series. Unless the context otherwise requires or unless otherwise specified, for all purposes of the Indenture and this "*Description of Notes*," references to the "Notes" include the Notes issued on the Issue Date under the Indenture and any Additional Notes that are actually issued from time to time. Additional Notes may be designated to be of the same series as any other series of Notes, including the Notes issued on the Issue Date, but only if they have terms substantially identical in all material respects to such other series, and if so designated shall be deemed to form one series with such other series (it being understood that any Additional Notes that are substantially identical in all material respects to any other series of Notes but for being subject to an Additional Notes Special Mandatory Redemption shall be deemed to be substantially identical to such series of Notes only following the date on which such Additional Notes Special Mandatory Redemption provision ceases to apply).

In the event that any Additional Notes are not fungible with the Notes issued on the Issue Date for U.S. federal income tax and/or Italian tax purposes, such non-fungible Additional Notes shall be issued with a separate ISIN, Common Code, CUSIP or other securities identification number, as applicable, so that they are distinguishable from such Notes.

General

The Notes

The Notes will, on the Issue Date:

- be general senior obligations of the Issuer and, subsequent to the Post Completion Merger, MergerCo;
- rank *pari passu* in right of payment among themselves and with any existing and future Indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes (including the obligations of the Issuer under the Revolving Credit Facility and certain Hedging Obligations, if any);
- rank senior in right of payment to any future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;
- be secured as set forth below under "*—Security*;"
- be effectively subordinated to any existing or future Indebtedness of the Issuer (or MergerCo, as applicable) that is secured by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such Indebtedness;
- be structurally subordinated to any existing or future Indebtedness or obligation (including obligations to trade creditors) of Subsidiaries of the Issuer (or MergerCo, as applicable) that do not guarantee the Notes; and
- be represented by one or more Notes in registered global form, which in certain circumstances may be represented by Definitive Registered Notes (see "*—Methods of Receiving Payments on the Notes*").

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 obligations under the Revolving Credit Facility and certain Hedging Obligations, if any.

The Guarantees

The Guarantee of each Guarantor will, at the time the relevant Guarantor grants such Guarantee:

- be a general senior obligation of the relevant Guarantor;
- rank *pari passu* in right of payment with any existing or future Indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Guarantor's Guarantee, including such Guarantor's senior guarantee given in favor of the Revolving Credit Facility and certain Hedging Obligations, if any;
- rank senior in right of payment to any existing or future Indebtedness of that Guarantor that is expressly subordinated in right of payment to the such Guarantor's Guarantee;
- be secured as set forth below under "*—Security*;"
- be effectively subordinated to any existing or future Indebtedness of that Guarantor that is secured by property or assets that do not secure that Guarantor's Guarantee, to the extent of the value of the property or assets securing such Indebtedness;
- be structurally subordinated to any existing or future Indebtedness or obligation (including obligations to trade creditors) of the Subsidiaries of such Guarantor that do not guarantee the Notes; and
- be subject to the limitations described herein and in "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral*," "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

Principal, Maturity and Interest

The Issuer will issue €450.0 million in aggregate principal amount of Notes on the Issue Date. The Notes will mature on , 2026. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Interest on the Notes will initially accrue at the rate of % per annum. 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 in cash semi-annually in arrears on and , commencing on , 2022;
- be payable to the Holder of record of such Notes on the Business Day immediately preceding the related interest payment date (for Notes held in global form); and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

The rights of Holders to receive the payments of interest on the Notes will be subject to applicable procedures of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). If the due date for any payment in respect of any Notes 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.

Sustainability Performance Targets Step-up Redemption Premium

On or prior to each Sustainability Report Publication Date (as defined below), the Issuer intends to publish on its website a Sustainability Report (as defined below) with respect to the Group's performance in respect of the Sustainability Performance Targets (as defined below) for the relevant financial year and an Assurance Letter (as defined below).

In the event the Issuer redeems the Notes pursuant to (i) the second or fifth paragraph of "*—Optional Redemption*" at any time on or after June 30, 2022 (the "**2021 Sustainability Report Publication Date**") and/or (ii) "*—Redemption at Maturity*" and, in each case, unless the Group has met both of the Sustainability Performance Targets on the relevant Testing Date (as defined below), as certified by the Issuer to the Trustee (with a copy to the Paying Agent) in an Officer's Certificate, which shall also include an Assurance Letter, on or prior to the relevant Certification Date, the applicable Step-up Premium (each as defined below) will be payable in connection with the applicable redemption of the Notes in accordance with the second paragraph of "*—Optional Redemption*," the definition of "Applicable Premium" or "*—Redemption at Maturity*," as applicable.

The sole consequence under the Indenture and the Notes for failure by the Group to meet one or more Sustainability Performance Targets on the relevant Testing Date or failure by the Issuer to deliver an Officer's Certificate or an Assurance Letter to the Trustee (with a copy to the Paying Agent) on or prior to the relevant Certification Date will be the payment of the relevant Step-up Premium in the circumstances described above. Accordingly, for the avoidance of doubt, none of the following events shall constitute a Default or an Event of Default under the Indenture: (i) the failure by the Group to meet one or more Sustainability Performance Targets; (ii) the failure by the Issuer to publish on its website a Sustainability Report; (ii) the failure by the Issuer to publish an Assurance Letter; or (iii) an Assurance Letter fails to confirm that either or both Sustainability Performance Targets have been met by the Group on the relevant Testing Date.

Pursuant to the Sustainability-Linked Bond Framework (as defined in this Offering Memorandum), the Sustainability Performance Targets will remain applicable for so long as any Notes remain outstanding, regardless of any changes to the Group's sustainability strategy. This includes any changes relating to the Group's general sustainability targets and ambitions. Moreover, any acquisition or divestment by the Group shall be taken into account in the calculation but shall not result in a change of the calculation methodology or a recalibration of the Sustainability Performance Targets or the SLB Baselines.

The CO_2 Baseline has been calculated by the Itelyum Group in good faith but has not been independently verified or audited by the Trustee, the Initial Purchasers or any other third party. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—No assurance or representation is given by us, the Trustee, the Initial Purchasers, any second party opinion provider or any External Reviewer as to the suitability or reliability for any purpose whatsoever of any opinion, report (including our Sustainability Reports and Sustainability-Linked Bond Framework), certification or validation of any third party in connection with the Offering or the Sustainability Performance Targets to fulfil any green, social, sustainability, sustainability-linked and/or other criteria. The Notes are not "green bonds." Moreover, the CO_2 Baseline presented herein has not been independently verified or audited by any third party. There will be limited consequences under the Indenture for our failure to meet the Sustainability Performance Targets.*"

The Trustee and the Paying Agent shall be entitled to conclusively rely on the Officer's Certificate and Assurance Letter from the Issuer, shall have no duty to inquire as to or investigate the accuracy of any Assurance Letter or related Officer's Certificate, verify the attainment of the Sustainability Performance Targets, or make calculations, investigations or determinations with respect to the attainment of the Sustainability Performance Targets or the Step-up Premium. The Trustee and Paying Agent shall have no liability to the Issuer, any holder of Notes or any other Person in acting in good faith on any Assurance Letter and related Officer's Certificate. For the avoidance of doubt, calculation of the Step-up Premium shall not be an obligation or duty of the Trustee, the Paying Agent, the Transfer Agent or the Registrar.

Set forth below is a summary of the defined terms used in the Indenture relating to the calculation of the Step-up Premium:

"**Step-up Premium**" means (a) 0.300% of the principal amount of the Notes to be redeemed, unless the Group has achieved the Gross CO_2 Avoided Emissions Target on the relevant Testing Date, plus (b) 0.300% of the principal amount of the Notes to be redeemed, unless the Group has achieved the Quantity of Waste for Circular Treatments Target on the relevant Testing Date, in each case, as certified by the Issuer to the Trustee (with a copy to the Paying Agent) in an Officer's Certificate, which shall also include an Assurance Letter, on or prior to the relevant Certification Date (*provided* that, for the avoidance of doubt, (i) the Step-up Premium shall be 0% if the Group has met both Sustainability Performance Targets on the relevant Testing Date, (ii) the Step-up Premium shall not exceed 0.300% if either (x) the Group has met the Gross CO_2 Avoided Emissions Target on the relevant Testing Date but has not met the Quantity of Waste for Circular Treatments Target on the relevant Testing Date or (y) the Group has met the Quantity of Waste for Circular Treatments Target on the relevant Testing Date but has not met the Gross CO_2 Avoided Emissions Target on the relevant Testing Date and (iii) in no event shall the Step-up Premium exceed 0.600% of the principal amount of the Notes to be redeemed (this being the consequence of the Issuer failing to meet both Sustainability Performance Targets on the relevant Testing Date or failure by the Issuer to deliver an Officer's Certificate or an Assurance Letter to the Trustee (with a copy to the Paying Agent) on or prior to the relevant Certification Date)).

"**Assurance Letter**" means a customary assurance letter from an External Reviewer confirming that the Gross CO_2 Avoided Emissions Target and/or the Quantity of Waste for Circular Treatments Target has or have been met on the relevant Testing Date.

"**Certification Date**" means the date that is 15 days prior to the applicable redemption date.

"**External Reviewer**" means a qualified provider of third-party assurance or attestation services appointed by the Issuer to review the Group's compliance with the Sustainability Performance Targets.

"**Gross CO_2 Avoided Emissions Target**" means, for any Testing Date, a percentage increase in gross CO_2 avoided emissions, measured in tons, during the financial year ending on such Testing Date of at least, as applicable, (i) 4% on the First Testing Date, (ii) 8% on the Second Testing Date, (iii) 14% on the Third Testing Date, (iv) 20% on the Fourth Testing Date or (v) 25% on the Final Testing Date, in each case of clauses (i) through (v), compared to the baseline of 430,449.6 tons of CO_2 as of December 31, 2020.

"**Quantity of Waste for Circular Treatments Target**" means, for any Testing Date, a percentage increase in the quantity of waste collected and delivered to circular treatments, measured in tons, during the financial year ending on such Testing Date of at least, as applicable, (i) 4% on the First Testing Date, (ii) 8% on the Second Testing Date, (iii) 14% on the Third Testing Date, (iv) 20% on the Fourth Testing Date or (v) 25% on the Final Testing Date, in each case of clauses (i) through (v), compared to the baseline of 574,184 tons of waste collected and delivered to circular treatments for the year ended December 31, 2020.

"**Sustainability Performance Targets**" means the Gross CO_2 Avoided Emissions Target and the Quantity of Waste for Circular Treatments Target.

"**Sustainability Report**" means the relevant publication by the Issuer, covering each relevant financial year from and including the financial year ending on December 31, 2021 to and including the financial year ending on December 31, 2025, providing data and information relevant for the calculation of the Group's performance against the Sustainability Performance Targets.

"**Sustainability Report Publication Date**" means, as applicable, the 2021 Sustainability Report Publication Date, the 2022 Sustainability Report Publication Date, the 2023 Sustainability Report Publication Date, the 2024 Sustainability Report Publication Date or the 2025 Sustainability Report Publication Date.

"**Testing Date**" means, as applicable, (i) December 31, 2021 (the "**First Testing Date**"), if the applicable redemption date is on or after the 2021 Sustainability Report Publication Date but before June 30, 2023 (the "**2022 Sustainability Report Publication Date**"), (ii) December 31, 2022 (the "**Second Testing Date**"), if the applicable redemption date is on or after the 2022 Sustainability Report Publication Date but before June 30, 2024 (the "**2023 Sustainability Report Publication Date**"), (iii) December 31, 2023 (the "**Third Testing Date**"), if the applicable redemption date is on or after the 2023 Sustainability Report Publication Date but before June 30, 2025 (the "**2024 Sustainability Report Publication Date**"), (iv) December 31, 2024 (the "**Fourth Testing Date**"), if the applicable redemption date is on or after the 2024 Sustainability Report Publication Date but before June 30, 2026 (the "**2025 Sustainability Report Publication Date**") or (v) December 31, 2025 (the "**Final Testing Date**"), in the event the applicable redemption date is after the 2025 Sustainability Report Publication Date.

Methods of Receiving Payments on the Notes

Principal, interest, premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof (being the common depositary or its nominee for Euroclear and Clearstream).

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 bank transfer 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 The Bank of New York Mellon, London Branch.

The Issuer will also maintain a registrar (the "**Registrar**") and a transfer agent (the "**Transfer Agent**"). The initial Registrar will be The Bank of New York Mellon SA/NV, Dublin Branch and the initial Transfer Agent will be The Bank of New York Mellon, London Branch. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and, together with the Transfer Agent, will facilitate transfers of Definitive Registered Notes on behalf of the Issuer.

The Issuer may change any Paying Agent, Registrar or Transfer 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 the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Such notice of the change in a Paying Agent, Registrar or Transfer Agent may also be published by the Issuer on the official website of the Luxembourg Stock Exchange (www.bourse.lu), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Post Completion Merger

We will use commercially reasonable efforts, subject to any relevant approval and/or authorization by any competent authority, to implement the Post Completion Merger in accordance with Articles 2501-bis and following of the Italian Civil Code and other applicable provisions of Italian law, with MergerCo being the surviving entity, as soon as reasonably practicable following the Completion Date. Failure to complete the Post Completion Merger shall not constitute a Default or an Event of Default under the Indenture. Following consummation of the Post Completion Merger, all references in the Indenture to the "**Issuer**" shall refer to MergerCo, unless the context otherwise requires. The Post Completion Merger is subject to certain conditions and may not be completed. See "*Risk Factors—Risks Related to Our Structure and the Financing—We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all*."

Guarantees

On the Issue Date, the Notes will not be guaranteed. Subject to the Agreed Security Principles and to certain significant limitations under Italian law, the Issuer (or MergerCo, as applicable) shall use commercially reasonable efforts to procure that, no later than 90 days from the earlier of (i) the Post Completion Merger and (ii) in the event the Post Completion Merger does not occur, the date falling fifteen months after the Completion Date (the "**Cut-Off Date**"), Itelyum Purification and, to the extent the Post Completion Merger does not occur, Itelyum Regeneration will each guarantee the Notes. For the twelve months ended June 30, 2021, Itelyum Regeneration and Itelyum Purification accounted for 29.0% and 35.7% of the Target Group's revenue and 40.6% and 24.3% of the Target Group's Adjusted EBITDA (net of intercompany flows), respectively.

In addition, as described below under "*—Certain Covenants—Additional Guarantees*" and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary that guarantees the Revolving Credit Facility, Public Debt or certain other Indebtedness, in each case of the Issuer or a Guarantor, shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

For the purposes of this *"Description of Notes*," "**Guarantor**" means Itelyum Regeneration, Itelyum Purification and any other Restricted Subsidiary that may guarantee the Notes from time to time pursuant to the Indenture after the Completion Date (in each case, together with any and all successors thereto).

The obligations of a Guarantor under its Guarantee will be limited as necessary to prevent the relevant Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, thin capitalization rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be guaranteed by each relevant Guarantor. Additionally, the Guarantees will be subject to certain corporate law procedures being complied with. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency law Considerations*" and "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" and "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—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*." The Guarantees will be further limited as required under the Agreed Security Principles that will apply to, and restrict the granting of guarantees and security in favor of obligations under the Revolving Credit Facility and the Notes, which will provide, among other things, that no guarantees or security will be required if any such grant would be restricted by general statutory or other legal limitations or requirements. By virtue of these limitations, a Guarantor's obligation under its Guarantee will be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee.

The Issuer is a holding company established in connection with the Transactions with no revenue generating operations of its own. As of the Issue Date, the Issuer will not have any Subsidiaries. Following the Completion Date, substantially all of the operations of the Issuer will be conducted through its Subsidiaries. As a result, prior to the Post Completion Merger, the Issuer will be dependent upon dividends and other payments from its Subsidiaries to generate the funds necessary to meet its outstanding indebtedness service (including under the Notes) and other obligations, and such dividends and other payments may be restricted by law or the instruments governing our indebtedness, including any financing agreements of our Subsidiaries. Our Subsidiaries may not generate sufficient cash from operations to enable us to make principal and interest payments on our indebtedness, including the Notes. See "*Risk Factors—Risks related to Our Structure and the Financing—The Issuer is a holding company that has no revenue generating operations of its own and prior to the Post Completion Merger will depend exclusively on cash from the operating companies of the Target Group to be able to make payments on the Notes*" and "*Risk Factors—Risks Related to Our Structure and the Financing—We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all*."

Not all of the Subsidiaries of the Issuer will guarantee the Notes. 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 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 of the Notes. The Notes and each 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. See "*Risk Factors—Risks*

Related to the Notes, the Guarantees and the Collateral—The Notes will be structurally subordinated to the existing or future indebtedness or obligations of all of the Issuer's (or MergerCo's) subsidiaries that do not guarantee the Notes." Prior to the granting of the Guarantees by the Guarantors, the Notes will be structurally subordinated to the existing or future indebtedness or obligations of each of the Issuer's subsidiaries, including the Target, Itelyum Regeneration and Itelyum Purification. After the granting of the Guarantee by the Guarantors (and subject to the limitations thereon), the Notes will be structurally subordinated to any existing or future indebtedness or obligations of each of the subsidiaries of the Issuer that do not Guarantee the Notes. As of June 30, 2021, after giving *pro forma* effect to the Transactions, the Issuer's (or MergerCo's, as applicable) subsidiaries which are not expected to guarantee the Notes would have had €11.6 million in outstanding financial debt, €2.8 million of which was secured, which would have ranked structurally senior to the Notes and the Guarantees. Although the Indenture will limit the Incurrence of Indebtedness of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

Releases of the Guarantees

The Guarantee of a Guarantor will terminate:

- upon a sale or other disposition (including by way of consolidation, dissolution or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company) or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a Restricted Subsidiary) otherwise not prohibited by the Indenture;
- upon the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- upon payment in full of principal, interest and all other obligations under the Notes Documents or upon defeasance or discharge of the Notes and the Indenture, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*;"
- pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement (including as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Release and/or Transfer of Claims and Liabilities in Respect of the Notes and the Transaction Security—Provisions following an IPO*");
- as described under "*—Amendments and Waivers*;"
- with respect to a Guarantor that is not a Significant Subsidiary, so long as no Default or 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 and (ii) would not otherwise be required at the time of such release to provide a Guarantee pursuant to the covenant described under "*—Certain Covenants—Additional Guarantees*;"
- as described in the second paragraph of the covenant described below under "*—Certain Covenants—Additional Guarantees*;"
- in connection with one or more Permitted Reorganizations; or
- as a result of a transaction permitted by "*—Certain Covenants—Merger and Consolidation*" (including the Post Completion Merger, to the extent applicable).

The Trustee and the Security Agent shall, upon request (and at the cost and expense) of the Issuer and delivery to the Trustee of an Officer's Certificate, 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 Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee without the consent of the Holders (except to the extent required under the fifth bullet above) or any action on the part of the Trustee.

Escrow of Proceeds; Special Mandatory Redemption

If the Completion Date is anticipated to occur more than one Business Day after the Issue Date, on the Issue Date the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the Initial Purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of the Offering of the Notes sold on the Issue Date into the Escrow Account. The Escrow Account will be pledged on a first-priority basis in favor of the Trustee for the benefit of the Holders of the Notes pursuant to an escrow charge dated the Issue Date between the Issuer and the Trustee (the "**Escrow Charge**"). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the "**Escrowed Property**."

The Escrow Agent shall promptly release the Escrowed Property to the Issuer (the "**Release**"), subject only to receipt by the Escrow Agent of an Officer's Certificate by the Issuer to the Escrow Agent with a copy to the Trustee (upon which both the Escrow Agent and the Trustee shall be able to conclusively rely without further investigation), on or before the Escrow Longstop Date, to the effect that:

- the Acquisition will be consummated within one Business Day following the Release, on substantially the same terms as described in this Offering Memorandum under the section "*Summary—The Transactions*," except for any waivers, changes or other modifications that will not, individually or when taken as whole, materially adversely affect the Holders or to which the Holders have consented; and
- as of the date of delivery of the Officer's Certificate, there is no Default or Event of Default under clause (5) of the first paragraph under the heading titled *"—Events of Default"* below with respect to the Issuer.

Upon the Release, the Escrow Account shall be reduced to zero, and the Escrowed Property shall be paid out in accordance with the Escrow Agreement.

In the event that (a) the satisfaction of the conditions set forth above does not take place on or prior to the Escrow Longstop Date, (b) at any time prior to the Escrow Longstop Date, in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time on or prior to the Escrow Longstop Date, (d) Permitted Holders cease to beneficially own or control a majority of the issued and outstanding Capital Stock of the Issuer or (e) a Default or Event of Default arises under clause (5) of the first paragraph under "*—Events of Default*" on or prior to the Escrow Longstop Date with respect to the Issuer (the date of any such event being the "**Special Termination Date**"), the Issuer will redeem all of the Notes (the "**Special Mandatory Redemption**") at a price (the "**Special Mandatory Redemption Price**") equal to 100.0% of the issue price of the Notes, plus accrued interest and Additional Amounts, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Special Mandatory Redemption Date (as defined below)).

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee, the Paying Agent and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "**Special Mandatory Redemption Date**"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer. If the Completion Date is anticipated to occur more than one business day after the Issue Date and the proceeds of the Notes are deposited into the Escrow Account, pursuant to a shortfall agreement between the Issuer and Holdco to be entered on or about the Issue Date (the "**Shortfall Agreement**"), Holdco will be required to contribute to the Escrow Account an amount equal to the amount by which the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property. See "*Risk Factors—Risks Related to the Transactions—If certain conditions are not satisfied on or prior to the Escrow Longstop Date, the Issuer will be required to redeem the Notes, which means holders of the Notes may not obtain the return they expect on the Notes. In addition, the Issuer might not have sufficient funds to pay all of the amounts due to the holders of the Notes in the event of a Special Mandatory Redemption*."

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Notes a security interest in the Escrow Account. Receipt by the Trustee of either an Officer's Certificate for the Release or a notice of Special Mandatory Redemption shall constitute deemed consent by the Trustee for the Release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

If the gross proceeds of the Offering are not deposited into the Escrow Account on the Issue Date and the Completion Date does not occur within one Business Day of the Issue Date, then, unless the Completion Date occurs on the following Business Day, the Issuer will promptly either (i) redeem the Notes pursuant to a special mandatory redemption in the case that (x) in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date or (y) an Event of Default described under clause (5) of the first paragraph under the heading titled "*—Events of Default*" below with respect to the Issuer occurs or (ii) deposit the gross proceeds of the Offering into the Escrow Account pursuant to the Escrow Agreement.

Amounts of the Escrowed Property may be released from the Escrow Account prior to the Completion Date to pay negative interest charged on the Escrow Account (if any) and to pay interest on the Notes and any Additional Amounts on any interest payment date in respect thereof occurring prior to the Release.

The provisions of the Indenture relating to the Escrow Longstop Date or the Issuer's obligations to redeem the Notes in connection with a Special Mandatory Redemption may be waived or modified with the consent of Holders of a majority in outstanding aggregate principal amount of the Notes.

Transfer and Exchange

The Notes will be issued in the form of several registered notes in global form without interest coupons, as follows:

- Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Global Notes**"); and
- Notes sold outside the United States pursuant to Regulation S under the Securities Act 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**").

The Global Notes will, upon issuance, 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 *"Transfer Restrictions.*" In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream 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 (the "**144A Book-Entry Interests**") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**") 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 under the Securities Act.

Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests 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 *"Transfer Restrictions*" and in accordance with any applicable securities law of the United States and any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the 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 *"Transfer Restrictions."*

Subject to the restrictions on transfer referred to above, the 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 Registrar and Transfer Agent are not required to register the transfer or exchange of any 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, the Paying Agent, the Transfer Agent and the Registrar will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

As of the Issue Date, the Issuer will not have any Subsidiaries. As of the Completion Date, all of the Issuer's Subsidiaries will be "Restricted Subsidiaries" for purposes of the Indenture.

However, in the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*," the Issuer will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Security

General

If the Completion Date is anticipated to occur more than one business day after the Issue Date and the proceeds of the Notes are deposited into the Escrow Account, on the Issue Date and prior to the Completion Date, the Notes will be secured by a first-priority security interest in the Escrowed Property. See "*—Escrow of Proceeds; Special Mandatory Redemption*."

On or about the Completion Date, the Notes will be secured, subject to the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, by security interests granted on an equal and ratable first-priority basis over the following property, rights and assets:

(1) 100% of the share capital of the Issuer;

(2) the material current bank accounts of the Issuer opened in Italy;

(3) certain material structural receivables owed to Holdco by the Issuer (if any); and

(4) certain material structural receivables owed to the Issuer by any members of the Target Group, including receivables in respect of the Itelyum Proceeds Loans (collectively, the "**Completion Date Collateral**").

Within 30 Business Days after the Completion Date, the Notes will be secured, subject to the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, by security interests granted on an equal and ratable first-priority basis over the following property, rights and assets:

(1) 100% of the share capital of the Target (the "**Target Share Pledge**"); and

(2) subject to certain significant limitations under Italian law, 100% of the share capital of each of Itelyum Regeneration and Itelyum Purification (together with the Target Share Pledge, the "**Post Completion Date Collateral**" and, together with the Completion Date Collateral, the "**Pre Merger Collateral**").

No later than 30 Business Days following the completion of the relocation of the Target's legal seat and tax residence from Luxembourg to Italy, subject to and on the terms consistent with the Agreed Security Principles, the Issuer will reconfirm the Target Share Pledge or, to the extent required under Italian law, grant an Italian law share pledge in respect of 100% of the share capital of the Target.

Following the Post Completion Merger, in the event that the Target or Itelyum Regeneration is the successor company of the Post Completion Merger, MergerCo will, upon consummation of the Post Completion Merger, assume the obligations of the Issuer under the Notes and the Indenture. Concurrently with the Post Completion Merger and as a result thereof, the security interest over the Issuer's receivables in respect of the Itelyum Regeneration Proceeds Loan will be automatically terminated and depending on which entity will survive the Post Completion Merger, certain other Pre Merger Collateral will be extinguished by operation of law and, in particular, (a) in the event that the Issuer is the successor company of the Post Completion Merger, the Target Share Pledge and the pledge over the share capital of Itelyum Regeneration, will be extinguished by operation of law; (b) in the event that the Target is the successor company of the Post Completion Merger, the pledge over the share capital of the Issuer and the pledge over the share capital of Itelyum Regeneration will be extinguished by operation of law; and (c) in the event that Itelyum Regeneration is the successor company of the Post Completion Merger, the pledge over the share capital of the Issuer and the Target Share Pledge will be extinguished by operation of law.

In addition, subject to and on terms consistent with the Agreed Security Principles, within 90 days following completion of the Post Completion Merger:

(1) MergerCo will grant (or reconfirm, as applicable) (x) security over any shares held by MergerCo in any Guarantor; (y) an Italian law pledge in respect of certain material current bank accounts of MergerCo opened in Italy; and (z) security over certain material structural receivables owed to MergerCo by any Guarantor (if any); and

(2) Holdco will grant or reconfirm, as applicable, (x) an Italian law share pledge in respect of 100% of Holdco's shares in MergerCo and (y) an Italian law security assignment agreement in respect of certain material structural receivables owed to HoldCo by MergerCo (if any) (the Collateral described under clauses (1) and (2), collectively, the "**Post Merger Collateral**").

In the event that the Post Completion Merger does not occur on or prior to the Cut-Off Date, the Issuer shall use commercially reasonable efforts to procure that the Notes will be secured, subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws as described under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*," "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitation on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*" and "*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*," by security interests granted on a first-priority basis over any shares held by each of the Issuer and the Guarantors, as applicable, in any Guarantors, certain material structural receivables owed to each of the Issuer and the Guarantors by any Guarantor (if any) and certain material current bank accounts of each of the Issuer and the Guarantors (collectively, the "**Target Group Collateral**") within 90 days of the Cut-Off Date to the extent such security interests have not already been provided as part of the Pre Merger Collateral.

The Completion Date Collateral, the Post Completion Date Collateral, the Post Merger Collateral and the Target Group Collateral, as applicable, together with any and all assets in respect of which from time to time a Security Interest has been or will be granted pursuant to any Security Document to secure the obligations under the Indenture or the Notes and/or any Guarantee, in each case as may be in existence from time to time, is referred to herein as the "**Collateral**."

Subject to certain conditions, including compliance with the covenants described under "—*Certain Covenants—Impairment of Security Interest*" and "—*Certain Covenants—Liens*," the Issuer and its Restricted Subsidiaries are permitted to grant security over the Collateral in connection with future issuances of Indebtedness, including any Additional Notes issued by the Issuer as permitted under the Indenture and the Intercreditor Agreement. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—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*." All Collateral will be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens.

Notwithstanding the foregoing and the provisions of the covenant described below under "—*Certain Covenants—Additional Guarantees*," certain property, rights and assets (other than the Collateral described above in this section) may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles. Pursuant to the Agreed Security Principles, a guarantee or security may not be given, or may be limited. The following is a summary of certain terms of the Agreed Security Principles:

- general legal and statutory limitations, regulatory restrictions, financial assistance (including, without limitation, pursuant to articles 2358 or 2474 of the Italian Civil Code), capital maintenance, corporate benefit, equity subordination, fraudulent preference, limitations of the granting of guarantee by holding companies, interest stripping, controlled foreign corporation, transfer pricing or thin capitalization rules, exchange control restrictions, minority shareholder protection/equal treatment of shareholder rules, tax restrictions retention of title claims and similar principles may prohibit, limit or otherwise restrict the ability of a security provider to provide a guarantee or security or may require that the guarantee or security be limited by an amount or otherwise;
- in certain jurisdictions, it may be impossible, impractical, or disproportionately costly to create guarantees or security over certain categories of assets, in which event guarantees or security will not be taken over such assets;
- subject to certain conditions, any assets or security providers subject to third party arrangements which may prevent those assets from being charged or assigned or those security providers from giving a security or guarantee (or assets which, if charged or assigned, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the security provider in respect of those assets or require any security provider to take any action materially adverse to the interests of the Issuer and its Restricted Subsidiaries (the "**Group**") or any member of the Group) will be excluded from any relevant security document and any requirement to give security or guarantee;
- certain supervisory board, works council, regulator or regulatory board (or equivalent), minority shareholder or another external body's or person's consent may be required to enable a security provider to provide a guarantee or security;
- no security provider will be required to give guarantees or enter into security documents if (i) it is not within the legal capacity of the relevant security provider to do so, (ii) it results in the security document being null and void, or (iii) it would conflict with the fiduciary duties of their or any affiliates' directors, officers or employees, contravene any legal, contractual or regulatory prohibition, or regulatory or contractual condition or result in a risk of personal, contractual or criminal liability on the part of any director, officer or employee;
- security that requires payment in Italy of an ad valorem registration tax on the amount of the secured obligations will not be taken (i) 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 (ii) if tax duty cannot be minimized upon execution, including by securing only the relevant grantor's own obligations as borrower;
- no security provider that is subject to a license under any law or regulation that would prohibit or materially restrict the granting of security or giving of guarantees shall be required to grant any security or give any guarantees, *provided* that reasonable endeavours (not involving the payment of any material fees or the incurrence of any material costs or expenses) to obtain consent or waivers from any relevant party shall be used by the relevant security provider if, in the view of the Issuer (acting reasonably), granting such security or giving such guarantee will have no material adverse impact on relationships with third parties or otherwise force the relevant security provider or the Group to pay any material fees or incur any material costs or expenses;
- the security will be first ranking, to the extent possible, subject to any non-consensual liens and other liens mandatorily preferred by any applicable law and permitted under the finance documents;

- security shall not be required to be granted over any trade receivables, intellectual property, livestock, moveable plant, equipment, insurance policies, real estate assets or vehicles, and any security provider shall be free to deal with such assets in the course of its business or as otherwise permitted or not prohibited under the finance documents;
- no guarantees or security will be required in jurisdictions other than Italy and any jurisdiction in which any borrower under the Revolving Credit Facility Agreement is incorporated (a "**Guarantor Jurisdiction**");
- security shall be limited to (i) security over the shares (or quotas or partnership interests, if applicable) owned by: Holdco in the Issuer (or, following the Post Completion Merger, MergerCo); the Issuer in the Target; the Target in Itelyum Regeneration; the Target and Itelyum Regeneration in Itelyum Purification; and an obligor or a wholly-owned member of the Group incorporated in a Guarantor Jurisdiction in a wholly-owned Restricted Subsidiary incorporated in a Guarantor Jurisdiction or Centro Risorse S.r.l. or Castiglia S.r.l. which has earnings before interest, tax, depreciation and amortization (calculated on the same basis as consolidated EBITDA) representing more than five (5) per cent. of consolidated EBITDA of the Group (a "**Material Subsidiary**"), (ii) security over material bank accounts owned by the Issuer or a Material Subsidiary which is an obligor that are opened in a Guarantor Jurisdiction and (iii) security over material intercompany receivables that are structural intercompany receivables owed to an obligor, Holdco or a wholly-owned member of the Group incorporated in a Guarantor Jurisdiction by a Material Subsidiary, in each case in accordance with the Agreed Security Principles;
- all security (subject to certain exceptions) shall be governed by the law of and secure assets located only in the jurisdiction of incorporation of that security provider and where possible, the transaction security documents governed by Italian law will be executed by way of exchange of correspondence (*scambio di corrispondenza commerciale*), or outside Italy, in order to minimize any documentary tax cost connected with their execution;
- notification of security will only be given where required by local law to perfect the security;
- transaction security will be granted on an "as is, where is" basis, and no security provider will be required to procure any changes to or corrections of filings on external registers other than (for the avoidance of doubt) to register transaction security under the Revolving Credit Facility Agreement; and
- no perfection action will be required in jurisdictions where security providers are not incorporated but perfection action may be required in the jurisdiction of incorporation of one security provider in relation to security granted by another security provider incorporated in a different jurisdiction.

The Agreed Security Principles also set out certain additional factors which will apply when determining the extent of the guarantees and the security to be provided and certain additional principles which will be reflected in any security taken.

As described above, all of the Collateral will also secure on a first-priority basis the liabilities under the Revolving Credit Facility Agreement, as well as certain Hedging Obligations (if any) and any Additional Notes and may also secure certain future indebtedness; *provided, however*, that pursuant to the Intercreditor Agreement the lenders under the Revolving Credit Facility, counterparties to certain Hedging Obligations (if any) and providers of certain future indebtedness will receive the proceeds from the enforcement of the Collateral in priority to the holders of the Notes and any Additional Notes. See "*—Priority*." See also, "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) 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*."

In the future, the lenders under the Revolving Credit Facility Agreement and/or counterparties to certain Hedging Obligations (if any) and any Additional Notes in certain circumstances may also benefit from security which does not secure the Notes offered hereby.

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 description of such limitations, see "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Risk*

Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability."

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 Collateral—Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) 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*."

Priority

The relative contractual priority with respect to Security Interests among the lenders under the Revolving Credit Facility, the counterparties under certain Hedging Obligations, if any, secured by the Collateral, the Trustee, the Security Agent, the Holders of the Notes and the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, is or will be established by the terms of the Intercreditor Agreement, the Indenture, the Security Documents and the security documents relating to the Revolving Credit Facility, such Hedging Obligations, or other Indebtedness, as applicable. The Intercreditor Agreement will provide, among other things, that the obligations under the Notes will receive proceeds on enforcement of security over the Collateral only after the claims of the Revolving Credit Facility, certain Hedging Obligations, if any, and any future Indebtedness permitted to be secured on a super priority basis in accordance with the terms of the Indenture and the Intercreditor Agreement, are satisfied.

See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." In addition, in connection with the Incurrence of certain Indebtedness that is permitted by the Indenture to be secured on the Collateral, the Issuer may enter into Additional Intercreditor Agreements in compliance with the Indenture on substantially the same terms as the Intercreditor Agreement. See "*—Certain Covenants—Impairment of Security Interests*" and "*—Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound*."

Security Documents; Enforcement of Security Interests

Under the Security Documents, security will be granted over the Collateral to secure the payment when due of the Issuer's payment obligations under the Notes and the Indenture. The Security Documents will be entered into by, among others, the relevant security provider, the Security Agent for itself and as agent for the secured parties (and, with respect to the Security Documents governed by Italian law, also as Security Representative and legal representative (*mandatario con rappresentanza*)), and, with respect to the Security Documents governed by Italian law, the Trustee acting for itself and in its capacity as the Trustee under the Indenture and as common representative (*rappresentante comune*) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code. The Security Agent will also act in the name and on behalf of the lenders under the Revolving Credit Facility and the counterparties under certain Hedging Obligations, 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, will be secured by the 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 may be released under certain circumstances as provided under "*—Release of Liens*."

The Indenture and the Intercreditor Agreement will provide that, to the extent permitted by the applicable laws, only the Security Agent (including in its role as Security Representative) will have the right to enforce the Security Interests in the name and on behalf of the Trustee and the holders of the Notes. The Security Documents will provide that the rights under the Security Documents must be exercised by the Security Agent (including in its role as Security Representative). As a consequence of such contractual provisions and since the Holders are not a party to the Security Documents, holders of the Notes will not, individually or collectively, be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Security Agent (including in its role as Security Representative) or the Trustee (as applicable) under the Indenture. To the extent permitted by the applicable laws and subject to the terms of the Intercreditor Agreement and the Indenture, holders of the Notes will, in certain circumstances, be entitled to direct the Trustee to provide instructions to the Security Agent for the enforcement of the Security Interests. The Indenture and the Intercreditor Agreement will restrict 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. Under the Intercreditor Agreement, the Security Agent will also act in the name and on behalf of the lenders under the Revolving Credit Facility and the counterparties under certain Hedging Obligations, if any, in relation to the Security Interest in favor of such parties.

In the event that Holdco, the Issuer or its Subsidiaries enter into insolvency, bankruptcy 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 was successful, the Holders may not be able to recover any amounts under the Security Documents. Please see "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral*."

Subject to the terms of the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes, to freely operate the property and assets constituting Collateral and to collect, invest and dispose of any income therefrom (including any and all dividends, distributions or similar cash and non-cash payments in respect of Capital Stock of the Guarantors that is part of the Collateral).

The creditors under the Revolving Credit Facility, the holders of Notes, the counterparties to certain Hedging Obligations (if any) secured by the Collateral and the Trustee have, and by accepting a Note, each Holder will be deemed to have, appointed, also for the purposes of Article 1704 (*mandato con rappresentanza*) of the Italian Civil Code, the Security Agent to act as its agent and mandatario con rappresentanza under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. Furthermore, each Holder will have deemed to have appointed the Security Agent as *mandatario con rappresentanza* pursuant to article 1704 of the Italian Civil Code to act on its behalf and as representative (*rappresentante*) pursuant to article 2414-bis of the Italian Civil Code. The creditors under the Revolving Credit Facility, the Holders of Notes, the counterparties to certain Hedging Obligations (if any) secured by the Collateral and the Trustee have, and by accepting a Note, each Holder will be deemed to have, authorized the Security Agent under the Indenture and/or the Intercreditor Agreement (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, including the Security Documents, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, confirmation, extension, renewal, replacement or discharge expressed to be executed by the Security Agent in its name and on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that the Issuer and the Trustee will be authorized (without any further consent of the Holders of the Notes) 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) consented and agreed to be bound by the terms of the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*" (including, without limitation, the provisions providing for foreclosure and release of the Guarantees and the Security Interests, including upon an enforcement);

(2) authorized the Trustee and the Security Agent, as applicable, to act in its name and on its behalf to enter into the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*" and to be bound thereby and to perform their respective obligations and exercise their respective rights thereunder in accordance therewith;

(3) appointed and authorized the Trustee and the Security Agent to give effect to the provisions in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;

(4) agreed to, and accepted, the appointment of The Law Debenture Trust Corporation p.l.c. as common representative (*rappresentante comune*) of the Holders pursuant to Articles 2417 and 2418 of the Italian Civil Code;

(5) agreed to, and accepted, the appointment of UniCredit S.pA. as representative (*rappresentante*) of the Holders for the purposes of Article 2414-bis, third paragraph of the Italian Civil Code; and

(6) agreed and acknowledged that the Security Agent will administer the Collateral in accordance with the Intercreditor Agreement, the Indenture and the Security Documents.

Similar provisions to those described above may be included in any Additional Intercreditor Agreement entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*."

Release of Liens

Security Interests in respect of the Collateral will be released under any one or more of the following circumstances:

(1) in connection with any sale or other disposition of Collateral (other than the Security Interest in respect of the share capital of the Issuer and, subsequent to the Post Completion Merger, the share capital of MergerCo) to (a) a 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*" or is otherwise not prohibited by the Indenture or (b) any Restricted Subsidiary, *provided* that this clause (1)(b) shall not be relied upon in the case of a transfer of Capital Stock or of accounts receivable to a Restricted Subsidiary (other than in connection with a Qualified Receivables Financing) 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 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 under the Notes Documents or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes and the Indenture, 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) as permitted by "*—Certain Covenants—Impairment of Security Interests*" or (other than the Security Interest in respect of the share capital of the Issuer and, subsequent to the Post Completion Merger, the share capital of MergerCo) "*—Merger and Consolidation*;"

(7) in connection with the Post Completion Merger with respect to Security Interests over the Completion Date Collateral or the Pre Merger Collateral that are extinguished by operation of law (*provided* that the Post Merger Collateral is granted or reconfirmed, as the case may be, as described under "*—Security—General*"), and in connection with one or more Permitted Reorganizations;

(8) in the case of any Security Interests over intra-group receivables, upon partial repayment or discharge thereof, the Security Interests created over such receivables will be automatically reduced in proportion to such partial repayment or discharge and, upon full repayment or discharge thereof, the Security Interests shall be automatically and fully released and of no further effect;

(9) upon the contribution of any claim against 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; or

(10) as otherwise not prohibited by the Indenture.

In addition, the Security Interests created by the Security Documents will be released in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement (including, following consummation of the Post Completion Merger, in connection with an IPO pushdown as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Release and/or transfer of claims and liabilities in respect of the Notes and the Transaction Security—Provisions following an IPO*").

The Security Agent and the Trustee will, upon request (and at the cost and expense) of the Issuer, take all necessary action required to effectuate any release of Collateral securing the Notes and the Guarantees, 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 indemnifications. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders (except to the extent required under clause (3) above) or any action on the part of the Trustee.

IPO Debt Pushdown

On, in contemplation of, or following an Initial Public Offering, the terms of the Intercreditor Agreement will 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 and provided that such date falls on or after the date on which the Post Completion Merger is completed) as described in "*Description of Certain Financing Arrangements—Intercreditor Agreement—Release and/or transfer of claims and liabilities in respect of the Notes and the Transaction Security—Provisions following an IPO*." The Trustee and the Security Agent shall be required (at the expense of the Issuer) 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; *provided* that such amendment or other such actions will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, as applicable, adversely affect the rights, duties, liabilities, indemnities or immunities of the Trustee or the Security Agent under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—There are circumstances other than the repayment or discharge of the Notes under which the Collateral will be released automatically without your consent or the consent of the Trustee or the Security Agent*."

Optional Redemption

Except as described below and except as described under "*—Escrow of Proceeds; Special Mandatory Redemption*," "*—Post-Tender Redemption*" and "*—Redemption for Taxation Reasons*," the Notes are not redeemable until , 2023.

On and after , 2023, the Issuer may redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount), plus the applicable Step-up Premium, if any, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the redemption date), if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Redemption Price
2023	%
2024	%
2025 and thereafter	100.000%

At any time and from time to time prior to , 2023, upon not less than 10 nor more than 60 days' notice, the Issuer may redeem in the aggregate up to 40% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes of the same series of Notes issued on the Issue Date) with an amount equal to the net cash proceeds of one or more Equity Offerings by the Issuer or any direct or indirect parent of the Issuer, to the extent (in the case of an Equity Offering by a direct or indirect parent of the Issuer) that such net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer through an issuance of Capital Stock by the Issuer, at a redemption price of % of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the redemption date); *provided* that:

(1) at least 50% of the original aggregate principal amount of the Notes (including the original principal amount of any Additional Notes of the same series of Notes issued on the Issue Date) remains outstanding

immediately after each such redemption (except to the extent otherwise repurchased or redeemed in accordance with the terms of the Indenture concurrently with or following the Equity Offering); and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time and from time to time prior to , 2023, the Issuer may, at its option, during each twelve-month period commencing on the Issue Date, redeem up to 10% of the original principal amount of the Notes (including the original principal amount of any Additional Notes of the same series of Notes issued on the Issue Date), upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 103% of the principal amount of the Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the redemption date).

In addition, prior to , 2023, the Issuer may redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Notes, plus the Applicable Premium, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the redemption date).

General

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are listed on the Official List of 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. If such redemption is subject to satisfaction of one or more conditions precedent, the notice of redemption shall 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, 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; *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Sinking Fund

Except as set forth above under "*—Escrow of Proceeds; Special Mandatory Redemption*", the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. The Issuer or its Affiliates may at any time and from time to time purchase Notes. Any such purchases may be made through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices as well as with such consideration as the Issuer or any such Affiliates may determine.

Post-Tender Redemption

In connection with any tender offer for, or other offer to purchase, any series of Notes, including a Change of Control Offer or Asset Disposition Offer, if Holders of not less than 90% in aggregate principal amount of the applicable series of Notes validly tender and do not validly withdraw such series of Notes in such tender or other offer and the Issuer, or any third party making such a tender or other offer in lieu of the Issuer, purchases all of the applicable series of Notes validly tendered and not validly withdrawn by such Holders, all of the Holders of the applicable series of Notes will be deemed to have consented to such tender or other offer and, accordingly, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice to redeem the applicable series of Notes that remain outstanding in whole, but not in part, following such purchase, at a price equal to the highest price (excluding any tender premium or similar payment) offered to each other holder of the applicable series of Notes in such tender offer (provided that such price shall not be less than 100% of the principal amount), plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, such redemption date.

Redemption at Maturity

On , 2026, the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount, plus the applicable Step-up Premium, if any, plus accrued and unpaid interest thereon and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the redemption date).

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Paying Agent or the Registrar (as applicable) will select Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under *"Book-Entry, Delivery and Form*," based on a method that most nearly approximates a *pro rata* selection in accordance with the procedures of the relevant clearing system), 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 Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish notice of redemption in accordance with the prevailing rules of the Luxembourg Stock Exchange 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. Such notice of redemption may instead be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and may also be delivered in accordance with the rules and procedures of Euroclear or Clearstream, as applicable, in lieu of the aforesaid mailing.

If the Notes are to be redeemed in part only, the notice of redemption that relates to such Notes 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 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 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 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, but not including, the date fixed for redemption (a "**Tax Redemption Date**") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the redemption date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the laws or treaties (or any regulations, protocols, or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any amendment to, or change in position regarding the application, administration or written interpretation of such laws, treaties, regulations, protocols or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) (each of the foregoing in clauses (1) and (2), a "**Change in Tax Law**"),

the Issuer or any Guarantor (including, in each case, any successor entity) with respect to any Guarantee, as the case may be, is, or on the next interest payment date in respect of the Notes would be, required to pay Additional

Amounts (but in the case of any Guarantor, only if such amount payable cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Issuer or such Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable).

Such Change in Tax Law must not have been publicly announced before and must become effective on or after the Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date). 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 (a) earlier than 90 days prior to the earliest date on which the Payor (as defined below) would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Registrar, the Trustee and the relevant 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 so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer or the applicable Guarantor, as the case may be, has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without 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 of the Guarantors or a successor of the Issuer or Guarantor (each, a "**Payor**") under or with respect to the Notes or any 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 or by the interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) Italy or any political subdivision or governmental Authority thereof or therein having the power to tax;

(2) any jurisdiction from or through which payment on any such Note or Guarantee is made by or on behalf of a Payor (including the jurisdiction of the Paying Agent), or any political subdivision or governmental authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which a Payor is organized, engaged in business for tax purposes or otherwise 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), (2) and (3), 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 under or with respect to any Note or 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 in respect of such payments, after such withholding, deduction or imposition (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 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, to the extent that such Taxes would not have been so imposed or withheld but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) or the beneficial owner of a Note and the Relevant Taxing Jurisdiction (including, without limitation, being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note or the Indenture or any Guarantee in respect thereof;

(2) any Tax, to the extent that such Tax is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor, a Paying Agent, or other person acting as an agent for the Payor or a Paying Agent, addressed to the Holder, after reasonable notice (at least 30 days before any such withholding is payable), to provide certification, information, documents or other

evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from or reduction in the rate of deduction or withholding of all or part of such Tax;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on or with respect to the Notes or any Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes imposed in connection with a Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union;

(6) any Taxes imposed, withheld or deducted pursuant to sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (or any amended or successor version of such sections that is substantially comparable) (the "**Code**"), any current or future regulations thereunder, official interpretations thereof or agreements (including any intergovernmental agreement or any laws, rules or practices implementing such intergovernmental agreement) entered into in connection therewith or otherwise pursuant to any agreements described in Section 1471(b) of the Code;

(7) any Taxes to the extent such Taxes are for or on account of *imposta sostitutiva* (pursuant to Italian Legislative Decree No. 239 of April 1, 1996, as amended or supplemented from time to time ("**Decree No. 239**")) and any related implementing regulations, or pursuant to Italian Legislative Decree No. 461 of November 21, 1997, as amended or supplemented from time to time ("**Decree No. 461**") and any related implementing regulations, *provided* that:

   (i) Additional Amounts shall be payable in circumstances where the procedures required under Decree No. 239 or Decree No. 461 in order to benefit from an exemption from *imposta sostitutiva* have not been complied with due solely to the actions or omissions of the Payor or their agents; and

   (ii) for the avoidance of doubt, (A) no Additional Amounts shall be payable with respect to any Taxes to the extent that such Taxes result from payment to a non-Italian resident legal entity or a non-Italian resident individual which is subject to *imposta sostitutiva* by reason of not being resident in a country which allows for a satisfactory exchange of information with Italy (the "**White List**") and (B) no Additional Amounts shall be payable with respect to Taxes to the extent such Taxes are for or on account of *imposta sostitutiva* if the Holder becomes subject to *imposta sostitutiva* after the Issue Date by reason of any change in Decree No. 239 or Decree No. 461 or any change in the White List; or

(8) any combination of the items (1) through (7) above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such Tax resulting in Additional Amounts would not have been imposed or such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

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 all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Paying Agent. The Payor will attach to each such certified copy of such payments a certificate stating that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note, 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 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 after the date that is 30 days prior to the payment date). 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 Notes*" there are 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 under or with respect to any of the Notes or any 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 any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest, penalties and any other reasonable expenses with respect thereto) or any other excise, property or similar Taxes (including any related interest, penalties and any other reasonable expenses with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, issuance, delivery, registration or enforcement of any Notes, the Guarantees, the Indenture, the Security Documents, the Intercreditor Agreement, any Additional Intercreditor Agreement or any other document or instrument in relation thereto (other than in each case, (A) in connection with a transfer of the Notes after the Issue Date or (B) to the extent that such stamp, issue registration court or documentary taxes, or any other excise, property or similar taxes or similar charges or levies becomes payable upon a voluntary registration made by the Holder if such registration is not required by any applicable law or not necessary to enforce the rights or obligations of any Holder in relation to the Notes, any Guarantees, the Indenture, the Security Documents, the Intercreditor Agreement, any Additional Intercreditor Agreement or any other document or instrument in relation thereto), and the Payor agrees to indemnify the Holders for any such Taxes paid by such Holders.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, and any transfer by a Holder or beneficial owner, and will apply mutatis mutandis to any jurisdiction in which any successor to a Payor is organized, incorporated, 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 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 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, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the purchase date); *provided, however*, that the Issuer shall not be obliged to repurchase the Notes as described under this heading, "*—Change of Control*," in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all of the Notes and given notice of redemption as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will deliver a notice (the "**Change of Control Offer**") to each Holder of the Notes, with a copy to the Trustee:

(1) stating that a Change of Control 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 (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date falling prior to or on the repurchase date) (the "**Change of Control Payment**");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is delivered) (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 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;

(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 delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control 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 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, to the Paying 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 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 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 Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will publish notices relating to the Change of Control Offer as soon as reasonably practicable after the Change of Control Payment Date in a newspaper with 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.

Except as described above with respect to a Change of Control, the Indenture does 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 existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer or repurchase any Notes as described under this heading "*—Change of Control*" upon a Change of Control if (1) 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 or (2) a notice of redemption with respect to the Notes has been given pursuant to the Indenture as defined under "*—Optional Redemption*," unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) 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.

If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third-party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes validly tendered and not withdrawn by such holders, 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 purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the aggregate principal amount of such Notes, plus accrued and unpaid interest, if any, thereon, to, but excluding the date of redemption.

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 would require a mandatory prepayment of Indebtedness under the Revolving Credit Facility. Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control 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 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, including financial resources of its Restricted Subsidiaries. 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 Collateral—The Issuer may not be able to repurchase the Notes upon a change of control or pursuant to an asset disposition offer. 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 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 or assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control 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 may be waived or modified with the written 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 of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Issuer and any Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds thereof) for the Relevant Testing Period, the Fixed Charge Coverage Ratio for the Issuer would have been at least 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred 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 (i) the greater of €92.0 million and 100% of Consolidated EBITDA, plus (ii) in

the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses 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 being guaranteed is permitted to be Incurred under the terms of the Indenture; *provided* that, if the Indebtedness being guaranteed is subordinated to the Notes or a Guarantee, then the guarantee must be subordinated to the Notes or such Guarantee 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; *provided, however*, that:

(a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the creditor is neither the Issuer nor a Guarantor, such Indebtedness (except in respect of intercompany liabilities Incurred in the ordinary course of business or in connection with cash pooling or cash management or tax positions of the Issuer and its Restricted Subsidiaries) is (subject to the Agreed Security Principles and if and to the extent required by the terms of the Intercreditor Agreement) unsecured and (if and to the extent required by the terms of the Intercreditor Agreement and only to the extent legally permitted (the Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)), expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, in the case of the Issuer, or the applicable Guarantee, in the case of a Guarantor, pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement; and

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary and any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;

(4)

(a) (x) Indebtedness represented by the Notes (other than any Additional Notes) and the related Guarantees and any related "parallel debt" obligations under the Intercreditor Agreement and the Security Documents, and (y) any "parallel debt" obligations related to any other Indebtedness permitted to be Incurred pursuant to the Indenture;

(b) an amount equal to any Indebtedness of the Target Group outstanding on the Completion Date after giving *pro forma* effect to the Transactions (other than Indebtedness Incurred under the Revolving Credit Facility on the Completion Date (if any) or described in clause (4)(a) of this paragraph);

(c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clause (4)(a), (4)(b), this clause (4)(c) and clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant; and

(d) Management Advances;

(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 was 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, however*, that Indebtedness Incurred pursuant to this clause (5) is in an aggregate amount then outstanding not to exceed (I) the greater of €23.0 million and 25% 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) the

Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant or (B) 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 under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or a member of Senior Management);

(7) Indebtedness (a) 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 (*provided* that, in each case under this clause (B), such Indebtedness exists on the date of such purchase, lease, rental, design, construction, installation or improvement, as applicable, or is created within 365 days thereafter), in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7)(a) and then outstanding, will not exceed at any time outstanding the greater of €27.5 million and 30% of Consolidated EBITDA; (b) in respect of Sale and Leaseback Transactions and any Indebtedness which refinances, replaces, refunds or reimburses such Indebtedness Incurred pursuant to this sub-clause (b); or (c) consisting of any obligations in respect of lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under GAAP or, if the IFRS Election has been made to apply IFRS as of a date after December 31, 2018, would have previously been categorized as operating leases prior to the adoption of IFRS 16 (Leases);

(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 Bank Products in the ordinary course of business, and (e) Indebtedness 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 or (ii) deferred compensation or other similar arrangements in connection with the Transactions or any other Investment or acquisition permitted hereby;

(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, in connection with such disposition, the maximum liability of the Issuer and its 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 its 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) Indebtedness consisting of obligations owing under any client, customer or supplier incentive, supply, license or similar agreements entered into in the ordinary course of business or consistent with past practice;

(c) client or customer deposits and advance payments received in the ordinary course of business from clients and customers;

(d) 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 its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(e) 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 €37.0 million and 40% of Consolidated EBITDA;

(12) Indebtedness Incurred (a) in a Qualified Receivables Financing or (b) pursuant to 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 (except to the extent customary in the good faith determination of the Issuer for such type of arrangement or except for Standard Securitization Undertakings); or (y) not in excess of the greater of €14.0 million and 15% 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 or any Guarantor from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution or an Excluded Contribution) of the Issuer, in each case, subsequent to the Completion Date and, for the avoidance of doubt, excluding the Equity Contribution; *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 first paragraph and clauses (1), (6) and (10) of the second paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Issuer and its Restricted Subsidiaries Incur 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 of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the second paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon;

(14) Indebtedness under daylight borrowing facilities Incurred in connection with the Transactions or any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness was Incurred; and

(15) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness consisting of local lines of credit or working capital facilities not exceeding the greater of €18.5 million and 20% of Consolidated EBITDA at any time outstanding.

Notwithstanding the foregoing, 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 of this covenant and clause (13) 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 an amount equal to the greater of €18.5 million and 20% 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 second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Completion Date under the Revolving Credit Facility shall be deemed initially Incurred under clause (1) 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, tax gross-up amounts 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 clause (1), (7), (11), (13) or (15) of the second paragraph above or the first paragraph above 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 (a) 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 GAAP and (b) shall be the principal amount, or liquidation preference thereof, in the case of any other Indebtedness;

(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 GAAP will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "*—Limitation on Indebtedness*;" and

(10) 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 (30) 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 (15) of the preceding paragraph 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, 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 "*—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 re-borrowed (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 (15) of the preceding paragraph, 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 "*—Limitation on Indebtedness*," the Issuer shall be in Default of this covenant).

Subject to the provisions set forth in *"—Financial Calculations*" below, 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 (i) outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date and (ii) of the Target Group outstanding on the Completion Date shall be calculated based on the relevant currency exchange rate in effect on the Completion 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. Subject to the provisions set forth in *"—Financial Calculations*" below, 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.

No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries, 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 of its Restricted Subsidiaries) 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; and

(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, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any director 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 instalment 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

(5) make any Restricted Investment in any Person

(any 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**"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default or Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(c) 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 permitted by clauses (5), (10) and (18) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income 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 (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the last 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 Completion Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares and, for the avoidance of doubt, excluding the Equity Contribution) of the Issuer subsequent to the Completion Date (other than (w) 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, (x) 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 clause (6) of the next succeeding paragraph, (y) Excluded Contributions and (z) any Parent Debt Contribution);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the last 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 Completion 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 last 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) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the next succeeding paragraph, (y) Excluded Contributions and (z) any Parent Debt Contribution;

(iv) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the last 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 (as determined in accordance with the last paragraph of this covenant) 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 clauses (11), (17) or (18) of the definition of "Permitted Investment;"

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary; and

(vii) €13.0 million,

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 clause (iv), (v) or (vi).

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) for, or out of the proceeds of the substantially concurrent sale 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, a Parent Debt Contribution or the Equity Contribution) of the Issuer, in each case subsequent to the Completion Date; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the last paragraph of this covenant) 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 (c)(ii) of the preceding paragraph;

(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 Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of 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, and that in each case, constitutes Refinancing Indebtedness;

(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) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) 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 (B) otherwise in connection with or contemplation of such transaction or series of transactions) and (ii) 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 any Acquired Indebtedness;

(5) any dividends paid within, or redemption or repurchase consummated within, 60 days after the date of declaration or the giving of the redemption or repayment notice if at such date of declaration or notice such dividend or redemption or repayment, as the case may be, 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 or any Special Purpose Vehicle to permit any Parent or any Special Purpose Vehicle 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 (a)(x) prior to the consummation of an Equity Offering of the Issuer, any IPO Entity or any Parent, the greater of €7.0 million and 7.5% of Consolidated EBITDA in any calendar year or (y) subsequent to the consummation of an Equity Offering of the Issuer, any IPO Entity or any Parent, the greater of €14.0 million and 15% of Consolidated EBITDA in any calendar year (in each case of (a)(x) and (y), with any amount unused in any calendar year being carried over to the next two succeeding years), plus (b) the Net Cash Proceeds received by the Issuer or its 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 (b), other than through the issuance of Disqualified Stock or Designated Preference Shares or as Excluded Contributions) 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 (c) the Net Cash Proceeds of key man life insurance policies, to the extent such Net Cash Proceeds in sub-clauses (b) and (c) are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant; and *provided further* that cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from members of management, directors or employees of any Parent, the Issuer 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, repayments or distributions to any Parent or any Special Purpose Vehicle, or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; and

(b) amounts constituting or to be used for purposes of making payments of (i) fees and expenses incurred in connection with the Transactions or fees, expenses, principal, interest or other amounts disclosed in this Offering Memorandum under the section "*Use of Proceeds*" or (ii) to the extent specified in clauses (2), (3), (5), (7) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*;"

(10) so long as no Default or Event of Default has occurred and is continuing (or would result immediately thereafter therefrom), 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, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received from such Public Offering or subsequent Equity Offerings by the Issuer or an IPO Entity or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or a Parent Debt Contribution) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (b) after giving *pro forma* effect to such dividends, distributions, cash payments, advances, loans or expense reimbursements, the Consolidated Net Leverage Ratio shall be equal to or less than 4.3 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result immediately thereafter therefrom), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €27.5 million and 30% of Consolidated EBITDA;

(12) 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 or a member of Senior Management);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate amount of cash Excluded Contributions, or an amount equal to the fair market value of non-cash Excluded Contributions, or Restricted Payments in exchange for or using as consideration Restricted Payments previously made under this clause (13);

(14) payment of any Receivables Fees and purchases of receivables and other assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(15) (a) 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 (b) 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, however*, that, in the case of clauses (a) and (b), the amount of all dividends declared or paid pursuant to this clause (15) 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 an Excluded Contribution or a Parent Debt Contribution 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;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) dividends, loans, distributions, advances or other payments in amounts required for a direct or indirect Parent of the Issuer to service the substantially concurrent payment of cash interest amounts as and when due under or in respect of any Indebtedness of such Parent, in the case of this clause, the net proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any of its Restricted Subsidiaries Incurred in accordance with the covenant described under "*—Limitation on Indebtedness*" above; *provided* that any such Indebtedness of the Issuer or any of its Restricted Subsidiaries (including in the form of a guarantee) is subordinated in right of payment to the Notes and the Guarantees;

(18) so long as no Default or Event of Default has occurred and is continuing (or would result immediately thereafter therefrom), any Restricted Payments; *provided* that, on the date of such Restricted Payment, the Consolidated Net Leverage Ratio would not exceed 3.8 to 1.0 on a *pro forma* basis after giving effect thereto; and

(19) advances or loans (a) to 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; (b) to 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); or (c) to any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent in an amount under this clause (c) not to exceed the greater of €4.5 million and 5% of Consolidated EBITDA in any calendar year.

If any Investment or Restricted Payment (or portion thereof) would be permitted pursuant to one or more provisions described in this covenant and/or one or more of the exceptions contained in the definition of "Permitted Payment" or "Permitted Investment" (or any other definition used in this covenant or such definitions), the Issuer may, at its sole discretion, divide and classify such Investment or Restricted Payment in any manner that complies with this covenant or such definition and may later reclassify in whole or in part any such Investment or Restricted Payment (based on circumstances existing on the date of such reclassification) in whole or in part at any time, so long as the Investment or Restricted Payment (as so reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the assets 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 Board of Directors or an Officer acting in good faith. For purposes of this covenant, the fair market value of property or assets or marketable securities received by the Issuer or any Restricted Subsidiaries shall be measured at the time received and shall not give effect to subsequent changes in value.

Limitation on Liens

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 the obligations under the Notes and the Indenture (or a Guarantee in the case of Liens of a Guarantor) are directly secured, at least 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 pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates or (ii) otherwise as set forth under "*—Release of Liens*."

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.

Notwithstanding any other provision herein, prior to the Release, the Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien securing any Indebtedness over the Escrow Account or the Escrowed Property, in each case other than Liens (x) granted to secure the obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture or (y) described in clause (1) of the definition of "Permitted Collateral Liens."

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:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock to the Issuer or a Restricted Subsidiary, or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary;

(B) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(C) 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 or other common equity interests 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), the Indenture, the Notes, the Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents, the Escrow Charge and the security documents relating to the Revolving Credit Facility, (b) any other agreement or instrument, in each case in effect at or entered into on the Issue Date after giving *pro forma* effect to the Transactions, or (c) any other agreement or instrument with respect to the Target Group in effect at or entered into on the Completion Date;

(2) 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 entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company (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 Company;

(3) 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 clause (1) or (2) of this paragraph or this clause (3) (an "**Initial Agreement**") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument (a) are 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) or (b) are customary in comparable financings and where, in the case of this sub-clause (b), 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);

(4) 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;

(5) 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 (C) 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;

(6) 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;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority or any governmental licenses, concessions, franchises or permits, including restrictions or encumbrances on cash or deposits (including assets in escrow accounts) paid on property;

(9) 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 or policies entered into in the ordinary course of business;

(10) any encumbrance or restriction in respect of Hedging Obligations;

(11) 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 (A) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than (i) the encumbrances and restrictions contained in the Revolving Credit Facility, together with the security documents associated therewith, the Escrow Agreement and the Intercreditor Agreement, together with the Security Documents associated therewith, in each case, as in effect on the Issue Date (or, with respect to the Security Documents, the Completion Date) or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Issuer) or (B) the Issuer determines at the time of the Incurrence of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes or (b) constituting an Additional Intercreditor Agreement;

(12) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or a member of Senior Management, are necessary or advisable to effect such Qualified Receivables Financing; or

(13) 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 Board of Directors or an Officer); and

(2) except where the Asset Disposition is a Permitted Asset Swap, at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

(i) 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);

(ii) Cash Equivalents;

(iii) the assumption by the purchaser of (x) any liabilities recorded on the Issuer's or such 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 or Indebtedness owed to the Issuer or a Restricted Subsidiary), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obliged in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary are released from any guarantee of such Indebtedness as a result of such Asset Disposition;

(iv) Replacement Assets;

(v) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(vi) 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;

(vii) 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 €18.5 million and 20% of Consolidated EBITDA (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

(viii) a combination of the consideration specified in clauses (i) through (vii) of this paragraph (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 described 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) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" or any Refinancing Indebtedness in respect thereof; (ii) unless included in (1)(i), prepay, repay, purchase or redeem Notes or Indebtedness of the Issuer or any Guarantor that is secured by a Lien on the Collateral on a senior or *pari passu* basis with the Notes, plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; or (iii) prepay, repay, purchase or redeem (x) any Indebtedness of a Restricted Subsidiary that is not a Guarantor or (y) any Indebtedness of the Issuer or a Restricted Subsidiary that is secured on assets which do not constitute Collateral; *provided* that, the Issuer shall prepay, repay, purchase or redeem Indebtedness that is Public Debt (other than the Notes) pursuant to clause (ii) only if the Issuer either (1) reduces the aggregate principal amount of the Notes on an equal and ratable basis with any such Indebtedness by redeeming Notes in accordance with the redemption provisions of the Indenture or by purchasing Notes through open-market purchases or in privately negotiated transactions at market prices or (2) makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes equal to the proportion that (x) the total aggregate principal amount of the Notes outstanding bears to (y) the sum total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Indebtedness (other than the Notes);

(2) (A) purchase the Notes pursuant to an offer to all Holders of the Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the repurchase date), *provided* 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, or (B) redeem the Notes in accordance with the redemption provisions of the Indenture;

(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 clause (1), (3), (4), (5) or (6) of this paragraph (or any 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**." Pending the final application of any such Net Available Cash, the Issuer or any Restricted Subsidiary may temporarily reduce revolving credit borrowings or other Indebtedness or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Indenture.

On the 366th day after an Asset Disposition (or the 546th day if a binding commitment as described in clause (8) above has been entered into), or such earlier time as the Issuer elects, if the aggregate amount of Excess Proceeds exceeds the greater of €18.5 million and 20% 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 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 such *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 tax gross-up 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 such *Pari Passu* Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof in the case of Notes.

To the extent that the aggregate amount of Notes and such *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer or the relevant Restricted Subsidiary may use any remaining Excess Proceeds for any other purpose, 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 repurchased on a *pro rata* basis 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 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 or the relevant Restricted Subsidiary upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, insofar as it relates to the Notes, will remain open for a period of not less than five 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 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.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) 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 any 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.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries 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 €9.0 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 €23.0 million and 25% 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 Board of Directors resolving that such transaction complies with clause (1) above.

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*," any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the second paragraph of the covenant described under "*—Limitations on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2) and (11) of the definition thereof);

(2) any issuance, transfer or sale of Subordinated Shareholder Funding, Capital Stock, options, other equity-related interests or other securities, 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;

(3) any Management Advances or Parent Expenses and any waiver or transaction with respect thereto;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity 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 reasonable 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, officers, consultants 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, officers or employees);

(6) (a) the Transactions; (b) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of the Acquisition Agreement or 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 Completion Date or described in this Offering Memorandum under "*Certain Relationships and Related Party Transactions*," 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 in any material respect (as determined in good faith by the senior management or the Board of Directors or any direct or indirect Parent of the Issuer); and (c) 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 or payment pursuant to which the Issuer or any Affiliate of the Issuer or any of its Subsidiaries is required or permitted to file a consolidated or combined 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;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an officer 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 between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity 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; (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; and (c) entering into of any loan or the receipt by the Issuer of other contribution of proceeds of any Incurrence of indebtedness by a Parent and any amendment or modification thereof or the pledging of such loan or any Capital Stock of the Issuer and any transactions relating thereto;

(11) (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, investor or advisory fees and related expenses and indemnities in an aggregate amount not to exceed the greater of €3.0 million and 3.0% of Consolidated EBITDA per fiscal year 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 each case, related costs, taxes and expenses), including in connection with loans, capital market transactions, private placements, acquisitions or divestitures, joint ventures or other investments, which payments (or agreements providing for such payments) in respect of this clause (11)(b) are approved by a majority of the Board of Directors in good faith;

(12) any transactions for which the Issuer or a Restricted Subsidiary delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is (a) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (b) on terms not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that 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 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 furnish to the Trustee the following reports:

(1) within 150 days after the end of the Issuer's fiscal year beginning with the fiscal year ending December 31, 2021, and within 120 days after the end of each of the Issuer's fiscal years thereafter, 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 consolidated EBITDA and a discussion of liquidity and capital resources, material commitments and contingencies and critical accounting policies 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) or (3) below); *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; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent fiscal year with comparative balance sheet information as at the end of the prior fiscal year and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; and (v) a description of material risk factors and material subsequent events; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the audited financial statements;

(2) within 60 days (or, in the case of the fiscal quarters ending September 30, 2021, March 31, 2022 and June 30, 2022, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Issuer, beginning with the quarter ending September 30, 2021, quarterly financial statements containing the following information: (i) 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 end year-to-date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (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 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 (iii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, consolidated EBITDA and material changes in liquidity and capital resources of the Issuer; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Issuer or change in auditors of the Issuer or any other material event that the Issuer or any Restricted Subsidiary announces publicly, a report containing a description of such event.

In addition, to the extent not satisfied by the foregoing, 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 Exchange Act by persons who are not "affiliates" under the Securities Act.

The Issuer shall also make available to Holders and prospective holders of the Notes copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant on the Issuer's website 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.

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.

All financial statement information shall be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented, except 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 GAAP, present earlier periods on a basis that applied to such periods. 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 will not be required to contain any reconciliation to U.S. GAAP.

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, would (if it were restricted) constitute a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "*Reports*" covenant 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 its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

Furthermore, the Issuer shall, in connection with the delivery of the reports set forth in clauses (1) and (2) of this covenant, use commercially reasonable efforts to hold a conference call (or cause a conference call to be held) to discuss such reports and the results of operations for the relevant reporting period.

All reports provided pursuant to this "*Reports*" covenant shall be made in the English language.

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). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

With respect to periods commencing prior to the Completion Date, to the extent comparable prior period financial information of the Issuer does not exist, the comparable prior period financial information of the Target or special purpose financial information of the Issuer (incorporating such financial information of the Target) may be provided in lieu thereof.

Notwithstanding the foregoing, the Issuer may comply with any requirement to provide reports or financial statements of the Issuer under this covenant by providing any financial statements or reports of any Parent or the

Target, in which case references to the Issuer in clauses (1), (2) and (3) of the first paragraph hereof will be deemed to be references to such Parent or the Target, as applicable.

To the extent that material differences exist between the financial condition or results of operations of the Issuer and its Restricted Subsidiaries and any Parent that is the reporting entity or the Target (as the case may be), the annual and quarterly reports shall include a reasonably detailed explanation of such material differences.

If and for so long as the equity securities of the Issuer, any Parent or IPO Entity are listed on Borsa Italiana or any other internationally recognized stock 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 any such internationally recognized stock exchange, for so long as it elects, the Issuer will be entitled to deliver to the Trustee such annual and quarterly reports, information, documents and other reports that the Issuer or such Parent or IPO Entity is, or would be, required to file with such internationally recognized stock exchange. Upon complying with the foregoing sentence, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs in this covenant; *provided* that if such internationally recognized stock exchange does not require the Issuer or such Parent or IPO Entity to prepare and file quarterly reports with such internationally recognized stock exchange, the Issuer shall additionally provide the reports set forth in paragraph (2) above.

Delivery of any reports, information and documents to the Trustee pursuant to this section will be for informational purposes only, and the Trustee's receipt thereof shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under the Indenture or documents related thereto.

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person (other than in connection with the Post Completion Merger), unless:

(1) either the Issuer is the surviving entity or the resulting, surviving or transferee Person (the "**Successor Company**") will be a Person organized and existing under the laws of a Permissible Jurisdiction, the United Kingdom, the United States of America, any State of the United States of America or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in 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 Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the Relevant Testing Period, either (a) the Issuer or the Successor Company, 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 *pro forma* effect to such transaction; and

(4) the Issuer or the Successor Company, as applicable, shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel to the effect that such consolidation, merger or transfer and such supplemental indenture (if any is required in connection with such transaction) comply with the Indenture and that all conditions precedent provided for therein relating to such transaction have been complied with or satisfied, and that the assumption (if any) of obligations under clause (1) above constitutes the legal, valid and binding obligation of the Successor Company and that the supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and inding agreement enforceable against the Successor Company in accordance with its terms, *provided* that in giving any Opinion of Counsel, counsel may rely on an Officer's Certificate as to matters of fact. The Trustee shall be entitled to rely conclusively on such Officer's Certificate and an Opinion of Counsel without independent verification.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*."

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 Company 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 company will not be released from its obligations under the Indenture or the Notes.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this "*—Merger and Consolidation—The Issuer*" covenant) shall not apply to (i) any transactions which constitute an Asset Disposition if the Issuer has complied with the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*" or (ii) the creation of a new Subsidiary as a Restricted Subsidiary.

Guarantors

No Guarantor (other than a Guarantor whose Guarantee is to be released in accordance with the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and other than in connection with the Post Completion Merger) may:

(1) consolidate with or merge with or into any Person (whether or not such Guarantor is the surviving corporation);

(2) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into it unless:

    (A) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor; or

    (B) (1) either (x) 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 Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of that Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents; and

    (C) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

    (D) 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,

provided, however, that the prohibition in clauses (1), (2) and (3) of this covenant shall not apply to the extent that compliance with clauses (A) or (B)(1) could 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 or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses.

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 a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Restricted Subsidiary that is a Guarantor or any other Restricted Subsidiary that is not a Guarantor; (ii) any Restricted Subsidiary that is a Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Restricted Subsidiary that is a Guarantor; (iii) any consolidation or merger of the Issuer into any Restricted Subsidiary that is a Guarantor; *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, if any, to which it is a party, and clauses (1) and (4) under the heading "*—The Issuer*" shall apply to such transaction; (iv) the Post Completion Merger; 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 (other than in respect of the Post Completion Merger) clauses (1), (2) and (4) under the heading "*—The Issuer*" and clause (3) (other than clause (3)(B)(2)) under the heading "*—Guarantors*," as the case may be, shall apply to any such transaction.

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.

Post Completion Merger and Further Assurances

The Issuer shall use commercially reasonable efforts, subject to any relevant approval and/or authorization by any competent authority, to implement the Post Completion Merger in accordance with Articles 2501-bis and following of the Italian Civil Code and other applicable provisions of Italian law, with MergerCo being the surviving entity, as soon as reasonably practicable following the Completion Date. Failure to complete the Post Completion Merger shall not constitute a Default or an Event of Default under the Indenture. The Post Completion Merger is subject to certain conditions and may not be completed. See "*Risk Factors—Risks Related to Our Structure and the Financing—We may be unable to complete the Post Completion Merger within the anticipated time frame, or at all.*"

Each holder of the Notes, by accepting a Note will be deemed to agree, for the purposes of Article 2503-bis (et seq.) of the Italian Civil Code, to the consummation of the Post Completion Merger and, in the event that the Target or Itelyum Regeneration is the successor company of the Post Completion Merger, the assumption by MergerCo of all obligations of the Issuer in respect of the Notes, the Indenture, the Intercreditor Agreement and the relevant Security Documents in accordance with the terms of the Indenture upon completion of the Post Completion Merger.

In the event the Post Completion Merger does not occur on or prior to the Cut-Off Date, the Issuer shall use commercially reasonable efforts to procure that (i) the Guarantors guarantee the Notes and (ii) the Notes are secured by security interests granted on a first-priority basis over the Target Group Collateral, in each case, within 90 days of the Cut-Off Date and subject to the Agreed Security Principles and certain significant limitations pursuant to applicable laws as described under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*."

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: "*—Limitation on Restricted Payments*," "*—Limitation on Indebtedness*," "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," "*—Limitation on Affiliate Transactions*," "*—Limitation on Sales of Assets and Subsidiary Stock*," the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and Consolidation—The Issuer*," "*—Impairment of Security Interests*" and 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 Holdco, the Issuer and its Restricted Subsidiaries, as applicable. 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 "*—Limitation on Restricted Payments*" covenant and the second, third and fourth paragraphs of the definition of "Unrestricted Subsidiary" will be interpreted as if they have been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been 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)(b) 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.

Impairment of Security Interests

The Issuer shall not, and shall not permit any Restricted Subsidiary to, and Holdco shall not, 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, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral), and the Issuer shall not, and shall not permit any Restricted Subsidiary to, and Holdco shall not 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; and (3) the applicable Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released and retaken, from time to time (i) to cure any ambiguity, mistake, omission, defect, manifest 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 or the Post Completion Merger or (vii) in any manner that does not adversely affect the Holders in any material respect; *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 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 outstanding under the Revolving Credit Facility, any Credit Facility with an aggregate outstanding principal amount in excess of €5.0 million or any Public Debt, unless such Restricted Subsidiary is or becomes a Guarantor on the date on which such 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 Guarantee; *provided, however*, 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 Guarantee is contrary to the Agreed Security Principles or could 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 or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses. At the option of the Issuer, any Guarantee may contain limitations on Guarantor 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.

Future Guarantees granted pursuant to this provision shall be released as set forth under "*—Releases of the Guarantees*." A Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release either (i) 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 (ii) 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 Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

The validity and enforceability of the Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*."

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any Indebtedness, 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 or a restatement, amendment or other modification of the existing Intercreditor Agreement (an "**Additional 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 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 or immunities of the Trustee or Security Agent under the Indenture or the Intercreditor Agreement; it being understood that, for the avoidance of doubt, an increase in the amount of Indebtedness being subject to the terms of the Intercreditor Agreement or Additional Intercreditor Agreement will be deemed to be on substantially similar terms to the Intercreditor Agreement and will be deemed not to adversely affect the rights of the Holders and will be permitted by this provision if, in each case, the Incurrence of such Indebtedness (and any Lien in its favor) is permitted by the covenants described under "*—Limitation on Indebtedness*" and "*—Limitation on Liens*."

The Indenture also will 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 or any Additional 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 or Guarantors 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) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or any Additional Intercreditor Agreement, except as otherwise permitted below under "*—Amendments and Waivers*," 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 the Security Agent, as applicable, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall 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 also will 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. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at our offices, or the offices of the Trustee.

Issuer Activities Prior to Post Completion Merger

The Indenture will provide that, prior to the Post Completion Merger, the Issuer may not engage in any business trading activities or own any assets or Incur any Indebtedness, other than:

(1) (i) the entry into and performance of rights and obligations under and in connection with the Transactions, the Notes Documents, the Revolving Credit Facility Agreement, the Post Completion Merger and any documents related to the foregoing; and (ii) the performance of any contract, agreement or other transaction existing on the Issue Date or the Completion Date;

(2) the performance of any contract, agreement or other transaction with the Issuer's Restricted Subsidiaries and the making of any Investment, in each case to the extent not prohibited by the Indenture and reasonably relating to the other activities enumerated herein;

(3) the entry into and performance of its rights and obligations in respect of (i) contracts and agreements with its officers, directors, employees, consultants and independent directors, (ii) subscription or purchase agreements for securities and/or preferred equity certificates, public offering rights agreements, voting and other shareholder agreements, engagement letters, underwriting agreements, dealer manager agreements, solicitation agency agreements, agreements with rating agencies and other agreements in respect of its securities or any offering, issuance or sale thereof and (iii) engagement letters and reliance letters in respect of legal, accounting and other advice and/or reports received and/or commissioned by it;

(4) holding shares and other debt and equity interests in Subsidiaries and the subscription for debt or equity in and the making of capital contributions in or loans to or Investments in Subsidiaries;

(5) (i) ownership of cash and Cash Equivalents and (ii) entry into, holding and utilization of Bank Products and participation in cash pooling and cash management arrangements, in each case to the extent not prohibited by the Indenture and reasonably relating to the other activities enumerated herein;

(6) the Incurrence of (including liabilities and obligations in respect of) Indebtedness, Subordinated Shareholder Funding and Liens not otherwise prohibited by the Indenture (including in respect of Permitted Collateral Liens and Permitted Liens) and activities reasonably incidental thereto (including, without limitation, the entry into and performance of the terms and conditions of, and any obligations under, any document in connection therewith);

(7) administrative, managerial, legal, treasury and accounting services, arrangements with shareholders and the employment and secondment of employees, including the entry into and performance of any employee incentive or benefit arrangements, the fulfilment of any audit, financial monitoring or reporting requirements, services agreements, tax consolidation agreements or arrangements, and any activities or requirements in connection with an IPO Event, and activities reasonably incidental to such services and arrangements (including entering into contracts with employees) and the ownership of assets necessary to provide such services as well as other holding company activities in the ordinary course of business;

(8) the making or receipt of any payment, distribution or permitted or not prohibited by the covenant described under "*—Limitation on Restricted Payments*" and any transaction permitted under the covenant described under "*—Merger and Consolidation*" or under "*—Limitation on Sales of Assets and Subsidiary Stock*;"

(9) owning, leasing, managing or operating any properties or assets related to administration, employees and functions incidental to its existence or properties and assets related to the business or operations as a holding company or as permitted by the other paragraphs of this covenant;

(10) the incurrence and payment of any fees, costs, expenses and Taxes relating to the activities of or services provided to or duties of the Issuer and any Restricted Subsidiaries (including, without limitation, overhead costs, management costs, filling fees, audit costs, Taxes and other ordinary course fees, costs and expenses);

(11) other transactions, activities and arrangements related or reasonably incidental to the establishment and/or maintenance of its or the Issuer's or any Restricted Subsidiary's corporate existence (including the provision of holding company, corporate or performance guarantees) and otherwise consistent with the activities of a holding company and activities reasonably incidental thereto;

(12) the performance of obligations and exercise of rights under contracts or arrangements with any Parent, Management Investor, Permitted Holder or direct or indirect shareholder entered into in compliance with the Indenture;

(13) entry into, performance of and Incurrence of liabilities under any Intercreditor Agreement, Additional Intercreditor Agreement, the Escrow Agreement, the Escrow Charge and the Security Documents or any Permitted Lien, Permitted Collateral Lien or Lien Incurred in accordance with the covenant described under "*—Limitation on Liens*;"

(14) the issuance, offering, sale and listing of Capital Stock (including in a Public Offering) and conducting activities related or reasonably incidental to any Initial Public Offering, including the maintenance of any list of equity issued by any IPO Entity;

(15) the entry into and performance of any Tax Sharing Agreement, the making and receipt of Parent Expenses and any other transaction, activities and arrangements contemplated by the covenant described under "*—Limitation on Affiliate Transactions*;" and

(16) other transactions, activities and arrangements consistent with the above or not specifically set out above that are *de minimis* in nature.

Financial Calculations

When determining or calculating the availability under any basket, threshold 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 (including any Reserved Indebtedness Amount) or Liens, a Change of Control, 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 or threshold based on the Consolidated EBITDA of the Issuer), the date of determination of such basket, threshold or ratio or the testing of any such transaction 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, thresholds or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Fixed Charge Coverage Ratio and Consolidated Net Leverage Ratio after giving effect to such transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they had 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 such baskets, thresholds or ratios are exceeded as a result of fluctuations in such baskets, thresholds or ratios (including due to fluctuations in the Indebtedness, Consolidated Net Income or Consolidated EBITDA of the Issuer or a business, asset or target company subject to such transaction) subsequent to the Transaction Commitment Date and at or prior to the consummation of the relevant transaction, such baskets, thresholds 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, thresholds 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, thresholds or ratios under the Indenture after the Transaction Commitment Date and before 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 Net Income or 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.

Unless otherwise specifically set forth herein, for any relevant financial covenant or financial ratio or Incurrence-based permission, test, basket or threshold in the Indenture (each, an "**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.

Events of Default

Each of the following is 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, which continues 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 declaration or otherwise;

(3) failure by the Issuer or any of its Restricted Subsidiaries or, solely in connection with the covenant described under "*—Certain Covenants—Impairment of Security Interests*," 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 agreements contained in the Indenture (other than a default in performance or breach of a covenant or agreement which is specifically dealt with in clauses (1) or (2) above);

(4) 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 any of its Restricted

Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its 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, in each case, 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 €18.0 million or more;

(5) certain events of bankruptcy, insolvency or court protection of Holdco, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer or any other applicable reporting entity under the covenant described under "*—Certain Covenants—Reports*"), 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 and its Restricted Subsidiaries or any other applicable reporting entity under the covenant described under "*—Certain Covenants—Reports*"), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €18.0 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 shall, at any time, cease to be in full force and effect (other than (i) in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture or (ii) caused by the action or inaction of the Trustee or Security Agent) with respect to Collateral having a fair market value in excess of €9.0 million 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 Security Interest created thereunder shall be declared invalid or unenforceable or the Issuer or Holdco, as applicable, shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 10 days; and

(8) any Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such 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 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 at least 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.

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 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 (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) 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.

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 of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the applicable 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, which may only be waived with the consent of Holders holding not less than 75% of the then outstanding aggregate principal amount of Notes) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

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 indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against any loss, liability 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 notice that an Event of Default is continuing;

(2) Holders of at least 30% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security and/or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a 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 has written notice, 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 holders 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 indemnification and/or security satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. The Indenture will provide that if a Default or Event of 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 a committee of trust officers of the Trustee in good faith 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 (beginning with the first fiscal year ending after the Issue Date), an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year. 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 in the covenant entitled *"—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 covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture provides for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured (including by way of prefunding) 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 subject to compliance with the provisions described in "*—Meetings of Holders of Notes*" below, the Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of such Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such 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, the Notes); *provided* that (x) if any such amendment, supplement or waiver will only affect one series of Notes (or less than all series of Notes) then outstanding under the Indenture, then only the consent of the Holders of at least a majority in principal amount of the Notes of such series then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of the Notes) shall be required and (y) if any such amendment, supplement or waiver by its terms will affect a series of Notes in a manner that is different from and materially adverse relative to the manner in which such amendment, supplement or waiver affects other series of Notes, then the consent of the Holders of at least a majority in principal amount of the Notes of such series then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of the Notes) shall also be required. However, without the consent of Holders holding not less than 75% of the principal amount of the Notes affected then outstanding, an amendment or waiver 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 such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case, as described above under "*—Optional Redemption*;"

(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any Holder to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(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 any of the Security Interests granted for the benefit of the Holders in the Collateral 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 such Notes (except pursuant to a rescission of acceleration of such 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 of the Guarantors from any of their obligations under their respective Guarantees or the Indenture, except in accordance with the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence,

provided that (x) if any such amendment, supplement or waiver will only affect one series of Notes (or less than all series of Notes) then outstanding under the Indenture and does not or would not affect holders of the Notes generally, then only the consent of the holders of not less than 75% in principal amount of the Notes of such series then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of the Notes) shall be required and (y) if any such amendment, supplement or waiver by its terms will affect a series of Notes in a manner that is different from and materially adverse relative to the manner in which such amendment, supplement or waiver affects other series of Notes, then the consent of the Holders of not less than 75% in principal amount of the Notes of such series then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of the Notes) shall also be required.

Notwithstanding the foregoing, without the consent of any Holder of any series of Notes, the Issuer, any Guarantor, the Trustee, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Notes Documents to:

(1) cure any ambiguity, omission, 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 or provide for a 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 or a member of Senior Management) for the issuance of Additional Notes;

(6) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenant 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 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) to conform the text of the Indenture, the Guarantees, the Security Documents or the Notes to any provision of this *"Description of Notes*" to the extent that such provision in this *"Description of Notes*" was intended to be a verbatim recitation of a provision of the Indenture, a Guarantee, the Intercreditor Agreement, the Security Documents or the Notes;

(8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or the Security Agent to any Notes Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a Lien in favor of the Security Agent for the benefit of the Holders 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 Lien is required to be granted to the Security Agent, or to the extent necessary to grant a Lien in the Collateral for the benefit of any Person; *provided* that the granting of such Lien is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interests*" is complied with; or

(10) as provided in "*—Certain Covenants—Additional Intercreditor Agreements*" or "*—Certain Covenants—Impairment of Security Interests*."

Notwithstanding anything to the contrary in the paragraph above, in order to effect an amendment pursuant to subsections (3) and (6) in respect of providing for a Guarantee, it shall only be necessary for the supplemental indenture or Guarantee of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee.

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel.

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.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will publish notice of any amendment, supplement and waiver in Luxembourg in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Such notice of any amendment, supplement and waiver may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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 controlling, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors 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 and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the rights of the Trustee and the Holders under the Security Documents, 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 its, its Restricted Subsidiaries' and Holdco's obligations under the covenants described under "*—Certain Covenants*" (other than clauses (1) and (2) of "*—Certain Covenants—Merger and Consolidation—The Issuer*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*," the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Issuer and Significant Subsidiaries, the judgment default provision, the guarantee provision 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—The Issuer*"), (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 by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof in an amount 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 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);

(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) 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 such 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 such Notes not previously delivered to the Trustee 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; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity directed, selected or designated by the Trustee for this purpose), euro 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 the Trustee, the Paying Agent or other entity directed, designated or selected by the Trustee, as applicable, to apply the funds deposited towards the payment of such Notes at Stated Maturity or on the redemption date, as the case may be; *provided* that, if requested by the Issuer, the Trustee, the Paying Agent or other entity directed, designated or selected by the Trustee, as applicable, may distribute any amounts deposited in trust to the Holders prior to the maturity or the redemption date, as the case may be, *provided, however*, that the Holders shall have received at least five Business Days' notice from the Issuer of such earlier repayment date (which notice may be contained in the notice of redemption); 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, *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), (3) and (4)).

For the avoidance of doubt, the distribution and payments to Holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break cost or any other premium on such amounts. The Trustee and the Paying Agent shall not be liable to any Person for the distribution of funds to Holders early as described in such paragraph.

Meetings of Holders of Notes

All meetings of Holders of the Notes will be held in accordance with Italian applicable laws and regulations.

In addition to and without prejudice to the provisions described above under "*—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 of the Notes 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) 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 of Notes 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 of the Notes (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 Guarantees and the Collateral—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 of the Notes, 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 of the Notes 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 "*—Meeting of Holders of Notes*" will be in addition to, and not in substitution of, the provisions described under "*—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 "*—Meeting of Holders of Notes*" must also comply with the other provisions described under "*—Amendments and Waivers*."

Security Representative and Noteholders' 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 Notes of the initial appointment as of the Issue Date of UniCredit S.p.A., as 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 of the Notes 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 UniCredit S.p.A., 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. 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 Notes of the initial appointment as of the Issue Date of The Law Debenture Trust Corporation p.l.c. as the Noteholders' Representative. 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 Guarantor or any of their respective Subsidiaries or Affiliates, 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

The Law Debenture Trust Corporation p.l.c. is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has written notice, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default of which a responsible officer of the Trustee has written notice, 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.

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 will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

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 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 6 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 certain losses, liabilities and expenses 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 the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices with respect to the Notes will be published on the official website of the Luxembourg Stock Exchange (www.bourse.lu). All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar. However, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered by or on behalf of the Issuer in accordance with the rules and procedures of Euroclear and Clearstream, as applicable, in lieu of the aforesaid mailing. Such notices may instead be published by the Issuer 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.

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 relevant Guarantees, as the case may be, 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, 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 under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee 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 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 (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, any Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, subject to the provisions set forth in *"—Financial Calculations"* above, 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, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower euro equivalent) or made, as the case may be.

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 any Guarantor, 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 and the Guarantees, the Issuer and each Guarantor will in the Indenture 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 and each Guarantor will appoint 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 Guarantees brought in any U.S. Federal or New York State court located in the City of New York.

Governing Law

The Indenture, the Notes and the Guarantees, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of the State of New York. The Intercreditor Agreement and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England and Wales. The Security Documents will be governed by the applicable local laws of the jurisdiction under which the Liens over the Collateral are granted.

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, or (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.

"**Acquisition**" means the acquisition of the Target Group pursuant to the Acquisition Agreement as described in this Offering Memorandum under "*Summary—The Transactions.*"

"**Acquisition Agreement**" means the share purchase agreement relating to all of the equity interests in the Target dated August 13, 2021, *inter alios*, SSCP Third Fund S.à r.l, together with certain other sellers, and Verde Holdings S.C.A., a holding company of the Issuer, as purchaser, together with all annexes thereto, and as may be amended prior to the Completion Date.

"**Additional Amounts**" has the meaning ascribed to that term under "*—Withholding Taxes*."

"**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.

"**Agreed Security Principles**" means the agreed security principles appended to the Indenture.

"**Applicable Premium**" means, with respect to any Note the greater of:

(a) 1% of the principal amount of such Note plus, if the applicable redemption date is on or after the 2021 Sustainability Report Publication Date, the Step-up Premium, if any; and

(b) the excess (to the extent positive) of:

(A) the present value at such redemption date of (1) the redemption price of such Note at , 2023 (such redemption price (expressed in percentage of principal amount) being set forth in the table under the heading "*—Optional Redemption*" (excluding accrued and unpaid interest)), plus (2) if the applicable redemption date is on or after the 2021 Sustainability Report Publication Date, the applicable Step-up Premium, if any, plus (3) all required interest payments due on such Note to and including , 2023 (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 Note,

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, the Paying Agent, the Transfer Agent or the Registrar.

"**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 of Capital Stock of the Issuer or 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 of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a 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 and its 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 or transfer of Capital Stock by a Restricted Subsidiary to the Issuer or to 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 Board of Directors or an Officer) of less than the greater of €9.0 million and 10% of Consolidated EBITDA;

(8) any Restricted Payment that is permitted to be made, and is made, under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of the second paragraph of the covenant described 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 to make Restricted Payments, Permitted Payments or Permitted Investments;

(9) the granting of Liens not prohibited 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 a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(11) the licensing, sub-licensing or assignment of intellectual property or other general intangibles, licenses, sub-licenses, leases, subleases or assignments of other property, in each case, in the ordinary course of business;

(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 accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) sales or dispositions of receivables and related assets in connection with any Qualified Receivables Financing or any factoring transaction or 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 (including personnel) to a Person who is providing services related to, or with the contribution of, 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 or a member of Senior Management shall certify that in the opinion of the Board of Directors or such member of Senior Management, as applicable, the outsourcing transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole);

(19) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary, an issuance or sale by a Restricted Subsidiary of Preferred Stock or Disqualified Stock that is not prohibited by the covenant described under "*—Limitation on Indebtedness*" or an issuance of Capital Stock by the Issuer pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(20) sales, transfers or other dispositions 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; and

(21) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to Sale and Leaseback Transactions, asset securitizations and other similar financings permitted by the Indenture.

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 its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

"**Bank Products**" means any facilities or services related to treasury and/or cash management, cash pooling, treasury, depository, overdraft, BACS, CHAPS, payment lines, processing, credit or debit card, purchase card, returned check concentration, electronic funds transfer, daylight exposures, open credits, contingent obligation lines, letters of credit, the collection of cheques, deposits and direct debits, account reconciliation and reporting, cash, or other cash management and cash pooling arrangements.

"**Board of Directors**" means (1) with respect to the Issuer or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to 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) with respect to 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 of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). References to "Board of Directors" shall be construed to mean "Board of Directors" of the Issuer or any Parent unless expressly stated otherwise.

"**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 by the Board of Directors or a member of Senior Management in good faith)) most nearly equal to the period from the redemption date to , 2023; *provided, however*, that if the period from the redemption date to , 2023 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 , 2023 in is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used; *provided further* that in no case shall the Bund Rate be less than 0.00%.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Luxembourg, Milan, Italy 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 Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

"**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 GAAP or if the IFRS Election has been made to apply IFRS as of a date after December 31, 2018, as lease liabilities on the balance sheet in accordance with IFRS 16 (Leases). 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 GAAP or IFRS, as applicable, 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 Kingdom, the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway 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 time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof (a "**Deposit**") or cash in credit balance or deposit which are freely transferable or convertible within 90 days of issue or held by any lender party to the Revolving Credit Facility Agreement or by any bank or trust company (a) whose commercial paper is rated at least "A-3" or the equivalent thereof by S&P or at least "P-3" or the equivalent thereof by Moody's or at least "F-3" or an equivalent thereof 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-3" or the equivalent thereof by S&P, at least "P-3" or the equivalent thereof by Moody's or at least "F-3" or an equivalent by Fitch or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if each of 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 Kingdom, the United States, any state of the United States of America, Canada or any province of Canada, a Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P or higher from Fitch (or, if at the time, neither 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, "Baa3" or higher from Moody's or "BBB-" or higher from Fitch (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 Kingdom, the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) with respect to a jurisdiction in which (a) the Issuer or a Restricted Subsidiary conducts its business or is organized and (b) it is not commercially practicable to make investments in clauses (1), (2) or (3) of this definition, certificates of deposit, time deposits, recognized time deposits, overnight bank deposits or bankers' acceptances with any bank, trust company or similar entity, which would rank, in terms of combined capital and surplus and undivided profits or the ratings on its long term debt, among the top five banks in such jurisdiction, in an amount not to exceed cash generated in or reasonably required for operation in such jurisdiction;

(9) interests in any investment company, money market or enhanced high yield fund at least 95% of the assets of which constitute cash or Cash Equivalents of the kinds described in any other paragraph of this definition; and

(10) for purposes of clause (2) of the definition of "Asset Disposition," the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Completion Date.

"**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 being or becoming 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 will not be deemed to involve a Change of Control solely as a result of the Issuer becoming a direct or indirect wholly owned subsidiary of another company if (i) the direct or indirect holders of the Voting Stock of such other company immediately following that transaction are substantially the same as the holders of the Issuer's Voting Stock immediately prior to that transaction or (ii) immediately following that transaction no Person (other than (x) one or more Permitted Holders and/or (y) one or more companies satisfying the requirements of this provision) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such other company, 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 or other corporate actions will not cause a party to be a beneficial owner.

"**Clearstream**" means Clearstream Banking, *société anonyme*, or any successor securities clearing agency.

"**Collateral**" has the meaning ascribed to that term under "*—Security—General*."

"**Commodity Hedging Agreement**" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"**Completion Date**" means the date of completion of the Acquisition.

"**Completion Date Collateral**" has the meaning ascribed to that term under "*—Security—General*."

"**Consolidated EBITDA**" for any period means, without duplication, the Consolidated Net Income of the Issuer for such period, plus the following to the extent deducted or, in the case of clause (13) below, not included, in calculating such Consolidated Net Income:

(1) Fixed Charges 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);

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense, including goodwill, or provisions for bad debt;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments, including earn-outs), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or a member of Senior Management;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*;"

(8) other non-cash charges, expenses, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by the Issuer as special, extraordinary, exceptional, unusual or non-recurring items and the amount of any restructuring charges, accruals, or reserves and any integration costs, 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 expected to be paid in any future period);

(9) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(10) payments received or that become receivable with respect to expenses that are covered by the indemnification provisions in any agreement entered into by the Issuer in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income;

(11) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing or any other receivables financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period;

(12) any acquisitions, dispositions or restructuring, reorganization, outsourcing or cost saving initiatives, business optimization expenses and other restructuring charges, expenses, accruals or reserves (which shall include, without limitation, retention, severance, systems establishment cost, expenses relating to pensions including service costs and pension interest costs, contract termination costs, including future lease commitments, integration costs, transition costs, costs related to the start-up, closure, relocation or consolidation of facilities and costs to relocate employees), startup costs for new businesses and branding or re-branding of existing businesses, any costs associated with non-ordinary course tax projects and audits, signing, retention or completion bonuses, and any fees and expenses relating to any of the foregoing; and

(13) the "*run rate*" expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses that are reasonably expected (in good faith) to be achieved within 24 months of the date of the relevant determination as a result of actions taken or expected to be taken (calculated on a *pro forma* basis as though such expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses 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 definition of "Fixed Charge Coverage Ratio"); *provided* that (a) no expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses 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 and (b) the aggregate amount of such "*run rate*" expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses that may be included pursuant to this sub-clause (13) in such calculation of Consolidated EBITDA for any Relevant Testing Period may not exceed 25% of Consolidated EBITDA (calculated after fully taking into account any adjustments to be made by the Issuer pursuant to this definition of "Consolidated EBITDA") for such Relevant Testing 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 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 Relevant Testing Period and as are consistent with the *pro forma* adjustments set forth in the definition of "Fixed Charge Coverage Ratio" and in accordance with the provisions under *"—Financial Calculations*."

"**Consolidated Income Taxes**" means Taxes or other payments, including deferred Taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"**Consolidated Interest Expense**" means, for any period (in each case, determined on the basis of GAAP), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (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);

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings;

(5) 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);

(6) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a Subsidiary of the Issuer, 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 a responsible accounting or financial officer of the Issuer;

(7) the consolidated interest expense that was capitalized during such period; and

(8) interest actually paid by the Issuer or any Restricted Subsidiary 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, (iii) interest with respect to Indebtedness of any Parent appearing upon the balance sheet of the Issuer solely by reason of push down accounting under GAAP, (iv) any Additional Amounts with respect to the Notes or other similar tax gross-up on any Indebtedness (including, without limitation, under any Credit Facility), which is included in interest expenses under GAAP, (v) any interest expense related to a guarantee of Indebtedness of a Parent Incurred in compliance with the Indenture to the extent that the interest expense of any proceeds loan related thereto is included in the calculation of Consolidated Interest Expense in an equal or greater amount, (vi) any capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding and (vii) any commissions, discounts, yield and other fees and charges related to factoring, receivables or securitization financings in each case on a non-recourse (*pro soluto*) basis.

"**Consolidated Leverage**" means the sum of the aggregate outstanding Indebtedness and the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations).

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries for such period determined on a consolidated basis on the basis of GAAP; *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, 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 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);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer or a Guarantor that holds the equity interests in such Restricted Subsidiary by operation of the terms of such Restricted Subsidiary's 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 Notes and the Indenture, (c) contractual restrictions in effect on the Issue Date (including pursuant to the Revolving Credit Facility Agreement and the Intercreditor Agreement) and contractual restrictions in effect on the

Completion Date with respect to the Target Group, and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date or the Completion Date, as applicable, and (d) restrictions permitted under 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 (including by way of a loan) during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or loan to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale, abandonment or other disposition of any asset or disposed or discontinued operations of the Issuer or any Restricted Subsidiaries (including pursuant to any Sale and Leaseback Transaction) which is not sold, abandoned or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of Senior Management);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions (including the Post Completion Merger) or any investments), acquisition costs, integration and facilities' opening costs and other business optimization costs and expenses and operating improvements, system establishment, software or information technology implementation or development costs, costs related to closure, consolidation or disruption of facilities, internal costs in respect of strategic initiatives, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events), contract terminations and professional and consulting fees Incurred with any of the foregoing;

(5) 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 Completion 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;

(6) the cumulative effect of a change in law, regulation or accounting principles;

(7) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*;"

(8) 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;

(9) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(10) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(11) any unrealized foreign currency translation or 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;

(12) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of, or merger or consolidation with, another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(13) any goodwill or other intangible asset amortization charge, impairment charge or write-off or write-down; and

(14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"**Consolidated Net Leverage**" means Consolidated Leverage less the amount of cash and Cash Equivalents that is stated on the consolidated balance sheet of the Issuer as of such date in accordance with GAAP.

"**Consolidated Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) the Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA of the Issuer for the Relevant Testing Period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes, amends or reprices, replaces, exchanges or otherwise discharges any Indebtedness and Indebtedness Incurred under any revolving credit facility (unless such Indebtedness has been permanently repaid and has not been replaced) subsequent to the commencement of the Relevant Testing Period but prior to or simultaneously with the event for which the calculation of the Consolidated Net Leverage Ratio is made (the "**CNLR Calculation Date**") or has caused any Reserved Indebtedness Amount to be deemed to be Incurred during such period, then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such Incurrence, deemed Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment, amendment, repricing, replacement, exchange or other discharge of Indebtedness, 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 of Consolidated Net Leverage shall not give effect to (i) any Indebtedness Incurred on the CNLR Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" or (ii) the discharge on the CNLR Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (in each case other than for the purposes of the calculation of (x) the Consolidated Net Leverage Ratio in connection with the making of any Restricted Payment pursuant to clause (18) of the second paragraph under "*—Certain Covenants—Limitation on Restricted Payments*" and (y) the Consolidated Senior Secured Net Leverage Ratio pursuant to clause (2)(d) of the definition of "Permitted Collateral Liens"). Whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations shall be as determined in good faith by a responsible accounting or financial officer of the Issuer (and may include the full run rate effect of anticipated expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses), including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken or any actions reasonably expected to be taken, by the Issuer or any Restricted Subsidiary, including, without limitation, in connection with any expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses or in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise; *provided* that the amount of such anticipated expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses shall be limited to those reasonably expected to be achieved within 24 months of the CNLR Calculation Date.

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

(1) acquisitions and Investments (each, a "**Purchase**") that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the Relevant Testing Period or subsequent to such Relevant Testing Period and on or prior to the CNLR Calculation Date, or that are to be made on the CNLR Calculation Date, will be given *pro forma* effect as if they had occurred on the first day of the Relevant Testing Period; *provided* that, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such Relevant Testing Period will be calculated after giving *pro forma* effect to such Purchase as if such Purchase had occurred on the first day of such Relevant Testing Period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with GAAP, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the CNLR Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of the Relevant Testing Period;

(3) any Person that is a Restricted Subsidiary on the CNLR Calculation Date will be deemed to have been a Restricted Subsidiary at all times during the Relevant Testing Period; and

(4) any Person that is not a Restricted Subsidiary on the CNLR Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during the Relevant Testing Period.

When calculating Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, *pro forma* adjustments may be taken into account in the manner set forth above, in the definition of "Fixed Charge Coverage Ratio" and in accordance with the provisions under *"—Financial Calculations*."

"**Consolidated Senior Secured Net Leverage**" means the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries less the amount of cash and Cash Equivalents that is stated on the consolidated balance sheet of the Issuer as of such date in accordance with GAAP.

"**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, 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 director 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 of its Restricted Subsidiaries, one or more debt facilities, arrangements, instruments, trust deeds or indentures (including the Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, performance guarantees, 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 or an Officer) of non-cash consideration received by the Issuer or one of its 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 covenant 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 (c)(ii) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"**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**" has the meaning ascribed to it under "*Summary—The Transactions—The Financing*."

"**Equity Offering**" means (x) a sale of Capital Stock of a Parent, the Issuer or a Restricted Subsidiary (other than to the Issuer or its Subsidiaries) (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 (other than to the Issuer or its Subsidiaries), the proceeds of which are contributed as Subordinated Shareholder Funding or capital contribution or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or Parent Debt Contribution) of the Issuer or any of its Restricted Subsidiaries, in each case after the Completion Date and, for the avoidance of doubt, excluding the Equity Contribution.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent 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 in accordance with the terms of the applicable escrow arrangement.

"**euro equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Issuer, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the "Currency Rates" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Board of Directors or a member of Senior Management) on the date of such determination.

"**Euroclear**" means Euroclear Bank SA/NV or any successor securities clearing agency.

"**European Government Obligations**" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union on the date of the Indenture, 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.

"**European Union**" means the European Union as of the Issue Date.

"**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 the Net Cash Proceeds or fair market value of property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer after the Completion 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 after the Completion Date, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer and, for the avoidance of doubt, excluding the Equity Contribution.

"**fair market value**" wherever such term is used in this *"Description of Notes*" or the Indenture (except in relation to an enforcement action or distressed disposal pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this *"Description of Notes*" or the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors 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 of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes, amends or reprices, replaces, exchanges or otherwise discharges any Indebtedness and Indebtedness Incurred under any revolving credit facility (unless such Indebtedness has been permanently repaid and has not been replaced) 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 "**FCCR Calculation Date**") or has caused any Reserved Indebtedness Amount to be deemed to be Incurred during such period, then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect to such Incurrence, deemed Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment, amendment, repricing, replacement, exchange or other discharge of Indebtedness, 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 of Fixed Charges shall not give effect to (i) any Fixed Charges attributable to Indebtedness Incurred on the FCCR Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" or (ii) Fixed Charges attributable to any Indebtedness discharged on such FCCR Calculation Date to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (in each case other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5)(II) thereunder). Whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations shall be as determined in good faith by a responsible accounting or financial officer of the Issuer (and may include the full run rate effect of anticipated expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses), including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken or any actions reasonably expected to be taken, by the Issuer or any Restricted Subsidiary, including, without limitation, in connection with any expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses or in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise;

provided that the amount of such anticipated expense and cost reduction synergies, cost savings, operating expense reductions, restructuring charges and expenses shall be limited to those reasonably expected to be achieved within 24 months of the FCCR Calculation Date.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions or Investments (each, a "**Purchase**") that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the Relevant Testing Period or subsequent to such Relevant Testing Period and on or prior to the FCCR Calculation Date, or that are to be made on the FCCR Calculation Date, will be given *pro forma* effect as if they had occurred on the first day of the Relevant Testing Period; *provided* that, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such Relevant Testing Period will be calculated after giving *pro forma* effect to such Purchase as if such Purchase had occurred on the first day of such Relevant Testing Period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with GAAP, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the FCCR Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of the Relevant Testing Period;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the FCCR Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of the Relevant Testing Period, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Issuer or any of its Restricted Subsidiaries following the FCCR Calculation Date;

(4) any Person that is a Restricted Subsidiary on the FCCR Calculation Date will be deemed to have been a Restricted Subsidiary at all times during the Relevant Testing Period;

(5) any Person that is not a Restricted Subsidiary on the FCCR Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during the Relevant Testing Period;

(6) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the FCCR Calculation Date had been the applicable rate for the entire Relevant Testing Period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the FCCR Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness);

(7) 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; and

(8) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Officer of the Issuer responsible for accounting or financial reporting to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

When calculating the Fixed Charge Coverage Ratio, *pro forma* adjustments may be taken into account in the manner set forth above and in accordance with the provisions under *"—Financial Calculations*."

"**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.

"**GAAP**" means Italian GAAP in effect from time to time; *provided*, *however*, that on any date after the Issue Date the Issuer may make an irrevocable election to establish that "GAAP" shall mean IFRS (the "**IFRS Election**"); *provided further* that the Issuer may make an irrevocable election to establish that "GAAP" shall mean GAAP in effect on a date that is on or prior to the date of such election (except for purposes of the covenant described under "*—Certain Covenants—Reports*"). The Issuer shall promptly give notice of any such election made in accordance with this definition to the Trustee.

"**guarantee**" means any 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.

"**Guarantee**" means the guarantee by each Guarantor of any obligations of the Issuer under the Notes and the Indenture.

"**Guarantor**" means any Restricted Subsidiary that guarantees the Notes from time to time pursuant to the terms of 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.

"**DBAG Investors**" means:

(1) any funds or limited partnerships directly or indirectly managed by DBG Management GP (Guernsey) Limited or DBG Managing Partner GmbH & Co. KG or advised by DBG Advising GmbH & Co. KG or its affiliated advisory entities; or

(2) such partnerships' respective Affiliates or direct or indirect Subsidiaries or entities, in respect of which, such partnerships individually or in the aggregate directly or indirectly control a majority of the issued voting rights, or any trust, fund, company or partnership directly or indirectly owned, controlled, managed by DBG Management GP (Guernsey) Limited or DBG Managing Partner GmbH & Co. KG or advised by DBG Advising GmbH & Co. KG or any of its affiliated advisory entities; or

(3) any entity directly or indirectly controlled by all or substantially all of the managing directors of such fund or DBAG Management GP (Guernsey) Limited or DBG Managing Partner GmbH & Co. KG or DBG Advising GmbH & CO. KG or its affiliated advisory entities from time to time or formed pursuant to the alternative investment vehicle provisions in the DBAG fund partnership documentation for Deutsche Beteiligungs AG and its affiliated fund vehicles, and shall, for the avoidance of doubt, include any Special Purpose Vehicle, excluding, in each case, the Issuer and its Subsidiaries and any other DBAG portfolio company.

"**Holdco**" means Verde Midco S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under the laws of Italy and the direct parent company of the Issuer, any New Holdco and in each case any and all successors thereto.

"**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.

"**IFRS**" means International Financial Reporting Standards issued by the International Accounting Standards Board.

"**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 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), where the deferred payment is arranged primarily as a means of raising finance, 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 (the amount of such Indebtedness being equal to the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer) 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 termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "**Indebtedness**" shall not include (i) Subordinated Shareholder Funding, (ii) prepayments of deposits received from clients or customers in the ordinary course of business, (iii) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) Incurred prior to the Completion Date or in the ordinary course of business or (iv) any asset retirement obligation.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared in accordance with GAAP. Indebtedness represented by loans, notes or other debt instruments shall not be included to the extent funded with the proceeds of Indebtedness which the Issuer or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) (a) Contingent Obligations Incurred in the ordinary course of business, (b) obligations under or in respect of Qualified Receivables Financings and (c) accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;

(ii) 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 due and payable, the amount is paid within 30 days thereafter;

(iii) 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; or

(iv) any receivable owed by the Issuer in connection with the Acquisition, to the extent such receivable is fully extinguished within 30 Business Days from the Completion Date.

"**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 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 (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 dated on or about the Issue Date by and among, *inter alios*, the Issuer, Holdco, the Security Agent and the Trustee, as amended from time to time.

"**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 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 in accordance with GAAP; *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 any 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 final paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(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 a member of Senior Management.

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 Permissible Jurisdiction, the United Kingdom, Switzerland or Norway 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 "888-" 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 Issuer and its Subsidiaries;

(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 above.

"**Investment Grade Status**" shall occur when all of the Notes receive any two of the following:

(1) a rating of "BBB-" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; and

(3) a rating of "BBB-" or higher from Fitch,

or the equivalent of such rating by either such rating organization or, if no rating of Moody's, S&P or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating 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.

"**Issue Date**" means , 2021.

"**Issuer**" means Verde Bidco S.p.A. and any and all successors thereto in accordance with the Indenture (including, for the avoidance of doubt, subsequent to the Post Completion Merger, MergerCo). Following the Post Completion Merger, any reference in this "*Description of Notes*" to the Issuer shall be deemed to refer to MergerCo.

"**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.

"**Italian GAAP**" means the Italian laws governing the preparation of financial statements, as interpreted and integrated by the accounting principles established by the *Organismo Italiano di Contabilità*.

"**Itelyum Proceeds Loans**" refers to Itelyum Regeneration Proceeds Loan and the Itelyum Purification Proceeds Loan.

"Itelyum Purification" refers to Itelyum Purification S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy.

"**Itelyum Purification Proceeds Loan**" refers to intercompany loan for an initial principal amount of approximately €68.1 million to be made by the Issuer to Itelyum Purification on or about the Completion Date with a portion of the proceeds of the Notes, as described under "*Summary—The Transactions*," as amended, accreted or partially repaid from time to time.

"**Itelyum Regeneration**" refers to Itelyum Regeneration S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy. Following the Post Completion Merger, any reference in this "*Description of Notes*" to Itelyum Regeneration shall be deemed to refer to MergerCo.

"**Itelyum Regeneration Proceeds Loan**" refers to the intercompany loan for an initial principal amount of approximately €82.3 million to be made by the Issuer to Itelyum Regeneration on or about the Completion Date with a portion of the proceeds of the Notes, as described under "*Summary—The Transactions*," as amended, accreted or partially repaid from time to time.

"**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).

"**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) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(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 €4.5 million and 5% of Consolidated EBITDA in the aggregate outstanding at any time.

"**Management Investors**" means the managers, officers, (executive and non-executive) directors, employees and other members of the management of or consultants to any Parent, the Issuer or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer, any Restricted Subsidiary or any Parent.

"**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.

"**MergerCo**" means the entity resulting from the Post Completion Merger.

"**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 within the meaning of 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 instalment 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 GAAP (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, 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, the Issuer 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, in accordance with GAAP, 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**" means, with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, 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 arrangements).

"**Notes Documents**" means the Notes (including Additional Notes), the Indenture, the Escrow Agreement, the Escrow Charge, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"**Offering Memorandum**" means the offering memorandum dated , 2021 relating to the issuance of the Notes offered hereby.

"**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.

"**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 from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"**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 Debt Contribution**" means a contribution to the Issuer or any of its Restricted Subsidiaries in the form of equity, funding the issuance or sale of Capital Stock of the Issuer or any Restricted Subsidiary or Subordinated Shareholder Funding or otherwise on lent as a proceeds loan to the Issuer or any of its Restricted Subsidiaries pursuant to which dividends, loans, distributions, advances or other payments may be paid pursuant to clause (17) of the second paragraph under "*—Certain Covenants—Limitation on Restricted Payments.*"

"**Parent Expenses**" means:

(1) costs (including all professional fees and expenses, audit and accounting costs) 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 the Issuer or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act or the 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 or applicable law to the extent relating to the Issuer and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(4) fees, costs and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overheads, fees, costs and expenses including (a) professional and advisory fees and expenses, regulatory costs and other operational expenses of any Parent related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries, (b) with respect to any litigation or other dispute relating to the Transactions or the ownership of Holdco, the Issuer or any of its Restricted Subsidiaries, directly or indirectly, by any Parent, (c) 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,

directors, officers and employees of such Parent, (d) customary salary, bonus, severance and other benefits payable to current or former directors, officers, members of management, managers, employees or consultants (or any immediate family member thereof) of any Parent plus any reasonable and customary indemnification claims made by current or former directors, officers, members of management, managers, employees or consultants of any Parent, to the extent such salary, bonuses, severance and other benefits or claims in respect of any of the foregoing are directly attributable and reasonably allocated to the ownership or operations of such Parent, (e) to reimburse reasonable out-of-pocket expenses of the Board of Directors of such Parent and (f) insurance premiums to the extent relating to such Parent, the Issuer or any of its Restricted Subsidiaries;

(6) other fees, expenses and costs relating directly or indirectly to the ownership of or to activities or management of the Issuer and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or an Equity Offering or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed the greater of €3.0 million and 3% of Consolidated EBITDA in any fiscal year;

(7) any income taxes, to the extent such income taxes are attributable to the income of the Issuer and its 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 attributable to the income of such Unrestricted Subsidiaries;

(8) fees, costs and expenses (including, without limitation, in respect of underwriting, commitment or arrangement) Incurred by any Parent in connection with any actual or contemplated public offering or other sale of Capital Stock or Indebtedness: (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary, (y) 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 (z) 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; and

(9) costs and expenses equivalent to those set out in clauses (1) to (8) above with respect to a Special Purpose Vehicle.

"***Pari Passu* Indebtedness**" means Indebtedness of the Issuer or any Restricted Subsidiary that is a Guarantor which does not constitute Subordinated Indebtedness and is secured by a Lien on the Collateral on a senior or *pari passu* basis with the Notes.

"**Paying Agent**" means any Person authorized by the Issuer to pay the principal of (and premium and Additional Amounts, if any) or interest on any Note on behalf of the Issuer.

"**Permissible Jurisdiction**" means any member state of the European Union as of the Issue Date.

"**Permitted Asset Swap**" means the substantially concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash or Cash Equivalents or Temporary Cash Investments between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any Net Cash Proceeds received by the Issuer or a Restricted Subsidiary in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under *"—Limitation on Sales of Assets and Subsidiary Stock*" (to the extent required pursuant to such covenant).

"**Permitted Collateral Liens**" means:

(1) Liens on the Collateral that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (13), (14), (17), (18), (19), (20), (21), (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) Liens on the Collateral to secure:

    (a) Indebtedness that is permitted to be Incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;" *provided* that if such Lien is *pari passu* with the Liens securing the Notes or the relevant Guarantees, after giving *pro forma* effect to such Incurrence on that date and the application of proceeds therefrom, the Consolidated Senior Secured Net Leverage Ratio would have been no greater than 4.6 to 1.0;

(b) Indebtedness described under clause (1) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;" which Indebtedness may have super seniority priority status 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 such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in another clause of this definition of Permitted Collateral Liens;

(d) Indebtedness described under clause (5) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;" *provided* that, in the case of clause (5)(II), after giving *pro forma* effect to such Incurrence at the time of the acquisition or other transaction pursuant to which such Indebtedness was Incurred, (i) the Consolidated Senior Secured Net Leverage Ratio would have been no greater than 4.6 to 1.0 or (ii) the Consolidated Senior Secured Net Leverage Ratio would have been no greater than it was immediately prior to giving effect to such acquisition or transaction, the Incurrence of such Indebtedness and the application of the proceeds thereof on a *pro forma* basis;

(e) Indebtedness described under clause (4)(a)(x) 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*," which Indebtedness may have super senior priority status 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)(a) (other than with respect to Capitalized Lease Obligations), (11) or (13) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;"

(h) Indebtedness secured on a junior priority basis to the Notes and the Guarantees; and

(i) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (a) to (h) and this clause (i),

provided that 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 subject to the Agreed Security Principles, all property and assets (including, without limitation, the Collateral) of the Issuer or any Restricted Subsidiary securing such Indebtedness (including any Guarantees thereof) or Refinancing Indebtedness secure the Notes and related Guarantees 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.

In the event that a Permitted Collateral Lien meets the criteria of more than one of the types of Permitted Collateral Liens (at the time of Incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Collateral Lien in any manner that complies with the Indenture and such Permitted Collateral Lien shall be treated as having been made pursuant only to the paragraph or paragraphs of the definition of Permitted Collateral Lien to which such Permitted Collateral Lien has been classified or reclassified.

"**Permitted Holders**" means, collectively, (1) the SSCP Investors, (2) the DBAG Investors, (3) Management Investors, (4) any Related Person of any Persons specified in clause (1), (2) or (3), (5) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any IPO Entity, the Parent or the Issuer, acting in such capacity and (6) 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) 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 SSCP Investors and such Persons referred to in the following sentence, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies held 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, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investment**" means (in each case, by the Issuer or any of its Restricted Subsidiaries):

(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) that will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person and as a result of such Investment 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 made in connection with any Qualified Receivables Financing, including Investments held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness;

(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) (a) Management Advances and (b) any advances or loans at any one time outstanding to 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 (other than Disqualified Stock) of the Issuer or a Parent of the Issuer with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(7) Investments 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 or, with respect to the Target Group, on the Completion Date, and any extension, modification 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, with respect to the Target Group, on the Completion Date or (b) as otherwise permitted under the Indenture;

(10) (i) Bank Products and (ii) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—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 €32.0 million and 35% of Consolidated EBITDA; *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 (11);

(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 not 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 the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (8), (9) and (12) of that paragraph));

(15) guarantees not prohibited by the covenant described "*—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 and any Additional Notes and any other Indebtedness of the Issuer and/or its Restricted Subsidiaries;

(17) Investments in joint ventures or a Similar Business, 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 €23.0 million and 25.0% of Consolidated EBITDA; *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 (17);

(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 €18.5 million and 20.0% of Consolidated EBITDA; *provided* that, if an Investment is made pursuant to this clause (18) 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); and

(19) any other Investment arising in the ordinary course of business of the Issuer or a Restricted Subsidiary.

"**Permitted Liens**" means, with respect to any Person:

(1) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(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 bylaw, 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 or provisions required pursuant to GAAP have been made in respect thereof;

(5) Liens (a) 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 and (b) securing obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments permitted to be Incurred pursuant to the second paragraph of the covenant entitled "—Certain Covenants—Limitations on Indebtedness;"

(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 and its Restricted Subsidiaries 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 and its Restricted Subsidiaries;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture;

(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 the purpose of securing (x) Capitalized Lease Obligations, Purchase Money Obligations and, in each case, any Indebtedness which refinances, replaces, refunds or reimburses such Indebtedness (as applicable), or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance, refinance or reimburse amounts used for the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Issuer or 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; and (y) Indebtedness in respect of Sale and Leaseback Transactions and any Indebtedness which refinances, replaces, refunds or reimburses such Indebtedness;

(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 its Restricted Subsidiaries in the ordinary course of business;

(13) Liens (a) 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 Transactions, or (b) with respect to the Target Group, (i) existing on, provided for or required to be granted under written agreements existing on, the Completion Date and (ii) securing Indebtedness for borrowed money that will be repaid and discharged in connection with the Transactions;

(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 the assets, property or shares of stock acquired (including those of a Person that becomes a Restricted Subsidiary) 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 Guarantor;

(16) Liens securing Refinancing 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 interest, 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 on receivables and other assets (a) of the type described in the definition of "Qualified Receivables Financing" Incurred in connection with a Qualified Receivables Financing and (b) in connection with Indebtedness permitted to be Incurred under clause (12)(y) of the second paragraph under "*—Certain Covenants—Limitations on Indebtedness*;"

(22) Liens on cash proceeds (including, for the avoidance of doubt, any Escrowed Proceeds) for the benefit of the related holders of debt securities (including holders of a specific series of Notes and not any other series) or other Indebtedness (or the underwriters, arrangers or trustees (including the Trustee) thereof) or Liens on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash to prefund any interest or other costs associated with such Indebtedness;

(23) Liens (i) in connection with Bank Products or (ii) 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, and including Liens arising by reason of any treasury and/or cash management, cash pooling, netting or set-off arrangement or other banking or 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) (a) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement or deferred consideration as part of any acquisition or 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 any acquisition by the Issuer or any Restricted Subsidiary;

(26) Permitted Collateral Liens;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(28) any security granted over the marketable securities portfolio described in clause (10) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(29) 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;

   (a) Liens created for the benefit of or to secure, directly or indirectly, the Notes and the Guarantees;

   (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Revolving Credit Facility; (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; and (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;

(30) Liens; *provided* that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (30) does not exceed the greater of €27.5 million and 30% of Consolidated EBITDA; and

(31) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (30) (other than Liens described in clause (30) of this definition); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

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 meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with this definition and such Permitted Lien shall be treated as having been made pursuant only to the paragraph or paragraphs of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

"**Permitted Parent Reorganization**" means a reorganization transaction on a solvent basis comprising the incorporation of a new direct Parent of the Issuer ("**New Holdco**") and the transfer of the Capital Stock and any receivables of the Issuer held by the then-current Holdco to New Holdco; *provided* that (1) New Holdco shall be a Person organized and existing under a Permissible Jurisdiction, (2) New Holdco will acquire the Capital Stock and any such receivables of the Issuer held by the then-current Holdco and shall have entered into a confirmation deed or similar instrument confirming the first-priority pledge of such Capital Stock and any such receivables in favor of the Holders of the Notes and assuming all relevant obligations of the then-current Holdco under the Indenture, any Security Document, the Intercreditor Agreement and any Additional Intercreditor Agreement and granting, if relevant, a first-priority pledge over any intercompany receivables payable by the Issuer to New Holdco, (3) the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that no Default or Event of 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 as of the date of the Permitted Parent Reorganization after giving effect to the Permitted Parent Reorganization. Upon such Permitted Parent Reorganization, the then-current Holdco shall be released from its obligations under the Notes Documents.

"**Permitted Reorganization**" means any Permitted Subsidiary Reorganization or Permitted Parent Reorganization. For the avoidance of doubt, the Post Completion Merger and transactions related thereto will be permitted under the Indenture and will not be required to comply with any of the conditions for a Permitted Subsidiary Reorganization and/or a Permitted Parent Reorganization.

"**Permitted Subsidiary Reorganization**" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intragroup receivables and payables among the Issuer and its Restricted Subsidiaries in connection therewith that is made on a solvent basis; *provided* that, after giving effect to such Permitted Subsidiary Reorganization: (a) all of the business and assets of the Issuer or such Restricted Subsidiaries remain owned by the Issuer or its Restricted Subsidiaries, (b) any payments or assets distributed in connection with such Permitted Subsidiary Reorganization remain within the Issuer and its Restricted Subsidiaries, (c) if any shares or other assets 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, subject to the Agreed Securities Principles, (d) the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that no Default or Event of Default is continuing or would arise as a result of such Permitted Subsidiary Reorganization and (e) the Issuer will provide to the Trustee a certificate from the Board of Directors of the relevant pledgor which confirms the solvency of the relevant pledgor as of the date of the Permitted Subsidiary Reorganization after giving effect to the Permitted Subsidiary Reorganization.

"**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.

"**Post Completion Date Collateral**" has the meaning ascribed to that term under "*—Security—General*."

"**Post Completion Merger**" means the merger pursuant to article 2501-bis of the Italian Civil Code of the Issuer with the Target and Itelyum Regeneration, with MergerCo being the surviving entity, as described under "*Summary—The Transactions*" in this Offering Memorandum, or any other form of merger which will be resolved upon by and exclusively involve the Issuer, the Target and Itelyum Regeneration following the completion of the Acquisition.

"**Post Merger Collateral**" has the meaning ascribed to that term under "*—Security—General*."

"**Pre Merger Collateral**" has the meaning ascribed to that term under "*—Security—General*."

"**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 transaction or series of transactions that may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Issuer or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables, the bank accounts into which the proceeds of such receivables are collected and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitizations, receivable sale facilities, factoring facilities or invoice discounting facilities involving 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 a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

"**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 with the Issuer 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 accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable 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 (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (a) 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), (b) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (c) subjects any property or asset of the Issuer or any Restricted Subsidiary, 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 shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors 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 (x) of the Issuer and its Restricted Subsidiaries that is existing on the Issue Date, (y) of the Target and its Restricted Subsidiaries that is existing on the Completion Date after giving effect to the Transactions and/or (z) Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any 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 sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay 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 the Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Guarantees, as applicable, on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, *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 the Issuer or 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 Person**" with respect to any Permitted Holder, means:

(1) any controlling equity holder or 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 controlled, directly or indirectly, 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:

(1) 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:

(a) 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 of the Issuer's Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company parent, directly or indirectly, of the Issuer or any of the Issuer's Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries; or

(e) 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*;" or

(2) if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the sum of the amount of any such Taxes that the Issuer and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Issuer and its Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Restricted Subsidiaries and the amount actually received in cash from its Unrestricted Subsidiaries.

"**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 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 Issuer's business or in that of the Restricted Subsidiaries (including the Target Group's business) or any and all businesses that in the good faith judgment of the Board of Directors or Senior Management are reasonably related.

"**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 other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"**Revolving Credit Facility**" means the revolving credit facility made available under the Revolving Credit Facility Agreement.

"**Revolving Credit Facility Agreement**" means the €50.0 million revolving credit facility agreement dated on or about the Issue Date, between, among others, the Issuer as an original borrower and the lenders named therein, as the same may be amended from time to time.

"**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.

"**S&P**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**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, confirmed, supplemented or otherwise modified from time to time, creating the Liens in the Collateral as contemplated by the Indenture.

"**Security Interests**" means the security interests in the Collateral that is created by the Security Documents and secures obligations under the Notes or the Guarantees and the Indenture.

"**Senior Management**" means the officers, directors, and other members of senior management of the Issuer or Holdco.

"**Senior Secured Indebtedness**" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that is Incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or clauses (1), (4)(a)(x), (5), (7)(a), (11) or (13) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (and any Refinancing Indebtedness in respect thereof), in each case secured by a Lien on the Collateral (excluding Indebtedness to the extent secured on a junior priority basis to the Notes or any Guarantee).

"**Significant Subsidiary**" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"**Similar Business**" means (a) any businesses, services or activities engaged or proposed to be engaged in by the Issuer or any of its Subsidiaries or any Associates (including the Target Group) on the Completion Date, (b) the waste management, oil regeneration and purification businesses and (c) 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.

"**Special Purpose Vehicle**" means an entity established by any Parent for the purposes of maintaining an equity incentive or compensation plan for Management Investors.

"**SSCP Investors**" means:

(1) any fund or limited partnership directly or indirectly managed or advised by Stirling Square Capital Partners LLP, Stirling Square Capital Partners (Advisers) LLP or any of its affiliated advisory entities; or

(2) the respective Affiliates or direct or indirect Subsidiaries or other entities, in respect of which any fund or partnership referred to in clause (1) of this definition individually or in the aggregate directly or indirectly controls a majority of the issued voting rights, or any trust, fund, company or partnership directly or indirectly owned, controlled, managed or advised by Stirling Square Capital Partners LLP, Stirling Square Capital Partners (Advisers) LLP or any of its affiliated advisory entities; or

(3) any entity (a) directly or indirectly controlled by all or substantially all of the managing directors of a fund or other entity referred to in clause (1) or (2) of this definition or Stirling Square Capital Partners LLP or Stirling Square Capital Partners (Advisers) LLP from time to time or (b) formed pursuant to the alternative investment vehicle provisions in the Stirling Square Capital Partners fund partnership documentation for SSCP Fund IV and its affiliated fund vehicles, and shall, for the avoidance of doubt, include any Special Purpose Vehicle, excluding, in each case, the Issuer and its Subsidiaries and any other Stirling Square Capital Partners portfolio company.

"**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 or other factoring financings, securitizations, asset-backed loans and financings (howsoever described or structured), receivables financings, reverse factoring financings or similar arrangements, 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 under "*—Change of Control*" and "*—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, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or any Guarantee pursuant to the Intercreditor Agreement, any Additional Intercreditor Agreement or any other a written agreement.

"**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 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 to 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 Completion Date with respect to the "**Holdco Liabilities**" or the "**Shareholder Liabilities**" (each as defined therein), as applicable.

"**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; or

(3) any corporation, association, partnership, limited liability company or other business entity which is required pursuant to GAAP to be consolidated in the consolidated financial statements of such Person.

"**Target**" means SSCP Green Holdings S.C.A., a Luxembourg public limited liability company (*société anonyme*). Following the Post Completion Merger, any reference in this "*Description of Notes*" to the Target shall be deemed to refer to MergerCo.

"**Target Group**" means the Target and its Subsidiaries.

"**Target Group Collateral**" has the meaning ascribed to that term under "*—Security—General*."

"**Target Share Pledge**" has the meaning ascribed to that term under "*—Security—General*."

"**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 to enable a Parent to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a Parent 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.

"**Temporary Cash Investments**" means any of the following:

(1) any investment in:

(a) direct obligations of, or obligations guaranteed by, (i) the United Kingdom, the United States or Canada, (ii) a Permissible Jurisdiction, (iii) Switzerland or Norway, (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-2" or "A" by Fitch or 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 (7) below, 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, "A-3" or "A" by Fitch or by Moody's (or, in each case, the equivalent of such rating by such organization or, if no rating of or "A" by Fitch, Moody's or S&P then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) with respect to a jurisdiction in which (a) the Issuer or a Restricted Subsidiary conducts its business or is organized and (b) it is not commercially practicable to make investments in clause (2) of this definition, certificates of deposit, time deposits, recognized time deposits, overnight bank deposits or bankers' acceptances with any bank, trust company or similar entity, which would rank, in terms of combined capital and surplus and undivided profits or the ratings on its long term debt, among the top five banks in such jurisdiction, in an amount not to exceed cash generated in or reasonably required for operation in such jurisdiction;

(4) 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;

(5) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), 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);

(6) 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 Kingdom, United States, Canada, a Permissible Jurisdiction or Switzerland, Norway 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);

(7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, the United Kingdom, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) 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 Cooperation 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, "**A2**" by Moody's or "**A**" by Fitch (or, in each case, the equivalent of such rating by such organization or, if no rating of Moody's, S&P or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(9) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (8) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(10) investments in money market funds (a) 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 or (b) rated "AAA" by S&P, "Aaa" by Moody's or "AAA" by Fitch (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Moody's or Fitch then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization).

"**Transactions**" shall have the meaning assigned to such term in this Offering Memorandum under "*Summary—The Transactions.*"

"**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 in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors 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 any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Issuer or the relevant Restricted Subsidiary in such Subsidiary complies with "*—Certain Covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors 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 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.

"**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.

BOOK-ENTRY; DELIVERY AND FORM

Certain defined terms used but not defined in this section have the meanings assigned to them in the Indenture as described in "*Description of Notes*."

The Notes sold to QIBs in reliance on Rule 144A (the "**Rule 144A Notes**") under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (collectively, the "**Rule 144A Global Notes**"). The Rule 144A Global Notes will be deposited with, or on behalf of, a common depositary (the "**Common Depositary**") for the accounts of Euroclear Bank SA/NV, as operator of the Euroclear system ("**Euroclear**"), and Clearstream Banking, S.A. ("**Clearstream**") and registered in the name of the nominee of the Common Depositary.

The Notes sold outside the United States in reliance on Regulation S (the "**Regulation S Notes**") under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (collectively, the "**Regulation S Global Notes**" and, together with the Rule 144A Global Notes, the "**Global Notes**"). The Regulation S Global Notes will be deposited with, or on behalf of, the Common Depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the Common Depositary.

Except as set forth below, the Notes will be issued in registered global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Notes will be issued at the closing of the Offering only against payment in immediately available funds.

Ownership of interests in the Rule 144A Global Notes (the "**Restricted Book-Entry Interests**") and in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**" and, together with the Restricted 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 depositaries. Except under the limited circumstances described below, owners of the Book-Entry Interests will not be entitled to receive physical delivery of certificated Notes.

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 respective participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair your 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 be considered the "holders" of Notes for any purpose under the Indenture.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee), as applicable, will be considered the sole holders of Global Notes for all purposes under the Indenture. In addition, participants in Euroclear and/or Clearstream must rely on the procedures of Euroclear and/or Clearstream, as the case may be, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

The Notes will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Neither the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, 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.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream (or their respective nominees), as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The Common Depositary will surrender such Global Note to the Registrar for a cancellation or, in the case of a partial redemption, the Common Depositary will request the Registrar or the Trustee to mark down, endorse and return the applicable Global Note to reflect the reduction in the principal amount of such Global Note as a result of such partial redemption. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and 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 on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided, however*, that no Book-Entry Interest of less than €100,000 in principal amount may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the relevant Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Paying Agent. The Paying Agent will, in turn, make such payments to Euroclear and Clearstream, which will distribute such payments to participants in accordance with their customary 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 Transfer Agent and the Registrar will treat the registered holders of the Global Notes (*i.e.*, the nominee of the common depositary for Euroclear or Clearstream) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, 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 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; or
- any other matters relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of Payment for the Global Notes

Except as may otherwise be agreed between Euroclear and/or Clearstream and any holder, 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 interests 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. Neither the Issuer nor the Trustee nor the Initial Purchasers 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.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) 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 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 under the Notes (as defined under "*Description of Notes—Events of Default*"), each of Euroclear and Clearstream reserves the right to exchange the Global Notes for definitive registered Notes in certificated form (the "**Definitive Registered Notes**"), and to distribute such Definitive Registered Notes to its participants.

Transfers

Transfers of beneficial interests in the Global Notes between participants in Euroclear or Clearstream will be subject to the applicable rules and procedures of Euroclear and Clearstream and their respective direct or indirect participants, which rules and procedures may change from time to time and will be settled in immediately available funds. If a holder of a Note requires physical delivery of Definitive Registered Notes for any reason, including to sell the Notes to persons in states that require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Notes will each bear a legend to the effect set forth in *"Transfer Restrictions."* Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements as discussed in *"Transfer Restrictions."*

Transfers of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted 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 *"Transfer Restrictions."*

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest 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 or Rule 144A or any other exemption (if available) under the U.S. Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Restricted Book-Entry Interest 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 under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or otherwise in accordance with the transfer restrictions described under *"Transfer Restrictions*," and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Restricted 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.

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 any 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 such 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 remains such a Book-Entry Interest.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee 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.

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market. Transfers of interests in the Global Notes between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures, which rules and operating procedures may change from time to time.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, 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 Trustee, the Paying Agent, the Transfer Agent, the Registrar or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive Definitive Registered Notes if:

- Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary for the Global Notes, and we fail to appoint a successor depositary;
- Euroclear or Clearstream so requests following an event of default under the Indenture; or
- the owner of a Book-Entry Interest requests such exchange in writing delivered through either Euroclear or Clearstream, as applicable, following an event of default under the Indenture.

Euroclear has advised the Issuer that upon request by an owner of a Book-Entry Interest, its current procedure is to request that the Issuer issues or causes to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Issuer 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, as applicable (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 set forth in *"Transfer Restrictions*," unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, each of the Issuer, the Trustee, the Paying Agent, the Registrar and the Transfer Agent 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.

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. The Issuer will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes. Holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream.

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 a Transfer Agent, the Issuer will issue and the Trustee will authenticate a replacement Definitive Registered Note if such Trustee's and the Issuer's requirements are met. The Issuer and 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 Trustee 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. The Issuer may charge for the expenses of 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, the Issuer in their 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 in a Global Note 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 "*Transfer Restrictions*."

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any issuance of Definitive Registered Notes in a newspaper having general circulation in Luxembourg (which we expect to be the *Luxemburger Wort*). Payment of principal, any repurchase price, premium and interest on Definitive Registered Notes will be payable at the office of the paying agent in Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require.

Global Clearance and Settlement under the Book-Entry system

Initial settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds 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 of the settlement date.

Secondary market trading

The Book-Entry Interests will trade through participants of Euroclear or 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 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 Brussels if Euroclear is used.

Clearing information

We expect that the Notes will be accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and Common Codes for the Notes are set out under "*Listing and General Information*."

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The following description of the operations and procedures of Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. Neither we nor the Initial Purchasers, the Trustee, the Paying Agent, the Transfer Agent or the Registrar take any responsibility for these operations and procedures and we urge investors to contact the systems or their participants directly to discuss these matters.

The Issuer understands as follows with respect to Euroclear and Clearstream:

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 also 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 or 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 or Clearstream participant, either directly or indirectly.

Euroclear and Clearstream have no record of or relationship with persons holding through their account holders. Since Euroclear and Clearstream 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 Issuer understands that, under existing industry practices, if either the Issuer or Trustee requests any action by owners of Book-Entry

Interests or if an owner of a Book-Entry Interest desires to give or take any action that a holder is entitled to give or take under the Indenture, Euroclear and Clearstream would authorize participants owning the relevant Book-Entry Interest to give or take such action, and such participants would authorize indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

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. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the Guarantees have not been and will not be registered under the U.S. 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 U.S. Securities Act and the applicable securities laws of any other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to QIBs in reliance on Rule 144A under the U.S. Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) It understands and acknowledges that the Notes and the Guarantees are being offered for resale in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or any other applicable securities law, and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (a) in the United States to a person whom it reasonably believe is a QIB in a transaction meeting the requirements of Rule 144A, (b) outside the United States in a transaction complying with Regulation S or (c) in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, 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 not an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the Issuer or acting on behalf of the Issuer and it is either:

    (i) a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A, and the acquisition of Notes will be for its own account or for the account of another QIB; or

    (ii) it is purchasing the Notes in an offshore transaction in accordance with Regulation S.

(3) It acknowledges that none of the Issuer, any Guarantor, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor the Initial Purchasers, nor any person representing any of them, have made any representation to it with respect to the offering or sale of any Notes, 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 Notes. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the information contained in this Offering Memorandum. It has had access to such financial and other information concerning us, the Issuer and its subsidiaries and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

(4) It is purchasing the Notes for its own account, or for one or more investor accounts 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 U.S. Securities Act or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts beat all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) Each holder of Notes issued in reliance on Rule 144A ("**Rule 144A Notes**") agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Rule 144A Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Rule 144A Notes prior to the date (the "**Resale Restriction Termination Date**") that is one year after the later of the date of the Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A under the U.S. 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, (iv) pursuant to offers and sales that occur outside the United States in

compliance with Regulation S under the U.S. Securities Act, or (v) pursuant to any other available exemption from the registration requirements of the U.S. 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, the Trustee's and the Registrar's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) 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 the 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 contain 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 "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, 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 U.S. SECURITIES ACT.

Each purchaser acknowledges that each 144A Note will contain a legend substantially to the following effect:

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER 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 COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. 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, THE TRUSTEE'S AND THE REGISTRAR'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 THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If it purchases Notes, it will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(7) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

(8) It acknowledges that the Registrar and Transfer Agent will not be required to accept for registration or transfer any Notes acquired by it except upon presentation of evidence satisfactory to the Issuer, Transfer Agent and the Registrar that the restrictions set forth therein have been complied with.

(9) It acknowledges that the Issuer, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar and others will rely upon the truth and accuracy of the foregoing 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 Notes is no longer accurate, it shall promptly notify the Initial Purchasers. If it is acquiring any Notes 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 and agreements on behalf of each such investor account.

(10) It understands that no action has been taken in any jurisdiction (including the United States) by the Issuer, any Guarantor or the Initial Purchasers that would result in 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 such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution*."

(11) You represent that you are not a "retail investor" in the EEA. For the purposes of this paragraph, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a "retail client" as defined in point (11) of Article 4(1) of MiFID II; 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

(ii) not a "qualified investor" as defined in the Prospectus Regulation.

(12) You represent that you are not a "retail investor" in the UK For purposes of this paragraph, the expression "**retail investor**" means a person who is one (or more) of:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "E¸WA"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a "qualified investor" as defined in the UK Prospectus Regulation;

(13) You understand and acknowledge that:

(i) 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 EEA (as defined in paragraph 12 above) or any "retail investor" in the United Kingdom (as defined in paragraph 13 above);

(ii) no key information document required by PRIIPs Regulation in the EEA or for offering or selling the Notes or otherwise making them available to retail investors in the EEA (as defined in paragraph 12 above) has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation; and

(iii) 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**") in the UK or for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom (as defined in paragraph 13 above) 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.

CERTAIN TAX CONSIDERATIONS

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in the European Union, 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, European Union, Italian 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, also on a retroactive basis. References in this section to holders of the Notes include the beneficial owners of the Notes. Terms defined under each subsection related to European Union, Italian and United States tax law below only have such meanings as defined therein for such respective section. The statements regarding the Italian 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 disposal 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 Itelyum 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.

Tax treatment of interest

Decree No. 239 sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and similar securities (pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented ("**Decree No. 917**")), issued, *inter alia*, by:

(a) companies resident of Italy for tax purposes whose shares are listed on a regulated market or on a multilateral trading platform of EU Member States or States party to the European Economic Area Agreement ("**EEA State**") allowing a satisfactory exchange of information with the Italian tax authorities as included in (i) the Ministerial Decree of September 4, 1996 as subsequently amended and supplemented or (ii) once effective, any other decree that will be issued in the future under Article 11(4)(c) of Decree No. 239 (any of such decrees, the "**White List**"); or

(b) companies resident of Italy for tax purposes whose shares are not listed, issuing notes traded (*negoziati*) upon their issuance on the aforementioned regulated markets or platforms; or

(c) if not traded on the aforementioned markets or multilateral trading platforms, when such notes are held by "qualified investors" pursuant to article 100 of the Italian Legislative Decree No. 58 of February 24, 1998.

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation for the Issuer to actually pay, at maturity (or at any earlier redemption), an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the Issuer or of the business in connection with which they are issued.

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity

Where an Italian-resident beneficial owner of the Notes (a "**Noteholder**") is:

- an individual not engaged in an entrepreneurial activity to which the Notes are connected;
- a non-commercial partnership (*società semplice*) or a professional association;
- a non-commercial private or public institution (other than Italian undertakings for collective investment); or
- an investor exempt from Italian corporate income taxation,

then Interest derived from the Notes, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*), levied at a rate of 26%, unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorized intermediary and has validly opted for the application of the risparmio gestito regime under Article 7 of Legislative Decree No. 461 (see also "*—Tax treatment of capital gains—Discretionary investment portfolio regime (risparmio gestito regime)*" below).

Subject to certain conditions (including a minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes (being financial instruments issued by an Italian resident corporation) may be exempt from any income taxation (including the 26% *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of June 30, 1994 and Legislative Decree No. 103 of February 10, 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of December 11, 2016 ("**Finance Act 2017**"), as subsequently amended and supplemented and/or in Article 13-bis of Law Decree No. 124 of October 26, 2019 converted into Law No. 157 of December 19, 2019 ("**Decree No. 124**"), as subsequently amended and supplemented.

Noteholders engaged in an entrepreneurial activity

In the event that the Italian-resident Noteholders mentioned above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Where a Noteholder is an Italian-resident company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and the Notes are deposited with an authorized intermediary, Interest from the Notes will not be subject to the *imposta sostitutiva*. Interest must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate income taxation (*i.e.* IRES and, if applicable, any relevant additional surcharge, such as the additional 3.5% surcharge for banks and certain financial institutions) and, in certain circumstances, depending on the status of the Noteholder and also to the Italian regional tax on productive activities ("**IRAP**") (*i.e.*, generally in the case of banks and financial institutions).

Effective as of the fiscal year following the fiscal year that was current on December 31, 2015, Article 1(550) of Finance Act 2017 added paragraph 6-bis to Article 1 of Law Decree No. 201 of December 6, 2011, converted into Law No. 214 of December 22, 2011. Under this new rule, the base upon which the "**Aiuto alla Crescita Economica**" benefit set forth in Article 1 of Law Decree No. 201 of December 6, 2011 ("**ACE Benefit**") is computed shall be reduced by an amount equal to the positive difference (if any) between (i) the aggregate book value of securities (*titoli e valori mobiliari*), including the Notes, other than shares reported in the taxpayer's financial statements for the relevant fiscal year and (ii) the aggregate book value of securities (*titoli e valori mobiliari*) other than shares reported in the taxpayer's financial statements of the fiscal year that was current on December 31, 2010. Only Italian resident persons carrying on an entrepreneurial activity (such as the Italian resident corporations) and Italian permanent establishments of non-Italian resident persons can enjoy the ACE Benefit. The new restrictive rule enacted by Finance Act 2017 applies only to taxpayers different from those carrying out financial and insurance activities falling into section K of the ATECO classification of economic activities, other than non-financial holding companies.

Real estate investment funds and real estate SICAFs

Payments of Interest deriving from the Notes made to Italian resident real estate investment funds and real estate closed-ended investment companies (*società di investimento a capitale fisso*, or "**SICAFs**"), provided that the Notes, together with the coupons relating thereto, are timely deposited directly or indirectly with an Italian authorized financial intermediary (or permanent establishment in Italy of non-Italian resident intermediary) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the real estate SICAF. However, a withholding or substitute tax of 26% will apply, in certain circumstances, to income realized by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realized by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders or shareholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

If an Italian resident Noteholder is a non-real estate open-ended or a closed-ended collective investment fund ("**Fund**") or an open-ended investment company (*società di investimento a capitale variabile*, or "**SICAVs**") or a non-real estate SICAF established in Italy and either (i) the Fund, the SICAV or the non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority and the Notes are deposited with an authorized intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF. The Fund, the non-real estate SICAF or the SICAV are subject neither to *imposta sostitutiva* nor to any other income tax at their level, but a withholding tax of 26% will be levied, in certain circumstances, by the Fund, the non-real estate SICAF or the SICAV on proceeds distributed in favor of their unitholders or shareholders.

Pension funds

If an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Italian Legislative Decree No. 252 of December 5, 2005) and the Notes are deposited with an authorized 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 results of the relevant portfolio accrued at the end of the tax period (which will be subject to a 20% substitute tax). Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as subsequently amended and supplemented and/or in Article 13-bis of Decree No. 124, as subsequently amended and supplemented.

Application of the imposta sostitutiva

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, brokerage companies (*società di intermediazione mobiliare*, or "**SIM**"), fiduciary companies, *società di gestione del risparmio* ("**SGR**"), stockbrokers and other entities identified by decrees of the Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must:

(a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and

(b) participate, in any way, in the collection of Interest or in the transfer of the 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.

If the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Noteholder or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of non-Italian resident corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian resident Noteholders

If the Noteholder is a non-Italian resident for tax purposes (without a permanent establishment in Italy to which the Notes are effectively connected), an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident Noteholder is:

(a) a beneficial owner of the payment of Interest and resident, for tax purposes, in a state or territory included in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) an "institutional investor," whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Noteholders must promptly deposit the Notes together with the coupons relating to such Notes directly or indirectly with:

(i) an Italian or non-Italian resident bank or financial institution (there is no requirement for the bank or financial institution to be an EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or

(ii) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "**Second Level Bank**"). Organizations and companies that are not resident of Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or the permanent establishment in Italy of a non-Italian resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of February 24, 1998) for the purposes of the application of Decree No. 239. If a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-Italian resident Noteholders is conditional upon:

(i) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(ii) the submission to the First Level Bank or the Second Level Bank (as the case may be) of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares, *inter alia*, that it is eligible to benefit from the exemption from the *imposta sostitutiva*.

Such statement must comply with the requirements set forth by a Ministerial Decree dated December 12, 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy referred to in point b) above or Central Banks or entities also authorized to manage the official reserves of a State referred to in point d) above. Additional requirements are provided for "**institutional investors**" referred to in point c) above (in this respect see Circular Letters No. 23/E of March 1, 2002 and No. 20/E of March 27, 2003).

The *imposta sostitutiva* will be applicable at a rate of 26% to Interest paid to Noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the requested conditions (including the procedures set forth under Decree No. 239 and in the relevant implementation rules). Noteholders who are subject to the *imposta sostitutiva* – might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

Tax treatment of capital gains

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity. Where an Italian-resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realized by such Noteholder from the sale or redemption of the Notes would be subject to a capital gain tax ("**CGT**") levied at a rate of 26%. Noteholders may set off any capital losses with their capital gains.

In respect of the application of CGT, taxpayers may opt-under certain conditions-for any of the three regimes described below.

Tax return regime (Regime della dichiarazione). Under the tax return regime, which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the CGT on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realized by the Italian resident individual holding the Notes during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realized in any tax year, net of any relevant incurred capital loss, in their annual tax return, and pay the CGT on such gains, together with any balance of income tax due for such year. Within the same time limit, capital losses in excess of capital gains may be carried forward against capital gains realized in any of the four succeeding tax years.

Nondiscretionary investment portfolio regime (*risparmio amministrato regime*). As an alternative to the tax return regime, Italian-resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the CGT separately on capital gains realized on each sale or redemption of the Notes (*regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to:

- the Notes being deposited with an Italian bank, SIM or certain authorized financial intermediaries (including permanent establishments in Italy of non-Italian resident intermediaries); and
- an express election for the risparmio amministrato regime being made in writing in a timely fashion by the relevant Noteholder.

The depository must account for the CGT in respect of capital gains realized on each sale or redemption of the Notes (as well as in respect of capital gains realized upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the CGT to the Italian tax authorities on behalf of the Noteholder, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the risparmio amministrato regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years, up until the fourth tax year. Under the risparmio amministrato regime, the Noteholder is not required to declare the capital gains/losses realized within said regime in the annual tax return.

Discretionary investment portfolio regime (*risparmio gestito regime*). In the *risparmio gestito* regime, any capital gains realized by Italian-resident individuals holding the Notes not in connection with an entrepreneurial activity and who have entrusted the management of their financial assets (including the Notes) to an authorized intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realized, at tax year-end, subject to a 26% substitute tax, to be paid by the managing authorized intermediary. Any decrease in value of the managed assets accrued at the tax year-end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains or losses realized within said regime in its annual tax return.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be exempt from any income taxation (including from the 26% CGT) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of June 30,1994 and Legislative Decree No. 103 of February 10, 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Finance Act 2017, as subsequently amended and supplemented and/or in Article 13-bis of Decree No. 124, as subsequently amended and supplemented. According to Article 1 (219-225) of Law No. 178 of December 30, 2020, under some conditions, capital losses realized by Italian resident individuals not acting in connection with an entrepreneurial activity upon sale or redemption of the Notes if the Notes are included in certain long-term savings accounts (*piani di risparmio a lungo termine*) governed by Decree No. 124 that meet specific requirements, give rise to a tax credit equal to the capital losses, provided that such tax credit does not exceed the 20% of the amount invested in the long-term saving accounts *(piani di risparmio a lungo termine*).

Noteholders engaged in an entrepreneurial activity

Any gain obtained from the sale or redemption of the Notes will be treated as part of taxable business income (and, in certain circumstances, depending on the "**status**" of the Noteholder, also as part of net value of the production for IRAP purposes), if realized by an Italian company, a similar commercial entity (including the Italian permanent establishment of non-Italian resident entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Real estate investment funds and real estate SICAFs

Any capital gains realized by a Noteholder which qualifies as an Italian real estate investment fund or an Italian real estate SICAF will be subject neither to CGT nor to any income tax at the level of the real estate investment fund or the Real Estate SICAF (see "*Tax treatment of interest—Real estate investment funds and real estate SICAFs*"). However, a withholding or substitute tax of 26% will apply, in certain circumstances, to income realized by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares.

Moreover, subject to certain conditions, income realized by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

Any capital gains realized by a Noteholder which is a Fund, a SICAF (other than a real estate SICAF) or a SICAV will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAF or the SICAV, but income realized by the unitholders or shareholders in case of distributions, redemption or sale of the units / shares may be subject to a withholding tax of 26%.

Pension funds

Any capital gains realized by a Noteholder which qualifies as an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of December 5, 2005) will be included in the result of the relevant portfolio accrued at the end of the relevant tax period, and subject to 20% substitute tax. 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 di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as subsequently amended and supplemented and/or in Article 13-bis of Decree No. 124, as subsequently amended and supplemented.

Non-Italian resident Noteholders

A 26% CGT on capital gains may be payable on capital gains realized on the sale or redemption of the Notes by non-Italian resident persons without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, under Article 23(1)(f)(2) of Decree No. 917, capital gains realized by non-Italian resident Noteholders from the sale or redemption of notes issued by an Italian resident issuer and traded on regulated markets (which term includes, for these purposes, also certain multilateral trading facilities) in Italy or abroad are not subject to the CGT, subject to the filing of required documentation in a timely fashion (in particular, a self-declaration that the Noteholder is not resident in Italy for tax purposes and has no permanent establishment in Italy to which the Notes are effectively connected).

Capital gains realized by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer, even if the Notes are not traded on regulated markets (which term includes, for these purposes, also multilateral trading facilities), are not subject to the CGT, provided that the beneficial owner is:

(a) a resident, for tax purposes, of a state or territory included in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) an "institutional investor," whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Noteholders must satisfy the same conditions set forth above to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree No. 239 (see "*—Tax treatment of interest*").

If none of the above conditions is met, capital gains realized by non-Italian resident Noteholders from the sale or the redemption of Notes issued by an Italian resident issuer and not traded on regulated markets (which term includes, for these purposes, also multilateral trading facilities), may be subject to the CGT at the current rate of 26%. However, Noteholders might benefit from an applicable tax treaty with Italy, providing that capital gains realized upon the sale or redemption of the Notes are to be taxed only in the State where the recipient is tax resident, subject to certain conditions to be satisfied.

Under these circumstances, if non-Italian resident persons without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorized financial intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that the non-Italian residents Noteholders file in time with the authorized financial intermediary appropriate documents which include, *inter alia*, a certificate of residence from the competent tax authorities of their country of residence.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Intermediary, but non-Italian resident Noteholders retain the right to waive this regime.

Certain reporting obligations for Italian-resident Noteholders

Under Law Decree No. 167 of June 28,1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the tax year, hold investments abroad or have financial assets abroad (including possibly the Notes) must, in certain circumstances, disclose these investments or financial assets 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), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding €15.0 thousand threshold throughout the year, which per se do not require such disclosure). The requirement applies also where the persons above, being not the direct holder of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of June 28,1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

Italian inheritance tax and gift tax

The transfer of Notes by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

(a) 4% for transfers in favor of the spouse or direct relatives exceeding, for each beneficiary, a threshold of €1.0 million;

(b) 6% for transfers in favor of siblings exceeding, for each beneficiary, a threshold of €0.1 million;

(c) 6% for transfers in favor of relatives up to the fourth degree and to all relatives in law indirect line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and

(d) 8% for transfers in favor of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress or the donee is a person with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance tax or gift taxes applied to the extent that the value of the inheritance or gift exceeds €1.5 million.

With respect to Notes listed on regulated markets (including multilateral trading facilities), 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.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as subsequently amended and supplemented and/or in Article 13-bis of Decree No. 124, as subsequently amended and supplemented, is exempt from inheritance taxes.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Wealth tax on financial products held abroad-direct holding

According to Article 19(18) of Law Decree No. 201 of December 6, 2011, Italian resident individuals, Italian non-commercial entities, Italian non-commercial partnerships and similar Italian resident entities holding financial products, including the Notes, outside Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.2% (the level of tax being determined in proportion to the period of ownership). The wealth 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 of such financial products held outside Italy by Italian-resident individual. Taxpayers are generally permitted to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

The wealth tax cannot exceed €14.0 thousand per year for Noteholders other than individuals.

The wealth tax is due only in relation to financial assets held outside the Italian territory (and not through an Italian intermediary). If the Notes are held through Italian intermediaries, the rules described in subsection "*Stamp taxes and duties—holding through financial intermediary*" apply.

Stamp taxes and duties-holding through financial intermediary

Under Article 13(2bis-2ter) of Decree No. 642 of October 26, 1972, a 0.2% stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed €14.0 thousand for Noteholders other than individuals.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on May 24, 2012, the 0.2% stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "**clients**" according to the regulations issued by the Bank of Italy. Communications and reports sent to this type of investors are subject to the ordinary €2.0 stamp duty for each copy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

Registration tax

Contracts relating to the transfer of the Notes are subject to the registration tax as follows:

(a) public deeds and private deeds with notarized signatures (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax of €200.0; and

(b) private deeds (*scritture private non autenticate*) are subject to fixed registration tax of €200.0 only in the case of use or voluntary registration or occurrence of the so-called enunciazione.

Additional Notes

The Issuer may issue Additional Notes (as defined in "*Description of Notes*") under the Indenture. Any Additional Notes will be considered fungible for Italian income tax purposes with the initial Notes issued under the Indenture only if the conditions set forth in Article 11(2) of Decree No. 239 are met, which requires in particular that (i) the issuance of Additional Notes occurs within 12 months of the original issue of the initial Notes, and (ii) the spread between (a) the issue price of the initial Notes and (b) the issue price of the Additional Notes is less than 1 percent of the principal amount of the issuance multiplied by the number of full years until the maturity date. If these requirements are not met, the Additional Notes will not be considered fungible for Italian income tax purposes with the initial Notes issued under the Indenture.

General-payments by a Guarantor

According to a certain interpretation, payments on the Notes made by an Italian resident Guarantor under a Guarantee should be treated, in certain circumstances, as payment by the Issuer and should be subject to the tax regime described above. However, there are no Italian tax authorities' guidelines directly regarding the Italian tax regime of payments on notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments or that the Italian courts would not support such an alternative treatment.

In particular, according to a different interpretation, if a Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of principal under the Notes), it is possible that such payments may be subject to withholding tax at applicable rates, pursuant to Presidential Decree No. 600 of September 29, 1973, 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.

Certain U.S. 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 of this Offering Memorandum, 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 alternative minimum tax or 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 or arrangements and investors therein, 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, and 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. In addition, this discussion is limited to persons who purchase the Notes for cash at original issuance and at their "issue price" (the first price at which a substantial amount of the Notes is sold for money to investors) 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 created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a 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. 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 U.S. federal estate and gift tax laws, the U.S. federal Medicare tax on net investment income and state, local, non-U.S. or other tax laws.

Transactions related to the Acquisition

If the conditions for the Post Completion Merger are met, it is expected that the Issuer and the Target will merge with Itelyum Regeneration, with MergerCo being the surviving entity. MergerCo, as the surviving entity, will assume the obligations of the Issuer under the Notes. See *"Description of Notes—Post Completion Merger*." Although the issue is not free from doubt, we intend to take the position (to the extent we are required to do so) that these transactions will not constitute a significant modification of the Notes and therefore will not be treated as resulting in a deemed exchange for U.S. federal income tax purposes.

It is possible, however, that the IRS could take a contrary view, and seek to treat the Post Completion Merger and the assumption of the obligations under the Notes by MergerCo as resulting in a deemed exchange for U.S. federal income tax purposes. If such a position were taken and sustained, if the fair market value of the Notes at the time of the Post Completion Merger is less than the principal amount of the "new" Notes (by more than a statutorily defined *de minimis* amount), such Notes may be treated as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. In addition, U.S. holders may recognize gain in connection with such deemed 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.

U.S. holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences to them of the Acquisition and the Post Completion Merger. The balance of the discussion below assumes that the Post Completion Merger and the assumption of the obligation under the Notes by MergerCo will not be treated as a deemed exchange for U.S. federal income tax purposes.

Effect of the IPO Debt Pushdown provisions

In the event that the Issuer of the Notes changes as a result of the provisions described under *"Description of Notes—IPO Debt Pushdown*," 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 on such exchange (although any loss could be disallowed), and the "new" Notes could be treated as issued with OID for U.S. federal income tax purposes.

Characterization of the Notes

In certain circumstances (see *"Description of Notes—Sustainability Performance Targets Step-up Redemption Premium*,*" "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption*," *"Description of Notes—Withholding Taxes*," and "*Description of Notes—Change of Control*"), the Issuer may be obligated to redeem the Notes for an amount less than their stated principal amount (plus accrued and unpaid interest), or may be obligated to redeem the Notes or to make certain payments on the Notes in excess of stated principal and interest. It is possible that the IRS could assert that the payment of such excess amounts is a "contingent payment," and that the Notes are therefore contingent payment debt instruments for U.S. federal income tax purposes. Under the applicable Treasury Regulations, however, for purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies (determined as of the date the notes are issued) are ignored. The Issuer believes that the possibility of making additional payments is, in the aggregate, remote and/or incidental, and 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. 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 considered contingent payment debt instruments. 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 interest income at the time the interest is 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.

Foreign tax credit

Interest income 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). The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits.

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 (less 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. The cost of a Note purchased with euro generally will 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 euro on 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 euro translated at the spot rate of exchange on the date of such taxable 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 euro 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 from year to year 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 euro purchase price for the Note, translated at the spot rate of exchange on the date the U.S. holder disposes of the Note, and the U.S. dollar value of the U.S. holder's euro 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 which will be treated as discussed above under "*—Payments of stated interest*." 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) 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 euro 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 the Notes and to the proceeds of the sale or other 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 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 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 should 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**") and subject to the proposed regulations discussed below, a "foreign financial institution" may be required to withhold U.S. tax on certain "foreign passthru payments" made after December 31, 2018 to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are published in the Federal Register generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA could 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. Under proposed regulations, any withholding on foreign passthru payments on Notes that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. 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 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.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in the purchase agreement among the Issuer, Holdco and the Initial Purchasers dated as of the date of the final Offering Memorandum (the "**Purchase Agreement**"), the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have severally agreed to purchase from the Issuer, the entire principal amount of the Notes. The Initial Purchasers are BofA Securities Europe SA, Credit Suisse Bank (Europe), S.A., Intesa Sanpaolo S.p.A. and UniCredit Bank AG. Sales in the United States may be made through affiliates of the Initial Purchasers.

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Notes from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all of the Notes being sold pursuant to the Purchase Agreement if any of them are purchased. If an Initial Purchaser defaults, the Purchase Agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the Purchase Agreement may be terminated.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover page of this Offering Memorandum. The Initial Purchasers may offer and sell Notes through certain of their affiliates. Intesa Sanpaolo S.p.A. is not a U.S. registered broker-dealer and it will not effect any offers or sales of any Notes in the United States unless such sale is through one or more U.S. registered broker dealers.

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 the Issuer will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Issuer will not, for a period of 60 days after the Closing Date, offer, sell, contract to sell or otherwise dispose of, except the Notes and the Guarantees thereof, any debt securities issued or guaranteed by the Issuer or any of its subsidiaries that are substantially similar to the Notes without the prior written consent of the representative under the Purchase Agreement. The Initial Purchasers propose to offer the Notes initially at the issue price indicated on the cover page hereof. After the initial offering, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice.

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 Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction. In the Purchase Agreement, each Initial Purchaser has agreed that:

- The Notes may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act or in transactions not subject to those registration requirements; and
- During the initial distribution of the Notes, it will offer or sell Notes only to persons they reasonably believe to be QIBs in compliance with Rule 144A and outside the United States in compliance with Regulation S.

In the Purchase Agreement, each Initial Purchaser has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer;
- it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom;
- to the extent it is also a "Manufacturer," as defined in MiFID II, it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area in compliance with the applicable provisions of MiFID II, the Insurance Distribution Directive or the Prospectus Regulation relating to the offer and sale of securities to retail investors; and

- to the extent it is also a "Manufacturer," as defined in UK MiFIR, it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK in compliance with the applicable provisions of UK MiFIR, FSMA or the UK Prospectus Regulation relating to the offer and sale of securities to retail investors.

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. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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 one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been or will be 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 Notes (i) in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes and (ii) in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from a requirement to publish a prospectus for offers of such securities. This Offering Memorandum is not a prospectus for the purpose of the Prospectus Regulation or the UK Prospectus Regulation.

No action has been taken in any jurisdiction, including the United States, Italy and the United Kingdom, 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, the distribution of this Offering Memorandum and resale of the Notes. See *"Transfer Restrictions."*

It is expected that delivery of the Notes will be made against payment therefor on or about the Issue Date as specified on the cover page of this Offering Memorandum, which will be the business day following the date of pricing of the Notes (such settlement being herein referred to as "**T+** "). Under Rule 15(c)6-l under the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trades expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next succeeding business days will be required, by virtue of the fact that the Notes initially will settle in T+ , to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Notes are a new issue of securities, and there is currently no established trading market for the Notes. In addition, the Notes are subject to certain restrictions on resale and transfer as described under "*Transfer Restrictions*." Application has been made to list 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. However, the Issuer cannot assure you that such listing will be accepted or maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time in their sole discretion. In addition, any such market making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, the Issuer cannot assure you that a liquid trading market will develop for the Notes or that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable. 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 may be limited.*"

You should be aware that the laws and practices of certain countries require investors to pay stamp duty, taxes and other charges in connection with purchases of securities.

In connection with the Offering, the Stabilizing Manager, or persons acting on its behalf, may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have the effect of preventing or retarding a decline in the market price of the Notes or cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. Neither we nor any of the Initial Purchasers make any representation that the Stabilizing Manager, or persons acting on its behalf, will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. If the Stabilizing Manager engages in stabilizing or syndicate covering transactions, it may discontinue them at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

The Initial Purchasers or their respective affiliates from time to time have provided in the past, provide currently and may provide in the future, commercial lending and banking, investment banking, hedging, consulting and financial advisory services to the Issuer, the Target and their subsidiaries and affiliates for which they have received, and in the future may receive, customary fees, commissions and expenses. The Initial Purchasers or their respective affiliates will also act as mandated lead arrangers and/or lenders under the Revolving Credit Facility and will receive customary fees for their services in such capacities. In addition, each of the Initial Purchasers or their respective affiliates have committed to provide bridge loan financing in respect of the Transactions in the event the Offering is not consummated, and such entities will receive customary fees in respect thereof. In addition, a portion of the proceeds from the Offering will be used to repay the Existing Itelyum Debt. Intesa Sanpaolo S.p.A. (or its affiliates) was a lender under the facilities agreements constituting the Existing Itelyum Debt and received customary fees, commissions and expenses in connection therewith.

Depending on market conditions, the Initial Purchasers may decide to initially purchase and hold a portion of the Notes for their own account.

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 or Issuer's affiliates (including the Notes). Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Initial Purchaser 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 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.

The Initial Purchasers are acting exclusively for the Issuer and no one else in connection with the Offering contemplated in this Offering Memorandum. They will not regard any other person (whether or not a recipient of this Offering Memorandum) as their client in relation to the offering of Notes contemplated by this Offering Memorandum and will not be responsible to anyone for providing the protections afforded to a client nor giving advice in relation to the Offering or any transaction or arrangement referred to herein.

LEGAL MATTERS

The validity of the Notes and certain other legal matters are being passed upon for us by Weil, Gotshal & Manges (London) LLP with respect to matters of U.S. federal, New York State, and English and Italian law, and by Gattai Minoli & Partners with respect to matters of Italian law. Certain legal matters will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP with respect to matters of U.S. federal, New York State, English and Italian law and by Maisto e Associati with respect to matters of Italian tax law.

INDEPENDENT AUDITORS

The consolidated financial statements of SSCP Green Holdings S.C.A., for each of the years ended December 31, 2020, 2019 and 2018, which were prepared in accordance with Italian GAAP, included in this Offering Memorandum, have been audited by Deloitte & Touche S.p.A., independent auditors, as set forth in its report included in this Offering Memorandum.

Deloitte & Touche S.p.A. is registered under No. 132587 in the Register of Accountancy Auditors (*Registro dei Revisori Legali* maintained by the Italian Ministry of the Economy and Finances in compliance with the provisions of Italian Legislative Decree No. 39 of January 27, 2010. Its registered office is at Via Tortona, 25, 20144 Milan, Italy.

SERVICE OF PROCESS AND ENFORCEMENT OF FOREIGN JUDGMENTS

The Issuer is a joint stock company (*società per azioni*), and each of the Guarantors is a limited liability company (*società a responsabilità limitata*), incorporated under the laws of the Republic of Italy. The Indenture, the Notes and the Guarantees are or will be governed by New York law. The Intercreditor Agreement and the Revolving Credit Facility Agreement are or will be governed by the laws of England and Wales.

Service of Process

None of the directors or executive officers of the Issuer and the Guarantors are residents or citizens of the United States. Because substantially all of the assets of the Issuer and the Guarantors, and their directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors 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 and the Guarantors 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 such persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal or state securities laws. It may be possible for investors to effect service of process within other jurisdictions (including Italy) upon those persons or the Issuer or the Guarantors provided that 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 the Guarantors, 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 Guarantors or the Collateral are 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.

Enforcement of Judgements in Italy

Recognition and enforcement in Italy of final 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*) 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 was 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 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 and not subject to any further appeal 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 the Republic of 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 securities law is debatable. In addition, in original actions brought before Italian courts, Italian courts 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 U.S. law provisions or grant some of the remedies sought (punitive damages) if their application violates any Italian public policies and/or any mandatory provisions of Italian law.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE COLLATERAL AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary of certain limitations on the validity and enforceability of the Guarantees and of the security interests and a summary of certain insolvency law considerations in Italy the jurisdictions where each of the Issuer and Guarantors are organized, and Luxembourg, the jurisdiction whose law will govern the security interests in respect of the share capital of the Target prior to the relocation of the Target's legal seat and tax residence from Luxembourg to Italy. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor or a future security provider of the Notes and it does not purport to be complete or to discuss all the limitations or considerations that may affect the validity and enforceability of the Notes or the Guarantees or security interests being provided for the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes and the security interests in the Collateral. Prospective investors should consult their own legal advisors with respect to such limitations and considerations.

European Union

The Issuer is and the Guarantors are incorporated under the laws of Member States of the European Union (the "**EU**").

The EC Regulation No. 2015/848 on Insolvency Proceedings (the "**Insolvency Regulation**") applies to insolvencies which commence after June 26, 2017 (subject to certain exceptions).

Pursuant to Article 3(1) of the Insolvency Regulation, the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU member state (other than Denmark) where the company concerned has its "center of main interests." The determination of where any such company has its "centre of main interests" is a question of fact on which the courts of the different EU member states may have differing and conflicting views.

The term "center of main interests" is not a static concept and 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. In the case of a company or legal person, the center of main interests is presumed to be located in the country of the registered office in the absence of proof to the contrary. That presumption shall only apply if the registered office has not been moved to another EU member state within the three-month period prior to the request for the opening of insolvency proceedings. Specifically, the presumption of the center of main interests being at the place of the registered office should be rebuttable if the company's central administration is located in an EU member state other than the one where it has 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 the center of the management of its interests is located in that other EU member state. In that respect, the factors that courts may take into consideration when determining the center of main interests of a debtor can include where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established and where they recognize as being the centre of the company's operations.

If the center of main interests of a company, at the time an insolvency application is made, is located in an EU member state (other than Denmark), only the courts of that EU member state have jurisdiction to open main insolvency proceedings in respect of that company under the 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 Insolvency Regulation.

If the center of main interests of a company is in one EU member state (other than Denmark), under Article 3(2) of the Insolvency Regulation, the courts of another EU member state (other than Denmark) have jurisdiction (subject to certain exceptions) to open secondary and territorial insolvency proceedings against that company only if such company has an "establishment" (within the meaning and as defined in Article 2(10) of the Insolvency Regulation) in the territory of such other EU member state. Secondary proceedings may be any insolvency proceeding listed in Annex A of the Insolvency Regulation. Territorial proceedings are, in effect, secondary proceedings which are commenced prior to the opening of main insolvency proceedings. An "establishment" is defined to mean any 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 insolvency proceedings opened in that other EU member state are restricted to the assets of the company which are situated in such other EU member state.

Pursuant to Article 3(4) of the Insolvency Regulation, where main proceedings in the EU member state in which the company has its centre of main interests have not yet been opened, territorial insolvency proceedings can only be opened in another EU member state where the company has an establishment and either: (a) insolvency proceedings cannot be opened in the EU member state in which the company's center of main interests is situated under that EU member state's law; or (b) the territorial insolvency proceedings are opened at the request of a creditor whose claim arises from the operation of the establishment or a public authority has the right to request the opening of such proceedings. Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will always, subject to certain exemptions, be governed by the Lex fori concursus, that is, the local insolvency law of the court that has assumed jurisdiction for the insolvency proceedings of the debtor.

The courts of all EU member states (other than Denmark) must recognize the judgment of the court opening main proceedings (subject to any public policy exceptions) and give the same effect to the order in the other relevant EU member state so long as no secondary proceedings have been opened there. The insolvency officeholder appointed by a court in a EU member state that has jurisdiction to open main proceedings may exercise the powers conferred on him by the law of that EU member state in another EU member state (such as to remove assets of the company from that other EU member state), subject to certain limitations, so long as no insolvency proceedings have been opened in that other EU member state or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other EU member state where the company has assets.

The Insolvency Regulation has created a treatment for groups of companies experiencing difficulties by the commencement of group coordination proceedings and the appointment of an insolvency practitioner in order to facilitate the effective administration of the insolvency proceedings of our group's members.

In addition, the concept of "*group coordination proceedings*" has been introduced in the Insolvency Regulation with the aim of bolstering communication and efficiency in the insolvency of several members of a group of companies in one or more member states of the EU (other than Denmark). Under Article 61 of the 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 proceedings and adherence to the coordinating insolvency practitioner's recommendations or plan however is voluntary.

In the event that the Issuer or the Guarantors experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

Italy

Limitation on granting of security interests and on enforcement 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 guarantee or security (*i.e.*, a guarantee guaranteeing or a security interest 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 organized under the laws of Italy 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 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, 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. Generally, the risk assumed by an Italian grantor of security or guarantor under a 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 up-stream, cross-stream and down-stream guarantees or security interests granted by Italian companies.

Upon certain conditions, the granting of guarantees may be considered as a restricted financial activity within the meaning of Article 106 of Italian Legislative Decree No. 385 of September 1, 1993 (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 the granting of 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 relevant guarantors 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.

Financial assistance

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.

Article 1938 of the Italian Civil Code

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 Italian guarantor's assets. If such determination is deemed disproportional to the assets of the relevant Italian guarantor, there is the risk that the guarantee could be declared void.

Limitations to the Guarantees and Collateral

In order to comply with the above corporate law requirements on corporate benefit and financial assistance, the maximum amount that any Guarantor incorporated under the laws of Italy (each, an "**Italian 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 and any other transaction documents related thereto, will be subject to limitations. By virtue of these limitations, an Italian Guarantor's obligation under its Guarantee will be significantly less than amounts payable with respect to the Notes, or an Italian Guarantor may have effectively no obligation under its Guarantee.

In particular, as regards to any Italian Guarantor, given the above limitation in relation to Italian financial assistance law and corporate benefit, notwithstanding anything to the contrary provided in the Indenture, the Revolving Credit Facility Agreement and/or the Intercreditor Agreement:

(i) the Guarantee and security interests granted by the relevant Italian Guarantor shall not exceed at any time an amount equal to the aggregate principal amount of any intercompany loans advanced from time to time to the relevant Italian Guarantor (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer (whether directly or indirectly) on or following the Completion Date, and outstanding at the time of the enforcement of the relevant Guarantee and/or of security granted by such Italian Guarantor, in each case net of any proceeds already paid pursuant to the enforcement of its guarantee under the Revolving Credit Facility and/or the Intercreditor Agreement and/or received upon the enforcement of any security interests granted by such Italian Guarantor; *provided further* that no Italian Guarantor shall be liable as a Guarantor in respect of any amounts in excess of the amount that such Italian Guarantor is entitled to set-off against its claims of recourse or subrogation (*regresso orsurrogazione*) arising as a result of any payment made by such Italian Guarantor under the relevant Guarantee;

(ii) the maximum amount guaranteed and/or secured by any Italian Guarantor, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed 120% of the outstanding principal amount of the Notes;

(iii) the aggregate amount of interest in respect of the Notes guaranteed and/or secured by an Italian Guarantor will be at any time equal to the interest then outstanding in respect of a principal amount of the Notes equal to the principal amount of the Notes guaranteed and/or secured by the relevant Italian Guarantor at that time; and

(iv) notwithstanding any provision to the contrary in the Indenture, in order to comply with the mandatory provisions of Italian law in relation to (i) maximum interest rates (including the Italian Usury Law and article 1815 of the Italian Civil Code) and (ii) capitalization of interests (including article 1283 of the Italian Civil Code and article 120 of the Italian Legislative Decree No. 385 of 1 September 1993), the obligations of any of the Italian Guarantor under its Guarantee shall not include and shall not extend to (A) any interest qualifying as usurious pursuant the Italian Usury Law and (B) any interest on overdue amounts compounded in violation of the provisions set forth by article 1283 of the Italian Civil Code and/or article 120 of the Italian Legislative Decree No. 385 of 1 September 1993, respectively.

In the event that the Post Completion Merger does not occur on or prior to the Cut-off Date, as regards to Itelyum Regeneration and Itelyum Purification, given the above limitation in relation to Italian financial assistance law and corporate benefit, notwithstanding anything to the contrary provided in the Indenture, the Revolving Credit Facility Agreement and/or the Intercreditor Agreement:

(i) the Guarantee and security interests to be granted by Itelyum Regeneration will only guarantee and secure the 1ssuer's obligations under Tranche B (as defined in "*Use of Proceeds*") of the Notes and shall not exceed at any time an amount equal to the aggregate principal amount of any intercompany loans (including the Itelyum Regeneration Proceeds Loan) advanced from time to time to Itelyum Regeneration (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer (whether directly or indirectly) on or following the Completion Date, and outstanding at the time of the enforcement of the relevant Guarantee and/or of security granted by Itelyum Regeneration, in each case net of any proceeds already paid pursuant to the enforcement of its guarantee under the Revolving Credit Facility and/or the Intercreditor Agreement and/or received upon the enforcement of any security interests granted by Itelyum Regeneration; provided that Itelyum Regeneration shall not be liable as a Guarantor in respect of any amounts in excess of the amount that Itelyum Regeneration is entitled to set-off against its claims of recourse or subrogation (*regresso* or *surrogazione*) arising as a result of any payment made by Itelyum Regeneration under its Guarantee;

(ii) the Guarantee and security interests to be granted by Itelyum Purification will only guarantee and secure the 1ssuer's obligations under Tranche C (as defined in "*Use of Proceeds*") of the Notes and shall not exceed at any time an amount equal to the aggregate principal amount of any intercompany loans (including the Itelyum Purification Proceeds Loan) advanced from time to time to Itelyum Purification (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer (whether directly or indirectly) on or following the Completion Date, and outstanding at the time of the enforcement of the relevant Guarantee and/or of security granted by Itelyum Purification, in each case net of any proceeds already paid pursuant to the enforcement of its guarantee under the Revolving Credit Facility and/or the Intercreditor Agreement and/or received upon the enforcement of any security interests granted by Itelyum Purification; provided that Itelyum Purification shall not be liable as a Guarantor in respect of any amounts in excess of the amount that Itelyum Purification is entitled to set-off against its claims of recourse or subrogation (*regresso* or *surrogazione*) arising as a result of any payment made by Itelyum Purification under its Guarantee;

(iii) the maximum amount guaranteed and/or secured by Itelyum Regeneration, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed the lower of (a) 120% of the outstanding principal amount of the Notes, and (b) the aggregate amount of the original principal amount of Tranche B (as defined in "*Use of Proceeds*") under the Notes, reduced, in each case and from time to time, by an amount equal to any repayment, prepayment or redemption of the principal amount of the Notes multiplied by the ratio of (A) the aggregate amount of the original principal amount of Tranche B (as defined in "*Use of Proceeds*") under the Notes to (B) the original principal amount of the Notes;

(iv) the maximum amount guaranteed and/or secured by Itelyum Purification, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed the lower of (a) 120% of the outstanding principal amount of the Notes, and (b) the aggregate amount of the original principal amount of Tranche C (as defined in "*Use of Proceeds*") under the Notes, reduced, in each case and from time to time, by an amount equal to any repayment, prepayment or redemption of the principal amount of the Notes multiplied by the ratio of (A) the aggregate amount of the original principal amount of Tranche C (as defined in "*Use of Proceeds*") under the Notes to (B) the original principal amount of the Notes;

(v) the aggregate amount of interest in respect of the Notes guaranteed and/or secured by Itelyum Regeneration and Itelyum Purification, respectively, will be at any time equal to the interest then outstanding in respect of a principal amount of the Notes equal to the principal amount of the Notes guaranteed and/or secured by Itelyum Regeneration and Itelyum Purification, respectively, at that time;

(vi) notwithstanding any provision to the contrary in the Indenture, in order to comply with the mandatory provisions of Italian law in relation to (a) maximum interest rates (including the Italian Usury Law and article 1815 of the Italian Civil Code) and (b) capitalization of interests (including article 1283 of the Italian Civil Code and article 120 of the Italian Legislative Decree No. 385 of 1 September 1993), the obligations of each of Itelyum Regeneration and Itelyum Purification under its Guarantee shall not include and shall not extend to (A) any interest qualifying as usurious pursuant the Italian Usury Law and (B) any interest on overdue amounts compounded in violation of the provisions set forth by article 1283 of the Italian Civil Code and/or article 120 of the Italian Legislative Decree No. 385 of 1 September 1993, respectively; and

(vii) any guarantee, indemnity, obligation and liability granted or assumed pursuant to the relevant Guarantee and/or security interest by:

(A) Itelyum Regeneration does not (and will not) include and does not (and will not) extend, directly or indirectly, to any amounts and/or payment obligations other than the amounts and/or payment obligations under Tranche B under the Notes; and

(B) Itelyum Purification does not (and will not) include and does not (and will not) extend, directly or indirectly, to any amounts and/or payment obligations other than the amounts and/or payment obligations under Tranche C under the Notes.

The abovementioned “virtual tranching” structure in respect of the Notes, which is aimed at identifying the relevant portion of the Notes’ proceeds which does not constitute “acquisition debt” in respect of, respectively, Itelyum Regeneration and Itelyum Purification and, therefore, does not fall within the prohibition under Italian financial assistance rules (namely, Article 2358 or 2474, as applicable, of the Italian Civil Code), is untested in Italian courts and it cannot be excluded that it might be deemed not sufficient to clearly distinguish and separate the non-acquisition portion of the Notes’ proceeds from any portion of the Notes’ proceeds to be utilized to support the acquisition or subscription by the Issuer of the share capital of, respectively, Itelyum Regeneration and Itelyum Purification. Should the Guarantee and/or the security interests granted by, respectively, Itelyum Regeneration and Itelyum Purification be deemed by a court or public authority to be contrary to any provisions regulating financial assistance, including Articles 2358 and 2474, as applicable, of the Italian Civil Code, such Guarantee and/or security interests could be declared null and void and the Notes documents will provide that, if and to the extent such Guarantee would result in a breach of any provisions regulating financial assistance, including Articles 2358 and 2474, as applicable, of the Italian Civil Code, applicable to each of Itelyum Regeneration and Itelyum Purification, Itelyum Regeneration and Itelyum Purification will be deemed to have no liability thereunder and the respective Guarantee shall not be in force and effect.

In addition, the obligations of any Italian Guarantor and/or Italian security provider (other than Itelyum Regeneration and Itelyum Purification) that becomes a Guarantor and/or a security provider will be subject to the Agreed Security Principles and will be subject to the additional limitations set forth in the relevant supplemental indenture to the Indenture and/or in the applicable security documents, in order for the applicable Italian Guarantor and/or Italian security provider to comply with the above corporate law requirements on, among others, corporate benefit and financial assistance.

In any case, the maximum amount that an Italian Guarantor and/or Italian security provider may be required to pay in respect of its obligations as Guarantor under the Indenture and/or security grantor under the relevant security documents upon enforcement of the security interests granted by such Italian Guarantor will ratably concur and not cumulate with the corresponding amounts due by such Italian Guarantor and/or Italian security provider to any guaranteed and/or secured creditor pursuant to the Revolving Credit Facility Agreement, and/or the Intercreditor Agreement (including any guaranteed and/or secured creditors with respect to any further *pari passu* indebtedness contemplated under the Intercreditor Agreement) and/or any security documents, and vice versa. For the avoidance of doubt, by virtue of the abovementioned limitations applicable to the guarantees and the security interests granted by an Italian Guarantor, the obligations of each Italian Guarantor as guarantor and/or security provider under the Notes, the Indenture, the Revolving Credit Facility Agreement, and/or the Intercreditor Agreement and any agreement regulating future *pari passu* indebtedness contemplated under the Intercreditor Agreement, the security documents relating to the Collateral and any other transaction documents related thereto shall not be deemed to be cumulative and shall be considered without duplication, and the transaction documents will provide that the aggregate amount of the proceeds deriving from any enforcement of any such guarantee and/or security obligations of the relevant Italian Guarantor shall not exceed on an aggregate basis the limit of the relevant Italian Guarantor’s credit support as described above.

The proceeds of the enforcement of said guarantees and/or security interests will be distributed amongst the guaranteed and/or secured creditors (including, without, limitation, the holders of the Notes) in accordance with the provisions of the Intercreditor Agreement. Accordingly, the holders of the Notes will be able to recover limited amounts under the relevant Guarantees and security.

Trust

The Collateral will be created 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 paragraph 3 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 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 guarantees and 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"). Any payment made by the borrower with respect to any such loan within one year prior to a bankruptcy declaration would be required to be returned to the borrower. 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 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 is 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.

However, due to the COVID-19 emergency, the Liquidity Decree according to which the provisions summarized above are temporarily frozen and therefore loans granted 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 limited liability company (*società a responsabilità limitata*) during the period between April 9, 2020 and December 31, 2020 are exempted from the application of the so-called "equitable subordination" rule.

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 receiver or by other creditors under the rules of ineffectiveness or avoidance or clawback of Italian Bankruptcy Law 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 law considerations*" 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, *inter alia*, 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 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 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, a receiver in bankruptcy is appointed by the court to administer the proceeding under the supervision of the bankruptcy 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 bankruptcy court;
- 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 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/bankruptcy 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;
- 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 pledge from continuing enforcement or enforcement proceedings on the assets secured by the relevant pledge; and
- in case of bankruptcy 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 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 Article 2901 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.

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 public companies are involved.

Insolvency laws and regulations have recently been substantially reviewed and significant amendments are expected in the near future. In particular, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 of January 12, 2019 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 new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (so called "*Code of Business Crisis and Insolvency*," hereinafter the "**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 Insolvency Code include: (i) the elimination of the term "bankrupt" (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of "state of crisis"; (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different judicial insolvency proceedings provided for by the same Insolvency Code; (iv) the adoption of definition of debtor's "center of main interest" as provided in the 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 preventive alert and mediation phase to avoid insolvency; (vii) jurisdiction of specialized courts over proceedings involving large debtors; (viii) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness of the reform.

In response to the COVID-19 pandemic, such entry into force of the Insolvency Code has been currently postponed to September 1, 2021, according to Article 5 of the Law Decree No. 23 of 8 April 2020 ("**Liquidity Decree**"), converted into law on June 5, 2020 no. 40. Until that date, insolvency proceedings will continue to be governed by Italian Royal Decree No. 267 of March 16, 1942 (the "**Italian Bankruptcy Law**"), as in force before. Therefore, the practical consequences of its implementation and its potential impact on the existing insolvency proceedings cannot to date be foreseen and significant amendments are expected in the near future that may impact the provisions set forth therein.

Certain provisions of Italian law have been amended or have entered into force only recently and, therefore, may be subject to further implementation and/or interpretations and have not been tested to date in the Italian courts. In this respect, the most recent reforms that have been implemented by the Italian government on the main Italian bankruptcy legislation as defined below are: (i) the reform approved on June 23, 2015, through a Law Decree containing urgent reforms applicable, *inter alia*, to Italian bankruptcy law (the "**Decree 83/2015**"). The Decree 83/2015 entered into force in June 2015 and has been converted into law by Italian Law No. 132 of August 6, 2015, effective August 21, 2015 and (ii) the amendments implemented by means of the adoption of (a) the Law Decree No. 59 of May 3, 2016, converted into law by Italian Law No. 119 of June 30, 2016, and (b) Italian Law No. 232 of December 11, 2016.

The two primary aims of the Italian Bankruptcy Law are to liquidate the debtor's assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors' claim as well as, in case of the "*Prodi-bis*" procedure or "*Marzano*" procedure, 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. However, the Italian Bankruptcy Law has been recently amended with a view to promoting rescue procedures rather than liquidation, focusing on the continuity and survival of financially distressed businesses and enhancing pre-bankruptcy restructuring options.

Under the Italian Bankruptcy Law, bankruptcy (*fallimento*) must be declared by a court, based on the insolvency (*insolvenza*) of a company upon a petition filed by the company itself, the public prosecutor and/or one or more creditors. Insolvency, as defined under Italian Bankruptcy Law, occurs when a 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 company is insolvent.

In cases where a company is facing financial difficulties or temporary cash shortfall and, in general, 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 company, 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 bankruptcy alternatives are available under Italian law for companies in a state of crisis and for insolvent companies.

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 bankruptcy. 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.

Out-of-court reorganization plans (piani di risanamento) pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law

Out-of-court debt restructuring agreements are based on restructuring plans (*piani di risanamento attestati*) prepared by companies in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert appointed directly by the debtor must verify the feasibility of the restructuring plan and the truthfulness of the business data provided by the company. There is no need to obtain court approval to appoint the expert. The expert must possess certain specific professional requisites and qualifications and meet the requirements set forth by Article 2399 of the Italian Civil Code and may be subject to liability in case of misrepresentation or false certification.

Out-of-court debt restructuring arrangements are not under any form of judicial control or approval and, therefore, no application is required to be filed with the court or supervising authority. 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. Unlike in-court pre-bankruptcy agreement proceedings and debt restructuring agreements, 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 Bankruptcy Law provides that, should these plans fail and the debtor be declared bankrupt, the payments and/or acts carried out, and/or security interest granted for the implementation of the reorganization plan, subject to certain conditions (a) are not subject to claw-back action; 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 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 an in-court pre-bankruptcy agreement or a debt restructuring agreement.

Debt restructuring agreements with creditors pursuant to Article 182-bis of the Italian Bankruptcy Law (accordi di ristrutturazione dei debiti)

The debtor may negotiate debt restructuring agreements with creditors holding at least 60% of the total amount of claims or debts outstanding, subject to court's approval (*omologazione*). An independent expert 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 that it ensures that the non-participating creditors can be fully satisfied within the following terms: (a) 120 days from the date of approval of the agreement by the court (*omologazione*), in the case of debts which are due and payable to the non-participating creditors as of the date of the approval (*omologazione*) of the debt restructuring agreement by the court; and (b) 120 days from 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 approval (*omologazione*) of the debt restructuring agreement by the court. Only a debtor who is insolvent or in a situation of "financial distress" (*i.e.*, facing financial crisis which does not yet amount to insolvency) can initiate this process and request the court's approval (*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. Starting from the date of such publication and for 60 days thereafter, creditors cannot start or continue any conservative or enforcement actions against the assets of the debtor in relation to pre-existing receivables and cannot obtain any security interest (unless agreed) in relation to pre-existing debts. The Italian Bankruptcy Law does not expressly provide for any indications concerning the contents of the debt restructuring agreement. The plan can therefore provide, among others, either for the prosecution of the business by the debtor or by a third party, or the sale of the business to a third party, and may contain refinancing agreements, moratoria, write-offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

The 60-days moratorium can also be requested by the debtor while negotiations with creditors are pending (*i.e.*, prior to the above-mentioned publication of the agreement), subject to certain conditions. Such moratorium request must be published in the companies' register and becomes effective as of the date of publication. The court, having verified the completeness of the documentation filed by the debtor, sets the date for a hearing within 30 days of the publication and orders the company to supply the relevant documentation in relation to the moratorium to the creditors. Pending such deadline, creditors and other interested parties may file an opposition to the agreement. At such hearing, the court decides upon any opposition and assesses whether the conditions for anticipating the moratorium are in place and, in such case, orders that no conservative or enforcement action may be started or continued, nor can security interests (unless agreed) be acquired over the assets of the debtor, and sets a deadline (not exceeding 60 days) within which a debt restructuring agreement and the assessment by the expert must be deposited.

The court's order may be challenged within 15 days of its publication. Within the same time frame, an application for the *concordato preventivo* (as described below) may be filed, without prejudice to the effect of the moratorium. Creditors and other interested parties may oppose the agreement within 30 days from the publication of the agreement in the companies' register. After having settled the oppositions (if any) the court will validate the agreement by issuing a decree, which can be appealed within 15 days of its publication.

The Decree 83/2015, as amended by Law 132/2015 modified the basis for calculation of the 60% of the outstanding debtor's debt threshold required for courts' sanctioning of debt restructuring agreements (*accordi di ristrutturazione dei debiti*), easing the requirements with respect to financial creditors.

Pursuant to the new Article 182-septies of the Italian Bankruptcy Law, introduced by the Decree 83/2015, as amended by Law 132/2015, debtors whose financial indebtedness is at least 50% of their total indebtedness are entitled to enter into debt restructuring agreements obtaining the approval of financial creditors representing at least 75% of the aggregate financial claims of the relevant category and ask the court to declare such agreement binding on the dissenting financial creditors belonging to the same category (so called "cram down"), subject to certain conditions being met, including that treatment of dissenting creditors is not worse than under any other available alternative and that all creditors (adhering and non-adhering) have been informed about the negotiations and have been allowed to take part in them in good faith. If the abovementioned conditions are met, then the remaining 25% of non-participating financial creditors belonging to the same class of creditors are crammed down; however, crammed down creditors can challenge the deal and refuse to be forced into it, on the basis of the lack of homogeneity of the classes of creditors. Similarly, a standstill agreement (*convenzione di moratoria*) entered into between a debtor and financial creditors representing 75% of that debtor's aggregate financial indebtedness would also bind the non-participating financial creditors, provided that (i) they have been informed of the ongoing negotiations and have been allowed to participate to such negotiations in good faith and (ii) an independent expert meeting the requirements provided under Article 67, Paragraph 3(d) of the Italian Bankruptcy Law certifies that the non-participating financial creditors have legal status and economic interests similar to those of the banks and financial intermediaries which have agreed to the moratorium arrangement. The purpose is to prevent banks with modest credits from block restructuring operations involving more exposed bank creditors, resulting in the failure of the overall restructuring and the opening of a procedure. Financial creditors who did not participate in the agreement may file an objection (*opposizione*) to it within 30 days of receipt of the application.

In no case the debt restructuring agreement provided for under article 182-septies of the Italian Bankruptcy Law or the moratorium arrangement may impose on the non-adhering creditors, *inter alia*, performance of new obligations, the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities.

Such debt restructuring agreements and standstill agreements will not affect the rights of non-financial creditors (*e.g.*, trade creditors) who cannot be crammed down and must be paid within 120 days if not participating to a scheme.

Pursuant to Article 182-quater of the Italian Bankruptcy Law, financing granted to the debtor pursuant to the approved debt restructuring agreement (or a court-supervised Pre-Bankruptcy Composition with Creditors) enjoy priority status in cases of subsequent bankruptcy (such status also applies to financing granted by shareholders, but only up to 80 percent of such financing). Financing granted in view of (*i.e.*, before) presentation of a petition for a debt restructuring agreement or a court-supervised Pre-Bankruptcy Composition with Creditors may be granted such priority status provided that it is envisaged by the relevant plan or agreement and that such priority is expressly provided for by the court at the time of approval of the plan or sanctioning (*omologazione*) of the agreement or the approval of the *concordato preventivo*. The same provisions apply to financings granted by shareholders up to 80% of their amount.

Moreover, pursuant to the new Article 182-quinquies of the Italian Bankruptcy Law, the Court, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to Article 182-bis, Paragraph 1, of the Italian Bankruptcy Law or after the filing of the moratorium application pursuant to Article 182-bis, Paragraph 6, of the Italian Bankruptcy Law or a petition pursuant to Article 161, Paragraph 6, of the Italian Bankruptcy Law (in relation to the court supervised pre-bankruptcy composition with creditors procedure described below) may authorize the debtor, if so expressly requested: (i) to incur in new super senior indebtedness and to secure such indebtedness with in rem security (*garanzie reali*), or by assigning claims, provided that the expert appointed by the debtor, having verified the overall financial needs of the company until the sanctioning (*omologazione*), declares that the new financing aims at providing a better satisfaction of the rights of the creditors, and (ii) to pay pre-existing debts deriving from the supply of services or goods, to the extent already payable and due, provided that the expert declares that such payment is essential for the keeping of the company's activities and to ensure the best satisfaction for all creditors. In addition, according to the provisions of the Decree 83/2015, as amended by Law 132/2015, the aforementioned authorization may be given also before the filing of the additional documentation required pursuant to Article 161, Paragraph 6 of the Italian Bankruptcy Law.

The provision of Article 182-*quinques* of the Italian Bankruptcy Law applies to both debt restructuring agreement and to the court-supervised pre-bankruptcy compositions with creditors (*concordato preventivo*) outlined below.

Furthermore, according to the Article 1 of the Decree 83/2015, as amended by Law 132/2015, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to Article 182-bis, Paragraph 1 of the Italian Bankruptcy Law or after the filing of the moratorium application pursuant to Article 182-bis, Paragraph 6 of the Italian Bankruptcy Law also in absence of the plan pursuant to Article 161, Paragraph 2, letter (e) of the Italian Bankruptcy Law, the court may also authorize the debtor to incur in new super senior (so called *prededucibile*) indebtedness, aimed at supporting urgent financial needs related to the company's business. The company, while filing such request of authorization, is required to specify (i) the purpose of the financing; (ii) that it is unable to otherwise obtain the required funds and (iii) that the absence of such financing will entail an imminent and irreparable prejudice to the company.

Court supervised pre-bankruptcy composition with creditors (concordato preventivo)

A company which is insolvent or in a situation of crisis (*i.e.*, financial distress which does not yet amount to insolvency) and that has not been declared insolvent by the court has the option to make a composition proposal to its 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 bankruptcy proceedings. Such composition proposal can be made by a commercial enterprise which exceeds any of the following thresholds: (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years, (ii) gross revenue (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years, and (iii) has total indebtedness in excess of €0.5 million. Only the debtor company can initially file a petition with the court for a *concordato preventivo* (together with, among others, a restructuring plan 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). The petition for *concordato preventivo* is then published by the debtor in the company's register. From the date of such publication to the date on which the court sanctions the *concordato preventivo*, all enforcement and interim relief actions by the creditors (whose debt became due before the sanctioning of the *concordato preventivo* by the court) are stayed. During this time, all enforcement, precautionary actions and interim measures sought by the creditors, whose title arose beforehand, are stayed. 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.

The composition proposal filed in connection with the petition may provide for: (i) the restructuring and payment of debts and the satisfaction of creditors' claims (provided that, in any case, it will ensure payment of at least 20% of the unsecured receivables, except for the case of composition with creditors with continuity of the going concern (*concordato con continuity aziendale*) pursuant to Article 186-bis of the Italian Bankruptcy Law, including through extraordinary transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities); (ii) the transfer to a receiver (*assuntore*) of the operations of the debtor company making the composition proposal; (iii) the division of creditors into classes; and (iv) different treatment of creditors belonging to different classes. The composition proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

The filing of the petition for the *concordato preventivo* may be preceded by the filing of a preliminary petition for a *concordato preventivo* (so called *concordato in bianco*, pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, as amended by Italian Law Decree No. 69/2013 as converted into Italian Law No. 98/2013 ("**Law Decree 69/2013**")). The debtor company may file such petition along with: (i) its financial statements from the latest three financial years; and (ii) the list of creditors with the reference to the amount of their respective receivables, reserving the right to submit the underlying plan, the proposal and all relevant documentation within a period assigned by the court between 60 and 120 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*). Nevertheless, in response to the COVID-19 pandemic, Article 9 of the Liquidity Decree, provides that the debtor company which has been granted such extension by the Court, can, before the deadline, request for a further extension up to 90 days, even if it has been filed an appeal for a declaration of bankruptcy. The petition provides for the elements that make it necessary to grant the extension with specific reference to the events that have occurred as a result of the COVID-19 pandemic. The Court, acquired the opinion of the judicial commissioner (if appointed), grants the extension when it considers that the application is based on reasonable grounds. In advance of such deadline, the debtor may also file a petition for the approval of a debt restructuring agreement (pursuant to Article 182-bis of the Italian Bankruptcy Law). If the court accepts such preliminary petition, it may: (i) appoint a judicial commissioner (*commissario giudiziale*) to overview the company, who, in the event that the debtor has carried out one of the activities under Article 173 of the Italian Bankruptcy Law (*e.g.*, concealment of part of assets, omission to report one or more claims, declaration of nonexistent liabilities or commission of other fraudulent acts), will report it to the court, which, upon further verification, may reject the petition at court for a *concordato preventivo*; and (ii) set forth reporting and information duties of the company during the abovementioned period. The statutory provisions providing for the stay of enforcement and interim relief actions by the creditors referred to in respect of the *concordato preventivo* also apply to preliminary petitions for *concordato preventivo* (so called *concordato in bilancio*).

The debtor company may not file such pre-application where it had already done so in the previous two years without the admission to the *concordato preventivo* having followed. The decree setting the term for the presentation of the documentation contains also the periodical information requirements (also relating to the financial management of the company and to the activities carried out for the purposes of the filing of the application and the restructuring plan) that the company has to fulfill, at least on a monthly basis, until the lapse of the term established by the court. The debtor company will file, on a monthly basis, the company's financial position, which is published, the following day, in the company's register.

Noncompliance with these requirements results in the application for the composition with creditors being declared inadmissible and, upon request of the creditors or the public prosecutor and provided that the relevant requirements are verified, in the adjudication of the distressed company into bankruptcy. If the activities carried out by the debtor company appear to be clearly inappropriate to the preparation of the application and the restructuring plan, the court may, ex officio, after hearing the debtor and-if appointed-the judicial commissioner, reduce the time for the filing of additional documents.

Following the filing of the preliminary petition and until the decree of admission to the composition with creditors, the distressed company may: (i) carry out acts pertaining to its ordinary activity; and (ii) seek the court's authorization to carry out acts pertaining to its non-recurring activity, to the extent they are urgent.

Claims arising from acts lawfully carried out by the distressed company and new super senior indebtedness authorized by the court, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to Article 182-bis, Paragraph 1 of the Italian Bankruptcy Law or after the filing of the moratorium application pursuant to Article 182-bis, Paragraph 6 of the Italian Bankruptcy Law also in absence of the plan pursuant to Article 161, Paragraph 2, letter (e) of the Italian Bankruptcy Law, aimed at supporting urgent financial needs related to the company's business as recently introduced by Article 1 of the Decree 83/2015, as amended by Law 132/2015, are treated as super-senior (so called *prededucibili*) pursuant to Article 111 of the Italian Bankruptcy Law and the related acts, payments and security interests granted are exempted from the claw-back action provided under Article 67 of the Italian Bankruptcy Law. Italian Law No. 9/2014 specified that the superseniority of the claims-which arise out of loans granted with a view to allowing the filing of the preliminary petition for the composition with creditors (*domanda di pre-concordato*)-is granted, pursuant to Article 111 of the Italian Bankruptcy Law, conditional upon the proposal, the plan and all other required documents being filed within the term set by the court and the company being admitted to the *concordato preventivo* within the same proceeding opened with the filing of the preliminary petition.

The composition proposal may propose that: (i) the debtor's company's business continues to be run by the debtor's company as a going concern; or (ii) the business is transferred to one or more companies and any assets which are no longer necessary to run the business are liquidated (*concordato con continuity aziendale*). In these cases, the petition for the *concordato preventivo* should fully describe the costs and revenue 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. The report of the independent expert will also certify that the continuation of the business is conducive to the satisfaction of creditors' claims to a greater extent than if such composition proposal was not implemented. Furthermore, the going concern-based arrangements with creditors can provide for, among others, the winding up of those assets that are not functional to the business allowed. The composition agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

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 calls a creditors' meeting. 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). The debtor is allowed to carry out urgent extraordinary transactions only upon the prior court's authorization, while ordinary transactions may be carried out without authorization. Third-party claims, related to the interim acts legally carried out by the debtor, are super-senior (so called *prededucibili*) pursuant to Article 111 of the Italian Bankruptcy Law.

The *concordato preventivo* is voted on at a creditors' meeting and must be approved with the favorable vote of (a) the creditors representing the majority of the receivables admitted to vote and, also in the event that the plan provides for more classes of creditors, and (b) the majority of the classes. The Composition with Creditors is approved only if the required majorities of creditors expressly voted in favor of the proposal. Law 132/2015 abrogated the implied consent rule under which those creditors who, being entitled to vote, did not do so and those who did not express their dissent within 20 days of the closure of the minutes of the creditors' meeting are deemed as consenting to the composition with creditors. Under the current regime, creditors who did not exercise their voting rights in the creditors' meeting can do so (even via email) within 20 days of the closure of the minutes of the creditors' meeting and, after such term, creditors who did not exercise their voting right will be deemed not to approve the *concordato preventivo* proposal. In relation to voting by the holder 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 are not entitled to vote on the proposal of *concordato preventivo* unless and to the extent they waive their security, or the *concordato preventivo* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. The court may also approve the *concordato preventivo* (notwithstanding the circumstance that one or more classes objected to it) if: (i) the majority of classes has approved it; and (ii) the court deems that the interests of the dissenting creditors would be adequately safeguarded through it compared to other solutions. If an objection to the implementation of the *concordato preventivo* is filed by 20% of the creditors or, in case there are different classes of creditors, by a creditor belonging to a dissenting class, entitled to vote, the court may nevertheless sanction the *concordato preventivo* if it deems that the relevant creditors' claims are likely to be satisfied to a greater extent as a result of the *concordato preventivo* than would otherwise be the case.

The Decree 83/2015, as amended by Law 132/2015, introduced the possibility for creditors (except for individuals or entities controlled, controlling or under common control of the debtor) holding at least 10% of the aggregate claims against a debtor to present an alternative plan to the debtor's plan in a pre-bankruptcy agreement proceedings (*concordato preventivo*) subject to certain conditions being met, including, in particular, that the proposal of the debtor do not ensure recovery of at least (i) 40% of the unsecured claims (*crediti chirografari*) in case of pre-bankruptcy agreement proposal with liquidation purpose (*concordato liquidatorio*), or (ii) 30% of the unsecured claims (*crediti chirografari*) in case of pre-bankruptcy agreement proposals based on the continuation of the going concern (*concordato con continuity aziendale*).

In addition, in order to strengthen the position of the unsecured creditors, Law 132/2015 sets forth that a prebankruptcy agreement proposal with liquidation purpose (*concordato liquidatorio*) (*i.e.*, a pre-bankruptcy agreement proposal aiming at transferring all the assets to the creditors and having such assets sold in their interest by the judicial commissioner) must ensure that the unsecured creditors are paid in a percentage of at least 20% of their claims.

This provision does not apply to pre-bankruptcy agreement proposals based on the continuation of the going concern (*concordato con continuity aziendale*).

To the extent the alternative plan is approved by the creditors and ratified (omologato), the court may grant special powers to the judicial commissioner to implement the plan if the debtor does not cooperate, including by taking all corporate actions required.

In addition, Article 163-bis of the Italian Bankruptcy Law, introduced by the Decree 83/2015, as amended by Law 132/2015, provides that, if a plan in pre-bankruptcy composition with creditors (*concordato preventivo*), pursuant to Article 161, Paragraph 2, letter (e) of the Italian Bankruptcy Law, includes an offer for the sale of the debtor's assets or of a going concern of the debtor to an identified third party, the judicial commissioner may request to the court the opening a competitive bidding process to the extent that it would be in the best interest of the creditors. After the approval by the creditors' meeting, the court (having settled possible objections raised by the dissenting creditors, if any) confirms the *concordato preventivo* proposal by issuing a confirmation order.

If the creditors' meeting does not approve the *concordato preventivo*, the court may, upon request of the public prosecutor or a creditor, and having decided that the appropriate conditions apply, declare the company bankrupt.

Pursuant to Article 169-bis of the Italian Bankruptcy Law, the debtor may request the competent court to be authorized to terminate outstanding agreements (*contratti ancora ineseguiti o non compiutamente eseguiti*), except for certain agreements which are excluded from the scope of the above provision (*e.g.*, employment agreements (*rapporti di lavoro subordinato*), residential real estate preliminary sale agreements (*contratti preliminari di vendita aventi ad oggetto immobili ad uso abitativo*) and real estate lease agreements (*contratti di locazione di immobili*)). The request may be filed with the competent court at the time of the filing of the application for the *concordato preventivo* or to the judge (*giudice delegato*), if the application is made after admission to the procedure. Upon the debtor's request, the pending agreements can also be suspended for a period of time not exceeding 60 days, renewable just once. In such circumstances, the other party has the right to receive an indemnification equivalent to the damages suffered for the non-fulfillment of the agreement. Such indemnification would be paid prior to and outside of the admission to the pre-bankruptcy composition.

In response to the COVID-19 pandemic, according to Article 9 of the Liquidity Decree, the deadlines for the fulfilment of *concordati preventivi* and the ratified debt restructuring agreements (accordi di ristrutturazione omologati) expiring after February 23, 2020 shall be extended by six months. In the procedures for the validation (*omologazione*) of *concordato preventivo* and of a debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti*), pending on February 23, 2020, the debtor may submit, until the hearing, a petition for the grant of an extension up to 90 days for the deposit of a new plan and a new proposal for a *concordato* in accordance with Article 161 of the Italian Bankruptcy Law or a new debt restructuring agreement pursuant to Article 182-bis of the Italian Bankruptcy Law. The period starts from the date of the decree by which the court assigns the term, and it shall not be extended. The request is inadmissible if submitted in the context of a *concordato preventivo* in the course of which it has already been held the meeting of creditors but the majorities were not reached according to Article 177 of the Italian Bankruptcy Law.

Bankruptcy proceedings (fallimento)

A request to declare a debtor bankrupt and to commence bankruptcy proceedings (*fallimento*) for the judicial liquidation of its assets can be filed by the debtor, any of its creditors and, in certain cases, the public prosecutor when a debtor is insolvent. Insolvency, as defined under Italian Bankruptcy Law, occurs when a debtor is no longer able to regularly meet its obligations with ordinary means as they come due. Bankruptcy is declared by the competent bankruptcy court. The Italian Bankruptcy Law is applicable only to commercial enterprises (*imprenditori commerciali*) if any of the following thresholds are met: the company (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 revenue (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years; and (iii) has total indebtedness in excess of €0.5 million.

Upon the commencement of bankruptcy proceedings, amongst other things:

- subject to certain exceptions, all actions of creditors, actions are stayed and creditors must file claims within a defined period;
- 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 bankrupt's other unsecured debt. Secured creditors may sell the secured asset only with the court authorization. After hearing the bankruptcy receiver (*curatore fallimentare*) and the creditors' committee, the court decides whether to authorize the sale, and sets forth the relevant timing in his or her decision;
- the administration of the debtor and the management of its assets are transferred to the bankruptcy receiver (*curatore fallimentare*);
- continuation of business may be authorized by the court if an interruption would cause greater damage to the company, but only if the continuation of the company's business does not cause damage to creditors;
- 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 bankruptcy declaration are suspended until the receiver decides whether to take them over.

Although the general rule is that the bankruptcy 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 Italian Bankruptcy Law.

Bankruptcy proceedings are carried out and supervised by a court-appointed bankruptcy receiver, a deputy judge (*giudice delegato*) and a creditors' committee. The bankruptcy 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. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real property. In this respect, Law 132/2015 amended the relevant provision of the Italian Bankruptcy Law which sets forth the requirements applicable to the liquidation procedure and as a consequence the timing for the liquidation of a debtor is shortened. Italian Bankruptcy Law provides for priority of payment to certain preferential creditors, including employees, the Italian treasury, and judicial and social authorities. Such priority of payment is provided under mandatory provisions of law (as a consequence it is untested and it is unlikely that priority of payments such as those commonly provided in intercreditor contractual arrangements would be recognized by an Italian bankruptcy estate to the extent they are inconsistent with the priorities provided by law). Unsecured creditors are satisfied after payment of preferential and secure creditors, out of available funds and assets (if any) as below indicated.

- **Bankruptcy composition with creditors (*concordato fallimentare*)**. Bankruptcy proceedings can terminate prior to liquidation through a bankruptcy composition proposal with creditors. The relevant petition can be filed by one or more creditors, third parties or the receiver starting from the declaration of bankruptcy, whereas the debtor or its subsidiaries are admitted to file such a proposal only after one year following such declaration but before the lapse of two years from the decree giving effectiveness to the liabilities account (*stato passivo*). Secured creditors are not entitled to vote on the proposal of *concordato fallimentare*, unless and to the extent they waive their security or the *concordato fallimentare* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. The petition may provide for the division of creditors into classes (thereby proposing different treatments among the classes), the restructuring of debts and the satisfaction of creditors' claims in any manner. The petition may provide that secured claims are paid only in part. The *concordato fallimentare* proposal must be approved by the creditors' committee and the creditors holding the majority (by value) of claims (and, if classes are formed, by a majority (by value) of the claims in a majority of the classes). Final court confirmation is also required.
- **Statutory priorities**. The statutory priority assigned to creditors under the Italian Bankruptcy Law may be different from the priorities in the United States, the United Kingdom and certain other EU jurisdictions. Article 111 of the Italian Bankruptcy Law establishes that proceeds of liquidation shall be allocated according to the following order: (i) for payments of "*predeductible*" claims (*i.e.*, claims originated in the insolvency proceeding, such as costs related to the procedure); (ii) for payment of claims which are privileged, such as claims of secured creditors; and (iii) for the payment of unsecured creditors' claims. Under Italian law, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors, including, *inter alia*, a claim whose priority is legally acquired (*i.e.*, repayment of rescue or interim financing) the claims of the Italian tax authorities and social security administrators, and claims for employee wages. The remaining priorities of claims are, in order of priority, those related to secured creditors (*creditori privilegiati*; a preference in payment in most circumstances, but not exclusively, provided for by law), mortgages (*creditori ipotecari*), pledges (*creditori prignoratizi*) and, lastly, unsecured creditors (*crediti chirografari*). Under Italian law, the proceeds from the sale of the bankrupt'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. The law creates a hierarchy of claims that must be adhered to when distributing the proceeds derived from the sale of the entire bankrupt's estate or part thereof, or from a single asset. In particular, article 111 of the Italian Bankruptcy Law establishes that proceeds of liquidation shall be allocated according to the following order: (i) for payments of "*predeductible*" claims (*i.e.*, claims originated in the insolvency proceeding, such as costs related to the procedure); (ii) for payment of claims which are privileged, such as claims of secured creditors; and (iii) for the payment of unsecured creditors' claims.
- **Avoidance powers in insolvency**. 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 bankruptcy. The key avoidance provisions address 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 bankruptcy compared to the rules applicable in other jurisdictions.

In bankruptcy proceedings, the Italian Bankruptcy Law provides for a claw-back period of up to one year (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 Bankruptcy Law distinguishes between acts or transactions which are ineffective by operation of law and acts or transactions which are voidable at the request of the bankruptcy receiver/court commissioner, as detailed below.

- **Acts ineffective by operation of law**. Under (i) Article 64 of the Italian Bankruptcy Law, subject to certain limited exception, all transactions entered into for no consideration are ineffective vis-a-vis creditors if entered into by the bankrupt entity in the two-year period prior to the insolvency declaration. Any asset subject to a transaction which is ineffective pursuant to Article 64 of the Italian Bankruptcy Law becomes part of the bankruptcy estate by operation of law upon registration (*trascrizione*) of the declaration of bankruptcy, without need to wait the ineffectiveness of the transaction is sanctioned by a court. Any interested person may challenge the registration before the delegated judge for violation of law; and (ii) Article 65 of the Italian Bankruptcy Law, payments of receivables falling due on the day of the insolvency declaration or thereafter are deemed ineffective vis-a-vis creditors, if made by the bankrupt entity within the two-year period prior to the insolvency declaration.
- **Acts that may be avoided at the request of the bankruptcy receiver/ court commissioner**.

(a) The following acts and transactions, if done or made during the period specified below, may be clawed back (*revocati*) vis-a-vis the bankruptcy as provided for by article 67 of the Italian Bankruptcy Law 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 entered into in the year before the insolvency declaration, when the value of the debt or the obligations undertaken by the bankrupt entity exceeds 25% of the value of the consideration received by and/or promised to the debtor;

(ii) payments of debts, due and payable, which were not made by the debtor in cash or by other customary means of payment in the year prior to the insolvency declaration;

(iii) pledges and mortgages granted by the bankrupt entity in the year prior to the insolvency declaration in order to secure pre-existing debts which not yet due at the time the new security was granted; and

(iv) pledges and mortgages granted by the bankrupt entity in the six months prior to the insolvency declaration in order to secure pre-existing debts which had already fallen due at the time the new security was granted.

(b) The following acts and transactions, if made during the vulnerability period or such other period specified below, may be avoided and declared ineffective if the bankruptcy receiver proves that the non-insolvent party knew that the bankrupt entity was insolvent at the time of the act or transaction:

(i) payments of debts that are immediately due and payable and any onerous transactions entered into or made within six months prior to the insolvency declaration; and

(ii) granting of security interest for debts incurred in the six months prior to the insolvency declaration.

(c) 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 bankrupt entity's debt towards the bank;

(iii) iii. the sale, including an agreement for sale registered pursuant to Article 2645-bis of the Italian Civil Code, currently in force, 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 and guarantees granted by the debtor pursuant to a plan (piano attestato) under Article 67 of the Italian Bankruptcy Law;

(v) a transaction entered into, payment made or guarantee granted in the context of "***concordato preventivo***" under Article 161 of the Italian Bankruptcy Law or an "***accordo di ristrutturazione del debito***" under Article 182-bis of the Italian Bankruptcy Law;

(vi) remuneration payments to the bankrupt 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 *concordato preventivo* procedures.

In addition, in certain cases, the bankruptcy receiver can request that certain transactions of the bankrupt entity be declared ineffective within the ordinary claw-back period of five years (*revocatoria ordinaria*) provided for by the Italian Civil Code. Under Article 2901 of the Italian Civil Code, a creditor may demand that transactions whereby the bankrupt entity disposed of its assets prejudicially to such creditor's rights be declared ineffective with respect to such creditor, provided that the bankrupt entity 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 bankruptcy entity for the purpose of prejudicing the bankrupt entity) 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.

Law 132/2015 also introduced new Article 2929-bis to the Italian Civil Code, providing for a "simplified" clawback 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, the enforcement action can also be carried out by the creditor against the third party purchaser.

Finally, as noted above, the Insolvency Regulation contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the European Union.

Extraordinary administration for large insolvent companies (*amministrazione straordinaria delle grandi imprese in stato di insolvenza*).

The extraordinary administration procedure is available under Italian law for large industrial and commercial enterprises; this procedure is commonly referred to as the "*Prodi-bis procedure*." 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 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 bankruptcy 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.

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 Economic Development (the "**Ministry**"). The court has 30 days to decide whether to admit the company to the procedure or place it into bankruptcy.

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.

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). 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 bankrupt.

Industrial restructuring of large insolvent companies (ristrutturazione industriale di grandi imprese in stato di insolvenza)

Introduced in 2003 pursuant to Italian 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, the application to the Ministry can be made before the court commences the administrative phase.

The Marzano procedure only applies to large insolvent companies which, on a consolidated basis, have at least 500 employees in the year before the procedure is commenced and at least €300 million of debt (including those from outstanding guarantees). The decision whether to open a Marzano procedure is taken by the Ministry following the debtor's request (who must also file an application for the declaration of insolvency). The Ministry assesses whether the relevant requirements are met and then appoints the extraordinary commissioner(s) who will manage the company. The court also decides on the company's insolvency.

The extraordinary commissioner(s) has/have 180 days (or 270 days if the Ministry so agrees) to submit a Disposal Plan or Recovery Plan. The restructuring through the Disposal Plan or the Recovery Plan must be completed within, respectively, one year (extendable to two years) and two years. If no Disposal or Recovery Plan is approved by the Ministry, the court will declare the company bankrupt and open bankruptcy proceedings.

Compulsory administrative winding-up (liquidazione coatta amministrativa)

A compulsory administrative winding-up (*liquidazione coatta amministrativa*) 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 bankruptcy proceedings. It is irrelevant whether these companies belong to the public or the private sector. A compulsory administrative winding-up is special insolvency proceedings in that the entity is liquidated not by the bankruptcy 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. The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers assigned to the designated judge and the bankruptcy court under the other insolvency proceedings are assumed by the relevant administrative authority under this procedure. The effect of the forced administrative winding-up on creditors is largely the same as under bankruptcy proceedings and includes, for example, a ban on enforcement measures. The same rules set forth for bankruptcy proceedings with respect to existing contracts and creditors' claims largely apply to a compulsory administrative winding-up.

Interim financing

The Decree 83/2015, as amended by Law 132/2015, introduced the possibility for debtors to also obtain authorization to receive urgent interim financing and to continue to use existing trade receivables credit lines (*linee di credito autoliquidanti*) necessary for their business needs before a court's approval of a Pre-Bankruptcy Composition with Creditors (*concordato preventivo*) or the entry into a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) with priority status (*prededucibilita*) in case of subsequent bankruptcy without the expert certification and through an accelerated review process by the relevant court, upon, among others, the relevant debtor's declaration that interim finance is urgently needed and the debtor's inability to access such finance would cause imminent and irreparable damage. The court must decide on the request within 10 days of the filing of the application after consultation with the judicial commissioner and, if deemed necessary, the principal creditors.

Before the entry into force of the Decree 83/2015, debtors could be granted financing with priority status (*prededucibilita*) before a court's approval of a Pre-Bankruptcy Composition with Creditors (*concordato preventivo*) or the entry into a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) if: (i) an expert certified that such financing is functional to the overall restructuring process; or (ii) such financing is provided for by the plan or the agreement, provided in each case that the court approved such priority status.

Hardening period/clawback and fraudulent transfer

In a bankruptcy proceeding, the Italian Bankruptcy Law provides for a claw-back period of up to one year (six-months in certain circumstances). In addition, in certain cases, the bankruptcy 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 of Italian Bankruptcy Law 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**"). The avoidance may relate to (i) transactions made by the debtor within a suspect period of one year prior to the declaration of the insolvency 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 within six months prior to the declaration of insolvency 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 six months prior to the declaration of the insolvency, if the bankruptcy receiver proves that the creditor was aware of the insolvency of the debtor. The transactions potentially subject to avoidance also include those contemplated by a Guarantor's 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 is voided, holders of the Notes could lose the benefit of the security interest and may not be able to recover any amounts under the related Security Documents.

It should be noted that: (i) under Article 64 of the Italian Bankruptcy Law, subject to certain limited exceptions, all transactions carried out by the insolvent debtor for no consideration are ineffective *vis -a-vis* creditors if entered into by the debtor in the two-year period prior to the insolvency declaration, and (ii) under Article 65 of the Italian Bankruptcy Law, payments of receivables falling due on the day of the insolvency declaration or thereafter are ineffective *vis-a-vis* creditors, if made by the bankrupt entity in the two-year period prior to insolvency.

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.

LISTING AND GENERAL INFORMATION

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 in accordance with the rules and regulations of that exchange.

For so long as any of the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices with respect to the Notes will be published on the official website of the Luxembourg Stock Exchange (www.bourse.lu). Such notices may instead be published in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxembourger Wort*) or if, in the opinion of the Issuer such publication is not practicable, in an English language newspaper having general circulation in Europe.

For so long as the Notes are listed on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, copies of the following documents may be inspected and obtained at the specified office of the Paying Agent during normal business hours on any weekday:

- this Offering Memorandum;
- the organizational documents of the Issuer and the Guarantors;
- our most recent audited consolidated financial statements;
- the Indenture;
- the Intercreditor Agreement; and
- other material agreements described in this Offering Memorandum as to which we specify that copies thereof will be made available.

We will maintain a Registrar in Luxembourg for as long as any of the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange. The current paying agent and transfer agent is The Bank of New York Mellon, London Branch. We reserve the right to vary such appointment and we will publish notice of such change of appointment on the website of the Luxembourg Stock Exchange or in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

Clearing Information

The Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Clearstream and Euroclear under Common Codes and , respectively. The international securities identification number ("**ISIN**") for the Notes sold pursuant to Regulation S is XS and the ISIN for the Notes sold pursuant to Rule 144A is XS .

Legal Information

Issuer

The Issuer is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy. The Issuer is registered with the Companies' register of Milan, Monza, Brianza and Lodi under registration number and fiscal code 08672310961. The LEI code of the Issuer is 984500D74F7AB47FCW98. The registered office of the Issuer is at Via Alessandro Manzoni n. 30, 20121, Milan, Italy. The Issuer has an authorized share capital of €50.0 million, fully paid up and composed of 1.0 million ordinary shares. The Issuer's financial year runs from January 1 to December 31. The Issuer obtained, or will obtain before the Issue Date, all necessary consents, approvals and authorizations 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 was authorized by resolutions of the board of directors of the Issuer taken on , 2021.

No Material Adverse Change

Except as disclosed in this Offering Memorandum, there has been no material adverse change in our consolidated financial and trading position since the date of our last published financial statements.

Litigation

Except as disclosed in this Offering Memorandum, we are not involved in and have no knowledge of any threatened litigation, administrative or governmental proceedings or arbitration which would have a material adverse impact on our results of operation or financial condition, prospects or on the issue and offering of the Notes.

ANNEX A: SUMMARY OF CERTAIN DIFFERENCES BETWEEN ITALIAN GAAP AND IFRS

This Offering Memorandum contains historical financial information derived from the Consolidated Financial Statements, prepared in accordance with Italian GAAP.

The information below summarizes certain differences between Italian GAAP and IFRS that may be material to the financial information included in this Offering Memorandum. We have not prepared a qualitative or quantitative reconciliation of the Consolidated Financial Statements and related footnote disclosure between Italian GAAP and IFRS; accordingly, we cannot assure you that this summary is complete. In making an investment decision, you must rely upon your examination of the Target and its consolidated subsidiaries and the financial statements included elsewhere in this Offering Memorandum. You should consult your own professional advisers for an understanding of the differences between Italian GAAP and IFRS and how those differences might affect the financial information included in this Offering Memorandum.

The differences highlighted below reflect only those differences in accounting policies in force at the time of the preparation of the Consolidated Financial Statements. All the differences indicated below are applicable to the Consolidated Financial Statements. No attempt has been made to identify future differences between Italian GAAP and IFRS, as the result of prescribed changes in accounting standards, transactions or events that may occur in the future. Regulatory bodies that promulgate Italian GAAP and IFRS have significant ongoing projects that could affect future comparisons, such as this one between Italian GAAP and IFRS. Future developments or changes in Italian GAAP and IFRS may give rise to additional differences between Italian GAAP and IFRS, which could have a significant impact on the Target and its consolidated subsidiaries.

1. INTANGIBLE ASSETS

a) Acquisition related costs

Italian GAAP

Accounting for acquisition related costs are not specifically addressed by Italian GAAP. According to the common accounting practice, acquisition related costs can be considered part of the consideration transferred or capitalized under intangible assets.

IFRS

Acquisition related costs such as finder's fees, advisory, legal, accounting and other professional fees are not part of the consideration transferred and they are accounted for as an expense when the acquirer consumes the related services.

b) Transaction costs related to capital increase

Italian GAAP

According to Italian GAAP, costs directly attributable to the equity transaction may be directly recorded in the income statement or capitalized as intangible assets and amortized over the expected period of utilization, which cannot however exceed five years starting from the year in which the costs were incurred.

IFRS

Costs directly attributable to the equity transaction, such as fees paid to lawyers, accountants, and investment bankers for a capital increase, are accounted for as a deduction from equity, net of any related income tax benefit.

c) Goodwill

Italian GAAP

Goodwill must be amortized over its estimated useful life or, if the estimated useful life cannot be estimated, over a maximum of ten years. For the existing goodwill recognized prior to July 1, 2016, the previous accounting criteria described in the previous paragraph can be maintained until the end of the amortization period.

IFRS

Goodwill is the excess of the fair value of the consideration transferred, the amount of any non-controlling interest recognized and the fair value of identifiable assets, liabilities and contingent liabilities acquired. Goodwill should not be amortized but should be reviewed for impairment at least annually at the cash-generating-unit level.

d) Amortization

Italian GAAP

The amortization method used for intangible assets shall be disclosed for each class of intangible assets together with the useful life. Furthermore, under Italian GAAP, the amortization period of certain assets category (such as start-up costs, development costs) cannot exceed five years.

IFRS

The amortization method used for intangible assets with finite useful lives, shall be disclosed for each class of intangible assets.

2. PROPERTY, PLANT AND EQUIPMENT

Italian GAAP

Under OIC tangible assets are measured with a cost model meaning costs less any accumulated depreciation and any accumulated impairment. Under OICs and according to the Civil Code, revaluations permitted only if authorized by specific laws. In such cases the revaluation does not represent a gain to be accounted on Profit or Loss but it will be credited into a specific reserve ("*III - Riserve di Rivalutazione*") within equity.

IFRS

IFRS provides two measurement models:

i) the cost model, in which an asset is recognised at cost less any accumulated depreciation and any accumulated impairment losses, and

ii) the revaluation model, in which items of property, plant and equipment are measured at fair value. If an entity opts for the revaluation model, it shall apply that model to the entire class of property, plant and equipment.

Whichever accounting policy is selected, it is required to be applied to entire classes of property, plant and equipment. Please note that according to IFRS the revaluation of assets is never permitted if the cost model is adopted by the company, even if authorized by specific laws.

3. INVESTMENT IN NON-CONSOLIDATED SUBSIDIARIES

Italian GAAP

According to Italian GAAP, all investments in subsidiaries are consolidated except when not significant, when financial data are not available on timely manner and without significant costs or when the investment is to be sold in the upcoming 12 months.

IFRS

In accordance with IFRS, all investments in subsidiaries are consolidated.

4. INVENTORY

Italian GAAP

According to Italian GAAP, inventory can be evaluated with the following methods: FIFO (first it first out), LIFO (last in first out) and average costs.

IFRS

IAS 2 does not allow the LIFO method in the inventory valuation. Only FIFO or Weighted Average Cost can be applied.

5. PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES (TFR)

Italian GAAP

Provisions for employee severance indemnities (TFR) includes the indemnity to be paid on termination of the employees, calculated in conformity with regulations and the collective contracts in place. TFR is not discounted and it is calculated as if all the employees left the Target Group at the balance sheet date.

IFRS

According to IAS 19, Provisions for employee severance indemnities (TFR) must take into consideration the estimated provision to be paid to the employees when they effectively will leave the company. This provision needs to be discounted appropriately, based on the personnel rotation, the expected interest rate and the life expectation.

Following the implication of the Italian law No. 296 of December 27, 2006, TFR can be split into two different parts: i) TFR from 1 January 2007 onward is considered a Defined Contribution Plan and no actuarial calculation is necessary; and ii) TFR accrued since 31 December 2006 is a Defined Benefit Plan and an actuarial calculation is required.

6. DEBT ISSUANCE COSTS

Italian GAAP

According to Italian GAAP, loans are measured at amortised cost using the effective interest rate method. Debt issuance costs are included in the calculation of the effective interest rate and consequently amortised as interest expenses through income statement over the term of the loan. For the existing debt issuance costs recognized prior to July 1, 2016, the previous accounting criteria that included the capitalization of costs can be maintained until the end of the amortization period.

IFRS

According to IFRS, loans are measured at amortised cost using the effective interest rate method. Debt issuance costs are included in the calculation of the effective interest rate and consequently amortised as interest expenses through income statement over the term of the loan. Obtaining a waiver from lenders with respect to a change of control would be considered a cost related to a debt modification. Under IFRS 9, the company must perform the 10% test to determine if it is an extinguishment. This fee may be included or excluded from the calculation based on the company's accounting policy. Per IFRS 9, "if the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability."

7. BUSINESS COMBINATIONS

Italian GAAP

According to Italian GAAP, business combination accounting criteria requires separate recognition of the acquirer's identifiable assets, liabilities and contingent liabilities that existed at the date of acquisition. These assets and liabilities must be recognized at fair value at the date of acquisition. However, in accordance with Italian GAAP, there is no specific guidance related to the definition of a business combination. Classification of a business combination is largely dependent on the legal form of the vehicle which has been acquired.

In addition, accounting for business combinations under common control is not specifically addressed by Italian GAAP. According to the common accounting practice, assets and liabilities acquired are measured at fair value in the financial statements. Goodwill arises as the difference between the price and the fair value of the net assets acquired.

IFRS

IFRS 3 *Business Combinations* ("IFRS 3") outlines the accounting when an acquirer obtains control of a business, such as an acquisition or merger. Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. A business combination is a transaction or event in which an acquirer obtains control of one or more businesses. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors or other owners, members or participants (IFRS 3 Appendix A).

IFRS 3 is not applicable to business combination under common control, where the business is ultimately controlled by the same parties both before and after the business combination. There is currently no guidance in IFRS on the accounting treatment for combinations among entities under common control. In this case, management shall develop a policy that is relevant to the decision- making needs of users and that is reliable. For these cases, according to common principles normally used, no assets and liabilities are restated to their fair values but they are incorporated at the predecessor carrying values and no new goodwill arises.

8. REVENUE RECOGNITION

a) Recognition criteria

Italian GAAP

Accounting treatment is mainly based on the legal form of the transaction. In particular, revenue recognition focuses on the concept of realization, transfer of legal right and of risk of asset ownership and on performance of services and, under a broader approach, the revenues recognition must fall under the general assumptions for the preparation of the Financial Statements (i.e. accrual and costs/revenues correlation principles)

IFRS

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when (or as) the entity satisfies a performance obligation.

9. LEASE

Italian GAAP

Rental costs, in the Separate Financial Statements, are accounted for on accrual basis. Whereas Rental costs in the Consolidated Financial Statement level are accounted for in accordance with the former provisions of IAS 17, thus including the accounting under the financial method for Financial Lease.

IFRS

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless

(i) the lease term is 12 months or less or

(ii) the underlying asset has a low value.

Upon lease commencement a lessee recognizes a right-of-use asset and a lease liability.

The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate (i.e. the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment).

10. DEFERRED TAX ASSETS

Italian GAAP

Deferred tax assets are classified without provide disclosure of current and non-current.

IFRS

Deferred tax assets are classified within non-current assets.

11. PRESENTATION AND DISCLOSURE REQUIREMENTS

IFRS requires for certain elements of the financial statements to provide wider and more detailed presentations and disclosures than Italian GAAP. Major differences relate to:

- a comprehensive income statement is not required under Italian GAAP;
- a statement of comprehensive income basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of the parent entity and for profit or loss attributable to the ordinary equity holders of the parent entity for each class of ordinary shares is not required under Italian GAAP;
- the disclosure requirements of IFRS 9/IFRS 7 in relation to Financial Instruments (including receivables, payables and loans). For example, IFRS requires the inclusion of information about ageing of receivables, while Italian GAAP does not;
- segment information which is not required under Italian GAAP.

INDEX TO FINANCIAL STATEMENTS

SSCP GREEN HOLDINGS SCA

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2021

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET

(in millions of €)	Notes	As of June 30, 2021	As of December 31, 2020
Goodwill	5	70.4	88.3
Other intangible assets	6	4.8	4.4
Property, plant and equipment	7	250.6	259.8
Investments	8	0.5	0.5
Other non-current financial assets	9	1.8	1.9
Non-current Assets		**328.1**	**354.9**
Inventories	10	21.1	20.1
Trade receivables	11	91.8	80.2
Tax receivables	12	5.2	3.9
Deferred tax assets	13	4.4	4.4
Other current assets	14	3.7	4.6
Cash and cash equivalents	15	66.2	39.1
Accrued income and prepaid expenses	16	3.8	2.2
Current Assets		**196.2**	**154.5**
Total Assets		**524.3**	**509.4**
Share capital		13.8	13.8
Reserves		218.2	218.2
Retained earnings/(losses)		(64.3)	(54.2)
Profit/(loss) for the period attributable to the owners of the Parent		0.8	(10.1)
Equity attributable to the owners of the Parent	17	**168.5**	**167.7**
Share capital and reserves of non-controlling interests		4.8	3.9
Profit/(loss) for the period attributable to non-controlling interests		1.3	3.1
Equity attributable to non-controlling interests	17	**6.1**	**7.0**
Equity	17	**174.6**	**174.7**
Non-current financial liabilities	18	130.1	140.9
Other non-current financial liabilities	19	29.7	29.5
Provisions for employee severance indemnities	20	6.4	6.3
Provisions	21	10.1	10.3
Deferred tax liabilities	22	—	1.3
Non-current Tax and social security liabilities	24	1.7	3.4
Non-current Liabilities		**178.0**	**191.7**
Current financial liabilities	18	43.7	26.6
Other current financial liabilities	19	1.5	1.4
Trade payables	23	85.4	81.0
Current Tax and social security payables	24	24.2	11.8
Other current liabilities	25	14.9	21.2
Accrued expense and deferred income	26	1.9	1.0
Current Liabilities		**171.6**	**143.0**
Total Equity and Liabilities		**524.3**	**509.4**

CONDENSED CONSOLIDATED INCOME STATEMENT

(in millions of €)	Notes	For the six months ended June 30, 2021	2020
Revenue	27	223.0	147.8
Other income	28	1.9	0.8
Change in work in progress, semi-finished and finished product inventories		1.4	(3.7)
Total revenue and other operating income		**226.3**	**144.9**
Purchase, services and other charges	29	(146.9)	(107.3)
Personnel costs	30	(23.0)	(19.1)
Other operating costs	31	(5.0)	(5.7)
Provisions for risks and charges	21	0.3	2.0
Depreciation and amortization	32	(36.1)	(20.9)
Impairment of receivables	11	(0.9)	(0.2)
Total costs		**(211.6)**	**(151.2)**
Operating result		**14.7**	**(6.3)**
Financial expenses	33	(5.5)	(5.2)
Profit (loss) before taxation		**9.2**	**(11.5)**
Income taxes	34	(7.1)	(2.1)
Profit (loss) for the period		**2.1**	**(13.6)**
Profit (loss) for the period attributable to:			
- owners of the parent	18	0.8	(15.0)
- non-controlling interests	18	1.3	1.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of €)	As of January 1, 2020	Allocation of Result prior year	Change consolidation reserve	Dividend distribution	Change in scope of consolidation	Change in fair value of cash flow hedge derivatives	Profit/(loss) for the period	Other variation	As of June 30, 2020
Share capital	13.8								13.8
Share premium reserve	59.2								59.2
Cash flow hedge reserve	(0.7)				0.1				(0.6)
Consolidation reserve	0.2		0.7						0.9
Retained earnings/(losses)	(43.5)	(10.7)							(54.2)
Profit/(loss) for the period attributable to the owners of the Parent	(10.7)	10.7					(15.0)		(15.0)
Total Equity attributable to the owners of the Parent	**18.3**	**—**	**0.7**		**0.1**		**(15.0)**		**4.1**
Capital and reserves attributable to non-controlling interests	2.0	2.6							4.6
Profit/(loss) for the period attributable to non-controlling interests	2.6	(2.6)					1.4		1.4
Total Equity attributable to non-controlling interests	**4.6**	**—**					**1.4**		**6.0**
Total Equity	**23.0**	**—**	**0.7**		**0.1**		**(13.6)**		**10.1**

(in millions of €)	As of January 1, 2021	Allocation of Result prior year	Change consolidation reserve	Dividend distribution	Change in scope of consolidation	Change in fair value of cash flow hedge derivatives	Profit (loss) for the period	Other variation	As of June 30, 2021
Share capital	13.8	—	—	—	—	—	—	—	13.8
Share premium reserve	59.2	—	—	—	—	—	—	—	59.2
Revaluation reserve – Law Decree 104/2020	158.5	—	—	—	—	—	—	—	158.5
Cash flow hedge reserve	(0.4)	—	—	—	—	—	—	—	(0.4)
Consolidation reserve	0.9	—	—	—	—	—	—	—	0.9
Retained earnings/(losses)	(54.2)	(10.1)	—	—	—	—	—	—	(64.3)
Profit/(loss) for the period attributable to the owners of the Parent	(10.1)	10.1	—	—	—	—	0.8	—	0.8
Total Equity attributable to the owners of the Parent	**167.7**	**—**	**—**	**—**	**—**	**—**	**0.8**	**—**	**168.5**
Capital and reserves attributable to non-controlling interests	3.9	3.1	—	(2.1)	—	—	—	—	4.8
Profit/(loss) for the period attributable to non-controlling interests	3.1	(3.1)	—	—	—	—	1.3	—	1.3
Total Equity attributable to non-controlling interests	**7.0**	**—**	**—**	**(2.1)**	**—**		**1.3**	**—**	**6.1**
Total Equity	**174.7**	**—**	**—**	**(2.1)**	**—**		**1.6**	**—**	**174.6**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(in millions of €)	For the six months ended June 30, 2021	2020
Profit / (loss) for the period	2.1	(13.6)
Income taxes	7.1	2.1
Financial interest	5.5	5.2
Provision for risks and charges	3.8	1.4
Amortization and depreciation	36.1	20.9
Cash flow from operating activities before changes in net working capital	*54.6*	*16.0*
Change in trade receivables	(11.6)	3.3
Change in inventories	(1.0)	2.4
Change in trade payables	4.4	(17.8)
Change in accrued income and prepaid expenses	(1.6)	(0.9)
Change in accrued expense and deferred income	0.8	0.6
Other assets and liabilities	(7.4)	4.8
Cash used in operating activities after changes in net working capital	*38.3*	*8.4*
Income taxes paid	—	(3.8)
Change in provision for risks and charges	(4.0)	(3.5)
Interest received/paid	(1.5)	(3.5)
Net cash (outflow)/inflow from operating activities	**31.8**	**(2.4)**
Investment in intangible assets	(0.9)	(0.4)
Disinvestments in intangible assets	0.1	—
Investment in property, plant and equipment	(9.1)	(5.8)
Disinvestment in property, plant and equipment	0.9	—
Business combination	—	(18.5)
Net cash used in investing activities	**(9.0)**	**(24.7)**
Increase in short-term bank debt	4.9	14.3
Increase/(decrease) in Financial payables due to other financial institutions	0.3	(3.3)
Increase in Long-term financial debt assumption	9.3	7.5
Repayment of loans	(8.1)	(3.3)
Dividends paid	(2.1)	—
Net cash flow from financing activities	**4.3**	**11.0**
Net cash flow for the period	**27.1**	**(16.1)**
Cash and cash equivalents at the beginning of the period	**39.1**	**54.1**
Cash and cash equivalents at the end of the period	**66.2**	**38.0**

EXPLANATORY NOTES TO THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2021

Note 1. **General information about the Group**

SSCP GREEN HOLDINGS SCA (the "Parent Company") was incorporated on December 14, 2015, and is organised under the laws of Luxembourg as a *Société en commandite par actions* for an unlimited period, with registered office at 8, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg, whose controlling shareholder is the company STIRLING SQUARE CAPITAL PARTNERS.

SSCP GREEN HOLDINGS SCA and its subsidiaries (the "Group") operate in the regeneration of waste oil, the purification of waste solvents, and the responsible management of a wide range of industrial waste. Through advanced technologies and continuous investments, the Group helps safeguard natural resources and improve quality of life, with sustainable processes, products and solutions for waste management and the optimization of served markets. It has more than 50 years of industrial history founded on the principles of the circular economy starting before it was considered the economy of the future, involving customers, suppliers, institutions, local and global communities in creating economic, environmental and social value.

Note 2. **Basis of presentation**

The Half-yearly Condensed Consolidated Financial Statements include the Condensed Consolidated Balance Sheet, the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Changes in Shareholders' Equity, the Condensed Consolidated Cash Flow Statement and the Explanatory Notes which were approved by the Board of Directors of SSCP Green Holdings SCA on September 3, 2021. These Half-yearly Condensed Consolidated Financial Statements have been prepared in accordance with the accounting standard issued by the Italian Accounting Organization (Organismo Italiano di Contabilità, O.I.C.) and in particular OIC 30 pursuant to the provision of the Italian Civil Code. In preparing the Half-yearly Condensed Consolidated Financial Statements, however, the Directors reclassified and renamed certain line items in order to render them more easily comparable to the financial information of entities that apply IFRS. These Half-yearly Condensed Consolidated Financial Statements are prepared in accordance with Italian GAAP.

The Half-yearly Condensed Consolidated Financial Statements have been prepared in accordance with the same principles of consolidation and accounting policies described in the last Consolidated Financial Statements (see the related report for more information). Consistently with the requirements of OIC 30, the Half-yearly Condensed Consolidated Financial Statements include selected explanatory notes.

Current income taxes have been calculated based on the estimated taxable profit for the interim period. Current income tax assets and liabilities have been measured at the amount expected to be paid from the taxation Authorities, using tax laws that have been enacted or substantively enacted by the end of the reporting period and the tax rates estimated on an annual basis.

The items reported in the Half-yearly Condensed Consolidated Financial Statements are stated in accordance with the general principles of prudence and accruals and in accordance on going concern basis and taking account of the economic function of the assets and liabilities.

The Half-yearly Condensed Consolidated Financial Statements are shown in Euro, which is the functional currency of the Group and its subsidiaries. All amounts shown in this document are expressed in millions of Euro, unless otherwise specified. Certain numerical figures set out in this Half-yearly Condensed Consolidated Financial Statements, including financial data presented in millions and certain percentages, have been subject to rounding adjustments and, as a result, the totals of the data in columns or rows of tables in this Half-yearly Condensed Consolidated Financial Statements may vary slightly from the actual arithmetic totals of such information.

Covid-19 pandemic

In 2020, the national and international scenario was characterized by the spread of the Covid-19 pandemic and the consequent restrictive measures for its containment by the public authorities of the countries concerned.

In December 2019, a novel strain of coronavirus surfaced and, since then, has spread around the globe, including in Italy. The resulting disease, COVID-19, has been declared a pandemic by the World Health Organization. In response to the COVID-19 pandemic, on March 9, 2020, the Italian government imposed a nationwide quarantine together with several other measures. As a result of these restrictive measures, the Group transitioned a portion of its workforce to remote working and experienced operational difficulties; the plants in Pieve Fissiraga and in Ceccano were closed for several weeks between April and June 2020 resulting in a decrease of volume of waste oil processed of approximately 68% compared to the corresponding period of 2019; furthermore, the collection, transportation and storage activities of Environment business unit experienced a slowdown between March and June 2020.

Additionally, even though the nationwide quarantine in Italy was lifted on May 4, 2020, significant restrictions and social distancing measures remain in place, which continue to adversely affect the overall Italian economy and, in turn, Group’s operations and Group’s customers’ operations.

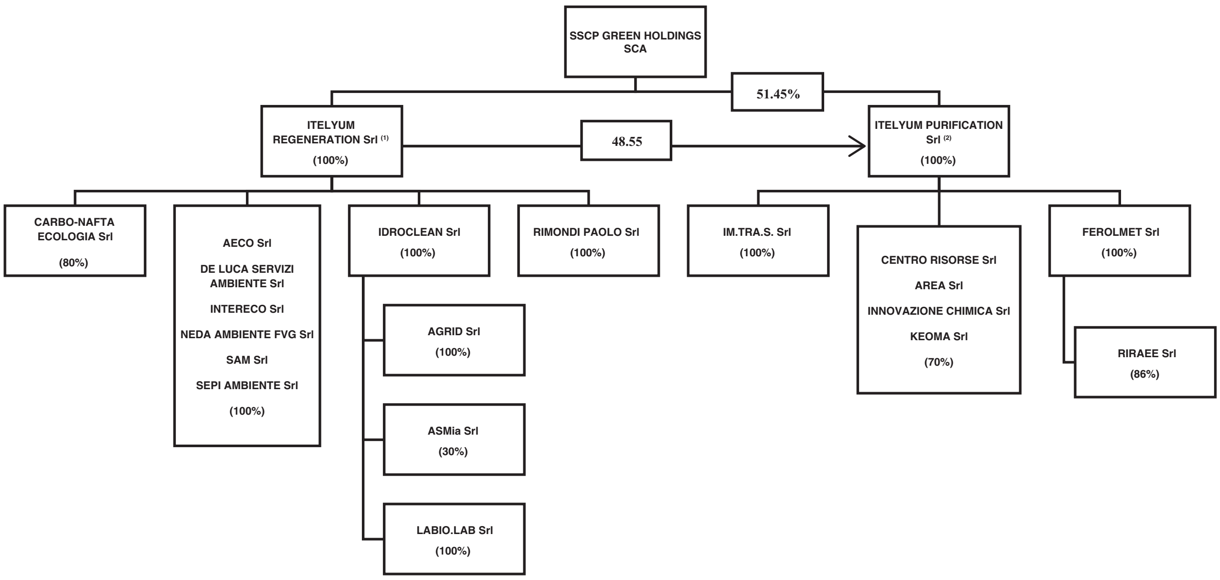
These circumstances have created a context of uncertainty that has distorted the pursuit of the strategic objectives set in place by the Group in recent years, and have created significant impacts on the results of 2020, both in terms of revenues and margins in particular in the segment of Regeneration during the lockdown imposed by the Italian government.

The Group has not suffered financial tensions in net working capital management following the spread of Covid-19 pandemic. As a result of the reduction in revenues and margins, Itelyum Regeneration S.r.l. during 2020 agreed with financial institutions an amendment to the financial covenants related to its medium-long term loans for the year ended December 31, 2020 and the following years.

Note 3. **Scope of consolidation and presentation of the Consolidated Financial Statements**

The global spread of the Covid-19 pandemic and the associated restrictions continued in 2021 to varying degrees. The progress made by many countries in administering vaccines to their populations had a positive effect, while the emergence of new variants of the virus led to a renewed rise in infections at a national level. Compared with the prior year period, the global economy recorded positive growth. Performance during the first half of 2021 is in part dependent on the extent to which the negative impacts of the Covid-19 pandemic were already materializing and the degree of intensity applied to the measures taken to contain the spread.Scope of consolidation and presentation of the Half-yearly Condensed Consolidated Financial Statements

The scope of consolidation of the Group was determined by referring to the legal control that the Parent Company exercises over its subsidiaries. The following is the structure of the Group as of June 30, 2021:



(1) The company Itelyum Regeneration Srl and its subsidiaries corresponds to the Group Itelyum Regeneration.
(2) The company Itelyum Purification Srl and its subsidiaries corresponds to the Group Itelyum Purification.

The scope of consolidation at June 30, 2021, unchanged respect to scope of consolidation at December 31, 2020, therefore includes, the following companies:

Company	Control	Percentage Holding
SSCP Green Holdings SCA	Holding	—
AECO S.r.l.	Indirect	100.0%
AGRID S.r.l.	Indirect	100.0%
AREA S.r.l.	Indirect	70.0%
ASMia S.r.l. (1)	Indirect	30.0%
CARBO-NAFTA ECOLOGIA S.r.l.	Indirect	80.0%
CENTRO RISORSE S.r.l.	Indirect	70.0%
DE LUCA SERVIZI AMBIENTE S.r.l.	Indirect	100.0%
ECOAUSILIA S.r.l.	Indirect	100.0%
ECOSERVE S.r.l.	Indirect	100.0%
FEROLMET S.r.l.	Indirect	100.0%
IDROCLEAN S.r.l.	Indirect	100.0%
IM.TRA.S. S.r.l.	Indirect	100.0%
INNOVAZIONE CHIMICA S.r.l.	Indirect	70.0%
INTERECO S.r.l.	Indirect	100.0%
ITELYUM PURIFICATION S.r.l.	Direct	100.0%
ITELYUM REGENERATION S.r.l.	Direct	100.0%
KEOMA S.r.l.	Indirect	70.0%
LABIO.LAB S.r.l.	Indirect	100.0%
NEDA AMBIENTE FVG S.r.l.	Indirect	100.0%
RECOIL S.r.l.	Indirect	100.0%
RIMONDI PAOLO S.r.l.	Indirect	100.0%
RIRAEE S.r.l.	Indirect	86.0%
SAM S.r.l.	Indirect	100.0%
SEPI AMBIENTE S.r.l.	Indirect	100.0%

(1) Idroclean S.r.l. holds 30% of ASMia S.r.l. but it is consolidated by the 68% in the Consolidated Income Statement and by the 30% in the Consolidated Balance Sheet, on the basis of contractual rights.

Note 4. **Consolidation accounting principles**

The Half-yearly Condensed Consolidated Financial Statements are prepared in accordance with the provisions of the accounting standard OIC 17.

The subsidiaries are included in the Half-yearly Condensed Consolidated Financial Statements from the date in which the Parent Company acquires control and are no longer consolidated from the date in which the Parent Company loses control.

The financial statements of companies included in the Half-yearly Condensed Consolidated Financial Statements are consolidated on a line-by line basis. The main consolidation criteria, consistently applied year over year described herein, are as follows:

- the carrying amount of investments in consolidated subsidiaries is eliminated against the corresponding net equity; positive differences are allocated, where possible and gross of the related tax effect, to the subsidiaries' assets;
- Any non-attributable residual amount calculated at the date of acquisitions, represents goodwill and is recognized as intangible assets and amortized over its estimated useful life. Any negative residual, if it is attributable to the forecast of unfavorable results, is recognized in the "Consolidation provision for future risks and charges"; in the event that there is no such forecast of future results, it is entered in a line of consolidated shareholders' equity, labelled "Consolidation reserve";
- all payables, receivables, revenue and costs, including any unrealized profit and losses, with the related tax effect, deriving from transactions between subsidiaries and the parent company or between subsidiaries are eliminated upon consolidation;
- deferred or prepaid taxes are calculated on the temporary differences between the taxable income and the economic result of the companies included in the consolidation;

- the portion of the Profit/(loss) for the period attributable to non-controlling interest is recognized on the basis of the corresponding percentage of Shareholders' equity not owned by the Parent Company;
- the portion of the Equity attributable to non-controlling interests is recognized on the basis of the percentage not owned by the Parent Company.

Use of estimates

The preparation of the current Half-yearly Condensed Consolidated Financial Statements requires management's estimates and assumptions on the values of the assets and liabilities in the financial statements and on the information relating to the assets and potential liabilities at the Condensed Consolidated Financial Statement date. The estimates and assumptions used are based on past experience and other factors considered relevant. However, actual results could differ from the estimates.

Estimates and assumptions are reviewed periodically and the impacts of any resulting changes are recognized directly in the income statement in the period in which the estimates are revised, if the revision impacts only that period, or also in future periods, if the revision impacts both the current and future periods. The most significant accounts concerned by these uncertainties are (i) the valuation of goodwill; (ii) the evaluation of the recoverable value of property, plant and equipment, goodwill and other intangible assets after the execution of the impairment test exercise and (iii) the depreciation of Property, plant and equipment and the amortization of Goodwill and Other intangible assets; (iv) the environmental liabilities; (v) the bad debt provision; (vi) the provision for risks and charges; (vii) the inventory obsolescence provision.

Valuation of Goodwill

With reference to the valuation of Goodwill, it involves a complex procedure that requires the application of various valuation methods, including the identification and measurement of the fair value of the assets acquired and the liabilities taken on. These methods use the following inputs: historical information, forecasts based on estimates or on observation of the market e.g. the royalty rate for the use of comparable assets, the discount rate, the residual useful life of the assets acquired, etc.

Evaluation of the recoverable value of property, plant and equipment, goodwill and other intangible assets

With reference to the measurement of the recoverable value of the goodwill, other intangibles assets and property, plant and equipment, the Directors, conducted three different impairment tests, one for the Regeneration, one for the Purification and one for Environmental as of December 31, 2020. The aforementioned impairment tests were still considered applicable as of June 30, 2021 considering both the plan and the forecasts used - for which no events emerged that could materially modify the validity - and the stress tests carried out. The forecasts are based on the assumptions characterized in any case by intrinsic uncertainty, both with reference to macroeconomic and sector conditions as well as specific conditions tied to the Group, also based on the current status and knowledge of the pandemic crisis available at the time the estimate was made, which is inherently uncertain, any change of which—currently unpredictable—might result in final results that are different than what is estimated, which might require at consolidated level an impairment loss.

Depreciation of Property, plant and equipment and the amortization of Goodwill and Other intangible assets

With reference to the depreciation of Property, plant and equipment and the amortization of Goodwill and Other intangible assets, the depreciation rates of the Property, plant and equipment and the amortization rates of Goodwill and Other intangible assets are calculated based on the best estimate of the residual useful life of the assets linked to production made by the Group's technicians and Directors.

As detailed in Consolidated Financial Statements as of December 31, 2020, 2019 and 2018, in 2020, the Group exercised the option provided by art. 110 of Italian Law Decree 104/2020, converted into Law no. 126 of October 13, 2020, and registered the revaluation of selected Property, plant and equipment. The subsidiaries which carried out the revaluations in 2020 are: Itelyum Regeneration S.r.l., S.E.P.I. Ambiente S.r.l., De Luca Servizi Ambiente S.r.l., Intereco S.r.l., Carbo-Nafta Ecologia S.r.l., Rimondi Paolo S.r.l., Neda Ambiente FVG S.r.l., Idroclean S.r.l., Agrid S.r.l., Labiolab S.r.l., Itelyum Purification S.r.l., Imtras S.r.l., Centro Risorse S.r.l., Innovazione Chimica S.r.l., Keoma S.r.l. and Ferolmet S.r.l..

As of December 31, 2020, on the basis of the expert estimate, the Group has entered higher values in Property, plant and equipment for € 168.5 million. The expert estimate attests that the net book value after revaluation does not exceed the recoverable amount likely to be attributable in relation to the production capacity and the possibility of using the abovementioned Property, plant and equipment by the companies and in relation to its current value.

For the purposes of the revaluation, the Group used the accounting technique of increasing the historical cost (gross amount) up to the level of fair value of the asset and for the difference by reducing the accumulated depreciation, taking into account, however, that, in the case where the fair value of the asset was equal to or less than the gross amount of the asset, the relative accumulated depreciation was decreased, while in the case where the fair value of the asset was higher the gross amount has been increased.

As a result of the assessment carried out, the Group also choose to an extension of the period of the original depreciation, resulting from an assessment by the Directors of the residual useful life of the assets, also on the basis of the aforementioned expert estimate.

Environmental liabilities

The Group is subject, in relation to its activities, to numerous laws and regulations on environmental protection at European, national, regional and local level, including the laws which implement international conventions and protocols relating to the activities carried out.

The measurement of future liabilities in connection with reclamation and restoration obligations in relation to sites and/or land on which the Group carries out its business is a complex process based on technical and financial assumptions made by the Group's management and supported by independent experts where necessary. The estimates are reviewed annually to verify that the amounts recorded are the best reflection of the costs the Group will face. If any significant variations are found, the amounts are adjusted. The key factors for revising cost estimates are the developments in the Group's operations, technologies and the environmental regulations.

Measurement of environmental liabilities recorded in the financial statements take into account the environmental legislation currently in force. However, this measurement could be subject to variations, even to a significant extent, in relation to: (i) the possibility of further contamination arising; (ii) the results of current and future refurbishment and the other possible effects arising from the application of the laws in force; (iii) the possible effects of new laws and regulations for environmental protection; (iv) the effects of any technological innovations for environmental cleansing; and (v) the possibility of disputes concerning the environmental liability for specific sites and the difficulty of determining the potential consequences of this, including in relation to the liability of other parties and any indemnity.

Provisions for risks and charges and bad debt provision

Regarding the provisions for risks and charges and the bad debt provision, the Half-yearly Condensed Consolidated Financial Statements reflects the estimate of liabilities and the collectability of the assets based on the best knowledge of solvency of the counterparts and the state of litigation, using the information provided by the legal and tax advisors, who assist the Group as well as considering outstanding contracts with the counterparts. The estimate of the risks is subject to uncertainties and it cannot be excluded that in future fiscal years, costs which cannot currently be estimated, might arise due to a worsening of the state of litigation and the level of counterparts' solvency.

Inventory obsolescence provision

The inventory obsolescence provision reflects the management's estimate of the Group's expected losses in value, determined on the basis of past experience. Abnormal market price trends could have repercussions in future inventory write-downs.

Analysis of Balance Sheet items

Note 5. **Goodwill**

As of June 30, 2021, and December 31, 2020, Goodwill amount respectively to € 70.4 million and to € 88.3 million.

Goodwill is detailed as follow:

(in millions of €)	As of December 31, 2020	Increase	Other	As of June 30, 2021
Historical cost	169.5	0.2	(0.7)	169.0
Accumulated amortization	(81.2)	(17.3)	—	(98.5)
Net book value	**88.3**	**(17.1)**	**(0.7)**	**70.4**

As of June 30, 2021, and December 31, 2020, Goodwill is allocated as follow:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Purification	34.2	35.8
Regeneration	22.2	24.6
Environment	14.0	27.9
Goodwill	**70.4**	**88.3**

Increase of the six months ended June 30, 2021 relate to Environment: Intereco for € 0.2 million.

Note 6. **Other intangible assets**

As of June 30, 2021, and December 31, 2020, Other intangible assets amount respectively to € 4.8 million and to € 4.4 million.

Other intangible assets are detailed as follow:

(in millions of €)	As of December 31, 2020	Additions	Disposals	Reclassifications	Other changes	As of June 30, 2021
Historical cost						
Start up and formation expenses	4.6	0.4	—	—	—	5.0
Development costs	0.5	—	—	—	—	0.5
Industrial patents and similar intellectual property rights	2.6	—	(0.1)	—	—	2.5
Concessions, licenses, trademark and similar rights	0.5	—	—	—	—	0.5
Other intangible assets	12.0	0.1	—	—	0.3	12.4
Intangible assets under construction	0.9	0.4	—	—	—	1.3
Total historical cost	**21.1**	**0.9**	**(0.1)**	**—**	**0.3**	**22.3**
Accumulated amortization						
Start up and formation expenses	(4.3)	(0.1)	—	—	—	(4.4)
Development costs	(0.5)	—	—	—	—	(0.5)
Industrial patents and similar intellectual property rights	(2.2)	(0.1)	—	—	—	(2.3)
Concessions, licenses, trademark and similar rights	(0.4)	—	—	—	—	(0.4)
Other intangible assets	(9.5)	(0.3)	—	—	—	(9.9)
Intangible assets under construction	—	—	—	—	—	—
Total accumulated amortization	**(16.9)**	**(0.5)**	**—**	**—**	**—**	**(17.5)**
Net book value						
Start up and formation expenses	0.3	0.3	—	—	—	0.6
Development costs	—	—	—	—	—	—
Industrial patents and similar intellectual property rights	0.5	(0.1)	(0.1)	—	—	0.3
Concessions, licenses, trademark and similar rights	0.1	—	—	—	—	0.1
Other	2.5	0.1	—	—	0.3	2.6
Intangible assets under construction	0.9	0.4	—	—	—	1.3
Other intangible assets	**4.4**	**0.6**	**(0.1)**	**—**	**0.3**	**4.8**

Note 7. **Property, plant and equipment**

As of June 30, 2021, and December 31, 2020, Property, plant and equipment amount respectively to € 250.6 million and to € 259.8 million.

Property, plant and equipment are detailed as follow:

(in millions of €)	**As of December 31, 2020**	**Additions**	**Disposals**	**Reclassifications**	**Other changes**	**As of June 30, 2021**
Historical cost						
Land and buildings	50.3	—	—	—	—	50.3
Plant and machinery	419.8	0.6	—	0.1	—	420.5
Commercial and industrial equipment	25.9	0.2	(0.5)	(0.1)	0.9	26.3
Other tangible assets	19.8	—	(1.5)	—	—	18.3
Tangible assets under construction	6.1	8.3	—	—	—	14.5
Total historical cost	**521.8**	**9.1**	**(2.0)**	**—**	**0.9**	**529.9**
Accumulated depreciation						
Land and buildings	(23.3)	(0.6)	—	—	—	(23.8)
Plant and machinery	(213.6)	(15.1)	—	—	—	(228.7)
Commercial and industrial equipment	(13.1)	(1.4)	—	—	—	(14.5)
Other tangible assets	(12.0)	(1.1)	—	—	0.7	(12.4)
Tangible assets under construction	—	—	—	—	—	—
Total accumulated depreciation	**(262.0)**	**(18.2)**	**—**	**—**	**0.7**	**(279.4)**
Net book value						
Land and buildings	27.0	(0.6)	—	—	—	26.5
Plant and machinery	206.2	(14.5)	—	0.1	—	191.8
Commercial and industrial equipment	12.7	(0.3)	(0.5)	(0.1)	0.9	11.9
Other tangible assets	7.8	(1.1)	(1.5)	—	0.7	5.9
Tangible assets under construction	6.1	8.3	—	—	—	14.5
Property, plant and equipment	**259.8**	**(9,1)**	**(2.0)**	**—**	**1.6**	**250.6**

Note 8. **Investments**

Investments amounted to € 0.5 million as of June 30, 2021 and to € 0.5 million as of December 31, 2020. Investments are detailed as follows:

(in millions of €)	**As of June 30, 2021**	**As of December 31, 2020**
Ecolombardia 4 S.p.A.	0.1	0.1
Biocalos S.r.l.	0.3	0.3
Other	0.1	0.1
Investments	**0.5**	**0.5**

Note 9. **Other non-current financial assets**

Other non-current financial assets amounted to € 1.8 million as of December 31, 2021 and to € 1.9 million as of December 31, 2020. The breakdown of the caption is detailed below:

(in millions of €)	**As of June 30, 2021**	**As of December 31, 2020**
From affiliated - Asmia	1.7	1.8
From other non-related parties	0.1	0.1
Other non-current financial assets	**1.8**	**1.9**

Note 10. **Inventories**

Inventories amounted to € 21.1 million as of June 30, 2021, and to € 20.1 million as of December 31, 2020, net of Inventory obsolescence provision amounting to € 1.4 million as of June 30, 2021 and € 1.3 million as of December 31, 2020. The breakdown of the caption is detailed below:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Raw materials, consumables and goods	9.3	9.5
Work-in-progress and semi-finished products	3.4	4.1
Finished goods	9.8	7.9
Inventory obsolescence provision	(1.4)	(1.3)
Inventories	**21.1**	**20.1**

The table below shows changes in inventory obsolescence provision:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Opening Inventory obsolescence provision	**(1.3)**	**(0.8)**
Accruals	(0.1)	(0.5)
Utilization	—	—
Releases	—	—
Closing Inventory obsolescence provision	**(1.4)**	**(1.3)**

Note 11. **Trade receivables**

Trade receivables amounted to € 91.8 million as of June 30, 2021, and to € 80.2 million as of December 31, 2020, net of Bad debt provision amounting to € 2.7 million as of June 30, 2021, and € 2.0 million as of December 31, 2020. The breakdown of the caption is detailed below:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Gross trade receivables	94.5	82.2
Bad debt provision	(2.7)	(2.0)
Trade receivables	**91.8**	**80.2**

The following is the change of Bad debt provision for the six months:

(in millions of €)	As of June 30, 2021
Opening Bad debt provision	**(2.0)**
Impairment of trade receivables	(0.9)
Utilization	0.2
Releases	—
Closing Bad debt provision	**(2.7)**

Note 12. **Tax receivables**

Tax receivables amounted to € 5.2 million as of June 30, 2021, and to € 3.9 million as of December 31, 2020. The breakdown of the caption is detailed below:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Receivables from VAT	2.9	1.3
Receivables from tax consolidation (IRES)	1.1	1.2
R&D tax credit	0.2	0.4

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Advances IRAP	0.2	0.2
Excise Duties	0.2	0.2
Advances IRES	—	0.1
IRES tax credit	0.3	0.1
Other tax receivables	0.3	0.4
Tax receivables	**5.2**	**3.9**

"IRAP" means "*imposta regionale sulle attività produttive*", the Italian regional production tax;

"IRES" means "*imposta sul reddito delle società*", the Italian corporate income tax;

Note 13. **Deferred tax assets**

Deferred tax assets amount to € 4.4 million as of June 30, 2021, and € 4.4 million as of December 31, 2020.

Deferred tax assets refer to temporary differences fiscally deductible in future years. For more details, please refer to Note 34 "Income taxes".

Note 14. **Other current assets**

Other current assets amounted to € 3.7 million as of June 30, 2021, and to € 4.6 million as of December 31, 2020.

As of June 30, 2021, it mainly includes € 1.2 million from the fiduciary deposit set up in favor of the previous Ferolmet shareholders to guarantee the payment of the final price of the shares sold; € 0.6 million from the convention with Pieve Fissiraga Municipality related to the acquisition of the land adjacent to the Pieve Fissiraga plant; and € 1.9 million from other receivables.

As of December 31, 2020, it mainly includes € 1.2 million from the fiduciary deposit set up in favor of the previous Ferolmet shareholders to guarantee the payment of the final price of the shares sold; € 0.6 million from the convention with Pieve Fissiraga Municipality related to the acquisition of the land adjacent to the Pieve Fissiraga plant; € 0.6 million from the estimated TEE certificates will be assigned to the Group due to the use of the cogeneration plants; € 0.2 million from margins paid on purchases of CO_2 quotas to be completed in the following year; € 0.2 million from advances paid to suppliers; and € 1.8 million from other receivables.

Note 15. **Cash and cash equivalents**

Cash and cash equivalents amounted to € 66.2 million as of June 30, 2021, and to € 39.1 million as of December 31, 2020. The breakdown of the caption is detailed below:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Cash on hand	—	—
Cash at bank	66.2	39.1
Cash and cash equivalents	**66.2**	**39.1**

Note 16. **Accrued income and prepaid expenses**

Accrued income and prepaid expenses amounted to € 3.8 million as of June 30, 2021, and to € 2.2 million as of December 31, 2020.

Note 17. **Equity**

The breakdown of the caption is detailed below:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Share capital	13.8	13.8
Share premium reserve	59.2	59.2
Revaluation reserve – Law Decree 104/2020	158.4	158.5
Cash flow hedge reserve	(0.4)	(0.4)
Consolidation reserve	0.9	0.9
Retained earnings/(losses)	(64.2)	(54.2)
Profit/(loss) for the period attributable to the owners of the Parent	0.8	(10.0)
Equity attributable to the owners of the Parent	**168.5**	**167.7**
Capital and reserves attributable to non-controlling interests	4.8	3.9
Result for the period attributable to non-controlling interests	1.3	3.1
Equity attributable to non-controlling interests	**6.1**	**7.0**
Equity	**174.6**	**174.7**

Share capital

As of June 30, 2021, the Share capital amounts to € 13.8 million which is divided into 7,036,698 limited ordinary shares, 3,100 unlimited shares and 6,780,973 limited preferred shares, with a nominal value of € 1 per share.

There were no movements on the Share capital during the six months ended June 30, 2021.

Share premium account

The share premium account consists of the share premium of € 59.2 million relating to the limited alphabet shares and limited preferred shares as referred to in Note 37 "Off balance sheet commitments, guarantees and contingent liabilities". An amount of € 30.4 million is allocated to the limited shares premium account and € 28.7 million is allocated to the preferred shares premium account.

Reconciliation of the Parent Company net equity and result and those reported in the Half-yearly Condensed Consolidated Financial Statements

(in millions of €)	Net equity June 30, 2021	Net Result for the six months ended June 30, 2021	Net equity December 31, 2020	Net Result for the year ended December 31, 2020
Financial statements of SSCP	**68.0**	**(0.8)**	**68.7**	**(1.2)**
Difference between book value of investments consolidated companies and shareholders' equity of the financial statements, including the result	(59.1)		(51.1)	
Result reported by subsidiaries	(1.7)	(1.7)	(9.7)	(9.7)
Revaluation reserve	158.5		158.5	
Adjustments consolidation:				
Elimination of inter-company profit/losses	3.3	3.3	0.9	0.9
Cash flow reserve	(0.4)		(0.4)	
Other consolidation adjustments net of the tax effect	—		0.9	
Net income attributable to minority interests		1.3		3.1
Equity and Loss—Parent	**168.5**	**2.1**	**167.7**	**(7.0)**
Equity and Loss—Non-controlling interests	**6.1**	**1.3**	**7.0**	**3.1**
Equity and Loss	**174.6**	**0.8**	**174.7**	**(10.1)**

Note 18. **Current and Non-current financial liabilities**

The breakdown of the caption is detailed below:

	As of June 30, 2021		As of December 31, 2020	
(in millions of €)	**Current**	**Non-Current**	**Current**	**Non-Current**
Overdrafts and short-term bank borrowings	7.2	—	—	—
Other bank loans	—	—	—	—
Bank loans	36.4	130.1	26.5	140.9
Accrued interests on bank loans	0.1	—	0.1	—
Other bank liabilities	—	—	—	—
Current and Non-current financial liabilities	**43.7**	**130.1**	**26.6**	**140.9**

Details of outstanding Bank loans as of June 30, 2021 are provided below:

(in millions of €)	**Original amount**	**Maturity**	**Rate**	**As of June 30, 2021**	**Current**	**Non-current**
Facility A1 Regeneration(1)	14.8	24/02/2022	Euribor + Margin	1.5	1.5	—
Facility A2 Regeneration(1)	13.7	24/02/2022	Euribor + Margin	1.4	1.4	—
Facility B1 Regeneration(1)	34.4	24/02/2023	Euribor + Margin	32.8	(0.3)	33.1
Facility B2 Regeneration(1)	32.1	24/02/2023	Euribor + Margin	30.6	(0.3)	30.9
Acquisition/Capex Facility(1) Regeneration(1)	20.0	24/02/2023	Euribor + Margin	15.4	8.4	7.0
Revolving Facility Regeneration(2)	7.5	24/02/2022	Euribor + Margin	7.4	7.4	—
Facility A1 Purification(2)	22.0	03/08/2023	Euribor + Margin	9.2	4.5	4.8
Facility A2 Purification(2)	3.0	03/08/2023	Euribor + Margin	1.3	0.6	0.6
Facility B1 Purification(2)	35.0	02/08/2024	Euribor + Margin	33.9	(0.3)	34.2
Facility B2 Purification(2)	5.0	02/08/2024	Euribor + Margin	4.8	—	4.9
Acquisition/Capex Facility Purification(2)	6.0	02/08/2024	Euribor + Margin	5.0	2.0	3.0
Revolving Facility Purification(2)	7.5	03/08/2023	Euribor + Margin	7.5	7.5	—
Banco BPM(3)	4.3	26/03/2027	Euribor 3M + 1.8	4.3	—	4.3
Intesa San Paolo(3)	4.3	26/03/2027	Euribor 6M + 2.4	4.3	—	4.3
Sace Simest(4)	0.4	2024	0.55%	0.4	—	0.4
Other	n/a	n/a	n/a	6.7	3.9	2.7
Total Bank loans				**166.4**	**36.4**	**130.1**

(1) The medium / long-term loan signed by the subsidiary Itelyum Regeneration S.r.l. with a pool of banks, amounting to € 89.1 million as of June 30, 2021 (€ 93.3 million as of December 31, 2020): (i) disbursed in February 2016 for a total nominal amount of € 95.0 million, of which € 28.5 million with maturity on December 2021 (with payment of the first installment at the end of 2016 and repayable in half-yearly installments each June and December of each year) and € 66.5 million with maturity in a single installment in February 2023; (ii) disbursed in July 2017 for a nominal amount of € 15.0 million, repayable in half-yearly installments from December 2019; (iii) disbursed in June 2019 for a nominal amount of € 5.0 million, repayable in half-yearly installments from December 2019; (iv) disbursed in March 2020 for a nominal amount of € 7.5 million, repayable in a single installment in February 2022. These loans provide for the payment of interest calculated at the variable rate Euribor + Margin, determined according to the contract based on Leverage. Leverage is determined by the ratio of contractual "Consolidated Total Net Debt" as of the date of the relevant period divided by contractual "Consolidated EBITDA" for that relevant period. According to Leverage, Margin is determined between 3.0% and 4.25% for the Facility A, between 4.0% and 4.75% for the Facility B, between 3.25% and 4.5% for the Acquisition/Capex Facility and between 3.0% and 4.25% for the Revolving Facility.

(2) The medium / long-term loan signed by the subsidiary Itelyum Purification S.r.l. with a pool of banks, amounting to € 61.7 million as of June 30, 2021 (€ 65.1 million as of December 31, 2020): (i) disbursed in August 2017 for a total nominal amount of € 75.0 million of which € 25.0 million with maturity on August 2023 (with payment of the first installment in June 2018 and repayable in each June and December of each year) and € 40.0 million with maturity in a single installment in August 2024; (ii) disbursed in April 2018 for a nominal amount of € 8.0 million to be paid in half-yearly installments from June 2019; (iii) disbursed in January 2019 for a nominal amount of € 2.0 million to be paid in half-yearly installments from June 2019; (iv) disbursed in March 2020 for a nominal amount of € 7.5 million with maturity in a single installment in August 2023. These loans provide for the payment of interest calculated at the variable rate Euribor + Margin, determined according to the contract based on Leverage. Leverage is determined by the ratio of contractual "Consolidated Total Net Debt" as of the date of the relevant period divided by contractual "Consolidated EBITDA" for that relevant period. According to Leverage, Margin is determined between 3.25% and 4.50% for the Facility A, between 4.25% and 5.0% for the Facility B, between 3.50% and 4.75% for the Acquisition/Capex Facility and between 3.25% and 4.50% for the Revolving Facility.

(3) During the month of March, 2021, within the terms of Italian Law Decree n. 23 of April 8, 2020 ("Liquidity Decree") issued in the context of Covid-19 pandemic, the Group obtained bank loans for a total of € 8.5 million, of which € 5.0 million to Itelyum Purification S.r.l. and € 3.5 million to Centro Risorse S.r.l., to be used for liquidity needs and financing of the net working capital. The date of maturity of these facilities is March 26, 2027.

(4) The medium / long-term loan signed by the subsidiary Itelyum Purification S.r.l. with SACE SIMEST on March, 31, 2021, for an original amount of € 0.6 million, of which € 0.2 million from the "*Fondo per la Promozione Integrata*" is non-repayable and € 0.4 million from the "*Fondo 394/81*" is an interest-bearing loan, with maturity on the second full year following the disbursement date and repayment methods depending on the achievement of certain objectives.

As of June 30, 2021, the Group, to hedge the risk of changes in the interest rate associated with its debt, has four hedging contracts in place (Interest Rate Swaps) with a notional value of € 80.4 million (€ 84.3 million as of December 31, 2020). These instruments have been designated as hedging financial instruments and are backed by the same guarantees issued for the disbursement of the bank debt lines to cover which they were stipulated. For more details please refer to Note 36 "Derivative financial instruments" and Note 37 "Off balance sheet commitments, guarantees and contingent liabilities".

The medium-long term loan of the subsidiary Itelyum Regeneration S.r.l. contain covenants, which use calculations from the Itelyum Regeneration S.r.l. consolidated financial statements. At December 31, 2020, the contractual loan covenants were duly respected. The duration of this contract is less than five years. For the year ended December 31, 2020, and the following years, the subsidiary Itelyum Regeneration S.r.l. agreed an amendment to the financial covenants.

The medium-long term loan of the subsidiary Itelyum Purification S.r.l. contain covenants, which use calculations from the Itelyum Purification S.r.l. consolidated financial statements. At December 31, 2020, the contractual loan covenants were duly respected. The duration of this contract is less than five years.

Guarantees are in place for many of these loans and details are provided in Note 37 "Off balance sheet commitments, guarantees and contingent liabilities".

Note 19. **Other current and non-current financial liabilities**

The breakdown of the caption is detailed below:

	As of June 30, 2021		As of December 31, 2020	
(in millions of €)	**Current**	**Non-Current**	**Current**	**Non-Current**
Factoring liabilities	—	—	0.9	—
Lauro Quarantasei SPA	1.1	23.1	0.5	23.2
Vendor Loan	—	6.6	—	6.4
Other	0.4	—	—	—
Other current and non-current financial liabilities	**1.5**	**29.7**	**1.4**	**29.5**

Other current and non-current financial liabilities mainly refers to:

- The "Factoring liabilities" contain payables for the sale of receivables without draw back options collected directly by the Group and due to the factor;
- The Loan from Lauro Quarantasei S.p.A., with maturity in February 2025 and fixed interest rate of 5.0%;
- The Vendor Loan, which the previous shareholders disbursed to the Group to cover potential liabilities that could arose after the closing date. This loan is interest-bearing, with maturity in ten years.

Note 20. **Provisions for employee severance indemnities**

Provisions for employee severance indemnities amount to € 6.4 million as of June 30, 2021 and € 6.3 million as of December 31, 2020.

The item includes the payable for severance pay and the payable for severance indemnity of the Group accrued to the employees of the Group at June 30, 2021.

The table below shows changes in Provisions for employee severance indemnities occurred during the six months ended June 30, 2021:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Opening Provisions for employee severance indemnities	**6.3**	**4.3**
Effect of change in scope of consolidation	—	1.7
Provision for the period	1.0	1.9
Utilization and payments to supplementary funds	(0.9)	(1.6)
Closing Provisions for employee severance indemnities	**6.4**	**6.3**

The account remained stable in the six months, with an increase of € 0.1 million as of June 30, 2021, compared to December 31, 2020.

The following is the average number of employees in the six months ended June 30, 2021 and the year ended December 31, 2020 broken down by category:

Class	For six months ended June 30, 2021	For the year ended December 31, 2020
Executives	15	15
Managers	66	66
Clerical employees	273	273
Blue collar workers	338	338
Total average workforce	**692**	**692**

Note 21. **Provisions**

Provisions amount to € 10.1 million as of June 30, 2021.

The changes in the Provisions are shown in the table below:

(in millions of €)	As of June 30, 2021
Opening balance	**10.3**
Provision for the period	2.8
Change in Financial derivative instruments	—
Utilization/releases	(3.0)
Closing balance	**10.1**

The breakdown of the caption is detailed below:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Financial derivative instruments	0.5	0.5
Provision for environmental liabilities	6.4	6.8
Provision for Emission Trading CO_2	1.9	2.5
Other provisions	1.3	0.4
Provisions	**10.1**	**10.3**

Financial derivatives instruments refer to hedging derivatives. Details are provided in Note 36 “Derivative financial instruments”.

The decrease in the provision for environmental liabilities in comparison with December 31, 2020, derives mainly from the use of the Provisions for the costs incurred during the six months in compliance with current environmental legislation.

The decrease in the Provision for Emission Trading CO_2 as of June 30, 2021, is mainly determined by the utilization for the purchase of CO_2 quotas in the six months, net of the estimate of quotas to be purchased based on the production of the period.

Note 22. **Deferred tax liabilities**

Deferred tax liabilities amounted to nil as of June 30, 2021, and to €1.3 million as of December 31, 2020.

Deferred tax liabilities refer to temporary differences fiscally payable in future years. The decrease of the caption is related to the option exercised by the Group to recognize for tax purposes the higher book values compared to the fiscally recognized values of Property, plant and equipment and Goodwill and other intangible assets, by paying a substitute tax equal to 3% of the revaluation, which resulted in the recognition of Substitute tax payables for € 0.1 million as of June 30, 2021. For more details, please refer to Note 24 "Current and Non-current Tax and social security payables".

Note 23. **Trade payables**

Trade payables amounted to € 85.4 million as of June 30, 2021, and to € 81.0 million as of December 31, 2020.

The item comprises the amounts due for supplies for production, capital expenditures and services received at June 30, 2021 and December 31, 2020.

Note 24. **Current and Non-current Tax and social security payables**

Tax and social security payables amounted to € 25.9 million as of June 30, 2021 (of which € 24.2 million current and € 1.7 million non-current), and to € 15.2 million (of which € 11.8 million current and € 3.4 million non-current) as of December 31, 2020.

	As of June 30, 2021		As of December 31, 2020	
(in millions of €)	**Current**	**Non-current**	**Current**	**Non-current**
IRPEF (income taxes) for employees and self-employed and withholding taxes payables	7.2	—	5.2	—
Social security payables	2.1	—	2.5	—
Income taxes payables	9.3	—	1.1	—
VAT payables	1.6	—	0.6	—
Excise duties payables	0.1	—	0.1	—
Substitute tax payables	3.5	1.7	1.7	3.4
Other tax payables	0.4	—	0.6	—
Tax and social security payables	**24.2**	**1.7**	**11.8**	**3.4**

"IRPEF (income taxes) for employees and self-employed and withholding taxes payables", of which € 4.0 million are overdue as of June 30, 2021, will be settled within the terms of the law.

"Social security payables" refer to the amounts to be paid to the social security institutions in relation to (i) the employee's salaries, the charges relating to holidays accrued and not taken and additional salaries and (ii) the remuneration of self-employed.

"Income taxes payables" refer to the general Italian corporate income tax ("IRES") and the regional tax on productive activities ("IRAP").

"Substitute tax payables" for € 5.2 million (of which € 3.5 million within 12 months and € 1.7 million beyond 12 months) were entered as a result of the revaluation made as allowed by Italian Law n. 126 of October 13, 2020, in the year ended December 31, 2020. The Group also exercised the option provided by paragraphs 7 and 8 of art. 110 of the Law Decree 104/2020, converted into Law no. 126 of October 13, 2020, which refer to articles 11, 13, 14 and 15 of Law n. 342/2000, Italian legislation, to recognize for tax purposes the higher book values compared to the fiscally recognized values of Property, plant and equipment and Goodwill and other intangible assets, by paying a substitute tax equal to 3% of the revaluation. These higher values as of December 31, 2020, net of amortization, amounted to € 4.4 million, which resulted in the recognition of Substitute tax payables for € 0.1 million as of June 30, 2021. An equity reserve, net of substitute tax, has been recognized as a result of the tax recognition of these higher values. This provision has been made under "suspension of tax" on the equity reserves or, in the event these are insufficient, pursuant to art. 10 co. 4 of Italian Ministerial Decree 162/2001, on a corresponding part of the Share capital.

Note 25. **Other current liabilities**

Other current liabilities amounted to € 14.9 million as of June 30, 2021 and to € 21.2 million December 31, 2020.

Other current liabilities are detailed as follow:

(in millions of €)	As of June 30, 2021	As of December 31, 2020
Advances	1.0	—
Payables from acquisitions	5.6	13.9
Payables to employees	6.0	5.1
Provision for bonuses matured by personnel	1.9	0.6
Payables to agents	—	0.6
Other	0.4	1.0
Other current liabilities	**14.9**	**21.2**

"Payables from acquisitions" refers to the deferred amount due between the following year for the purchase of the shares of the companies acquired in 2020, 2019 and 2018.

"Payables to employees" contain the salaries, the charges relating to holidays accrued and not taken and additional salaries.

"Provision for bonuses matured by personnel" refers to the bonuses the Group will recognize in the following year to the employees linked to the results of the year ended as of the balance sheet date. This amount is net of payments made during the year and related to bonuses accrued in the previous year.

"Payables to agents" contain payables for sales concluded during the year.

Note 26. **Accrued expenses and deferred income**

As of June 30, 2021, and December 31, 2020, Accrued expenses and deferred income amounted respectively to €1.9 million and to € 1.0 million.

Income Statement

Note 27. **Revenue**

Revenue amounted to € 223.0 million, and € 147.8 million for the six months ended June 30, 2021, and 2020, respectively. The Revenue by segment is presented below:

	For the six months ended June 30,	
(in millions of €)	2021	2020
Purification	83.1	63.6
Regeneration	66.0	33.6
Environment	73.9	50.6
Revenue	**223.0**	**147.8**

The break-down of Revenue by geographical area is detailed below:

	For the six months ended June 30,	
(in millions of €)	2021	2020
Italy	173.4	116.5
Europe	28.3	14.8
Rest of the world	21.3	16.6
Revenue	**223.0**	**147.8**

Revenue increased by € 75.2 million (+50.9%), from € 147.8 million in the six months ended June 30, 2020 to € 223.0 million in the six months ended June 30, 2021. The increase is the result of:

(i) increase of Regeneration for € 32.4 million;
(ii) increase in Purification for € 19.5 million;
(iii) increase in Environment for € 23.3 million.

Note 28. **Other income**

Other income amounted to € 1.9 million and € 0.8 million for the six months ended June 30, 2021, and 2020, respectively. The detail of the caption is presented below:

	For the six months ended June 30,	
(in millions of €)	**2021**	**2020**
Prior year income	0.2	0.1
Escrow from environmental cleanup	0.3	—
TEE certificates	0.3	0.3
R&D tax credit contribution	0.1	—
Other income	1.0	0.4
Other income	**1.9**	**0.8**

Note 29. **Purchase, services and other charges**

Purchase, services and other charges amounted to € 146.9 million and € 107.3 million for the six months ended June 30, 2021, and 2020, respectively.

	For the six months ended June 30,	
(in millions of €)	**2021**	**2020**
Purchase of raw materials, consumables, goods and changes in inventories	71.0	53.0
Costs for services	73.2	52.2
Rent	2.7	2.1
Purchase, services and other charges	**146.9**	**107.3**

Purchase, services and other charges mainly include costs for the purchase of raw materials to be used in the production process, goods for sales, maintenance materials and diesel for transportation.

Purchase of raw materials, consumables, goods and changes in inventories over Revenue decreased from 35.9% in the six months ended June 30, 2020, to 31.9% in the six months ended June 30, 2021.

The costs for services mainly refer to costs relating to services of an operational nature and to general charges of the Group, the remuneration of Directors, the compensation of Statutory Auditors and the fees payable to the Independent Auditors.

Costs for services over Revenue decreased from 35.3% in 2020 to 32.8% in 2021.

Rent mainly refer to the rent of buildings, the rental and leasing of cars, motor vehicles, machinery, tanks for the storage of waste oils and other operational equipment.

Overall, the impact of Rent on Revenue remained stable in the two periods, equaling 1.2% and 1.4% respectively in the six months ended June 30, 2021 and 2020.

Note 30. **Personnel costs**

Personnel costs amounted to € 23.0 million and to € 19.1 million for the six months ended June 30, 2021, and 2020, respectively.

The breakdown of Personnel costs is presented below:

(in millions of €)	For the six months ended June 30, 2021	2020
Salaries and wages	15.9	13.7
Social security contributions	5.0	4.1
Employee severance indemnities	1.0	0.8
Other personnel costs	1.1	0.4
Personnel costs	**23.0**	**19.1**

The increase in this account is principally related to the increase in Group personnel numbers from the acquisitions in the second half of 2020.

Note 31. **Other operating costs**

Other operating costs amounted to € 5.0 million and € 5.7 million for the six months ended June 30, 2021, and 2020, respectively.

The breakdown of Other operating costs is presented below:

(in millions of €)	For the six months ended June 30, 2021	2020
Consumption taxes and excise duties	0.8	0.6
Non-income taxes	0.4	0.6
Contingent liabilities and losses from disposals	0.5	0.4
Other	3.3	4.1
Other operating costs	**5.0**	**5.7**

Other operating costs over Revenue decreased from 3.9% in the six months ended June 30, 2020, to 2.2% in the six months ended June 30, 2021, mainly related to increase in Revenue and the decrease in cost from the purchase of CO_2 quotas.

Note 32. **Depreciation and amortization**

Depreciation and amortization amounted to € 36.1 million and to € 20.9 million for the six months ended June 30, 2021, and 2020, respectively.

The breakdown of Depreciation and amortization is presented below:

(in millions of €)	For the six months ended June 30, 2021	2020
Depreciation of Property, plant and equipment	18.3	12.1
Amortization of Goodwill	17.3	8.3
Amortization of Other intangible assets	0.5	0.5
Depreciation and amortization	**36.1**	**20.9**

Please refer to Note 5 “Goodwill”, Note 6 “Other intangible assets” and Note 7 “Property, plant and equipment” for more details.

Note 33. **Financial income and expenses**

The breakdown of Net financial expenses is presented below:

(in millions of €)	For the six months ended June 30, 2021	2020
Financial income	—	—
Interest on bank loans	(0.6)	(0.6)
Financial expenses on medium/long -term loans	(4.2)	(4.1)
Interest payable to Lauro Quarantasei	(0.6)	(0.5)
Other financial expenses	(0.1)	—
Financial expenses	**(5.5)**	**(5.2)**
Net financial expenses	**(5.5)**	**(5.2)**

Net financial expenses amounted to € 5.5 million and to € 5.2 million for the six months ended June 30, 2021, and 2020, respectively, and remained stable in the two periods.

Note 34. **Income taxes**

Income taxes amounted to € 7.1 million, and to € 2.1 million for the six months ended June 30, 2021, and 2020, respectively.

The breakdown of Income taxes is presented below:

(in millions of €)	For the six months ended June 30, 2021	2020
Current taxes	8.2	2.4
Taxes related to prior year	0.1	(0.3)
Deferred taxes	(0.1)	—
Prepaid taxes	(1.1)	(0.1)
Income taxes	**7.1**	**2.1**

Current taxes are as follows:

(in millions of €)	For the six months ended June 30, 2021	2020
IRES	6.9	2.0
IRAP	1.3	0.4
Current taxes	**8.2**	**2.4**

Other information to be provided in the Explanatory Notes

Note 35. **Transactions with Related Parties**

All transactions with related parties have occurred at normal market conditions and are detailed as follow:

(in millions of €)	SSCP Third Fund A and B	ASMIA Srl
Other non-current financial assets		
As of June 30, 2021	—	1.7
As of December 31, 2020	—	1.8
Trade payables		
As of June 30, 2021	0.1	0.4
As of December 31, 2020	0.1	0.6

(in millions of €)	SSCP Third Fund A and B	ASMIA Srl
Revenue		
For the six months ended June 30, 2021	—	0.1
For the six months ended June 30, 2020	—	0.1
Purchase of raw materials, consumables, goods and changes in inventories		
For the six months ended June 30, 2021	—	(0.5)
For the six months ended June 30, 2020	—	(0.4)

Note 36. **Derivative financial instruments**

As previously described, the Group undertook forward operations in derivative financial instruments in order to hedge the risk of interest rate fluctuations relating to the bank loans.

Financial risk management

As the Group is operative on global markets, it is exposed to a range of financial risks, including those regarding interest, currency rate and cash flow movements. In order to minimize these risks, the Group therefore uses derivative instruments for ‘‘risk management’’, while derivative instruments or similar are not utilized for trading purposes.

Currency risk

The Euro is the functional currency used for the Half-yearly Condensed Consolidated Financial Statements; however, the Group carries out operations in currencies other than the Euro, principally in US Dollars, with an exposure therefore to currency risk.

The risk management policy seeks to reduce the impact on Group margins and cash flows from currency movements, minimizing at the same time protection costs against these events in terms of the pre-chosen hedging instruments. For commercial or financial transactions in currencies other than the Euro, the currency risk managed concerns fluctuations in the exchange rate between the agreement of the commercial/financial operation and its receipt/payment.

Interest rate risk

The exposure to interest rate risk relates essentially to loans agreed at variable rates. This risk concerns the possibility that an increase in market rates results in higher interest charges.

This type of hedge seeks to minimize interest rate changes generated by loans at variable rates. The exposure to interest rate risk is calculated on the basis of the loan repayment plans and the parameters used to calculate interest.

Specifically, the Group - in accordance with the requirements of accounting standard OIC 32 - accounted for hedging transactions according to the hedge accounting criterion for the management of the following financial risks:

As of June 30, 2021 Itelyum Regeneration S.r.l. has in place an Interest Rate Swap (IRS) for a notional total amount of € 48.6 million (€ 48.5 million as of December 31, 2020) with Banca Intesa San Paolo and Banco BPM with maturity on December 31, 2021, in order to hedge the risk of interest rate fluctuations relating to the loan. The IRS derivative contracts are used to convert floating rate loans to fixed rate loans.

As of June 30, 2021 Itelyum Purification S.r.l. has in place an Interest Rate Swap (IRS) for a notional total amount of € 34.0 million (€ 35.8 million as of December 31, 2020) with Banca Intesa San Paolo and Banco BPM with maturity on December 31, 2022, in order to hedge the risk of interest rate fluctuations relating to the loan. The IRS derivative contracts are used to convert floating rate loans to fixed rate loans.

(in millions of €)	Bank	Maturity	Notional amount as of June 30, 2021	Fair value as of June 30, 2021
Interest Rate Swap	Banco BPM	12/30/2022	17.0	(0.1)
Interest Rate Swap	Intesa San Paolo	12/30/2022	17.0	(0.1)
Interest Rate Swap	Banco BPM	12/31/2021	23.2	(0.1)
Interest Rate Swap	Intesa San Paolo	12/31/2021	23.2	(0.1)

(in millions of €)	Bank	Maturity	Notional amount as of December 31, 2020	Fair value as of December 31, 2020
Interest Rate Swap	Banco BPM	12/30/2022	17.9	(0.2)
Interest Rate Swap	Intesa San Paolo	12/30/2022	17.9	(0.2)
Interest Rate Swap	Banco BPM	12/31/2021	24.3	(0.1)
Interest Rate Swap	Intesa San Paolo	12/31/2021	24.3	(0.1)

Note 37. **Off balance sheet commitments, guarantees and contingent liabilities**

As of June 30, 2021, the caption amounts to € 32.2 million and they are related to guarantees given by the financial institutions to third parties (Entities, Public Administration, etc.) on behalf of the Group.

With regard to the loan agreements signed by the Group, it should be noted that, the following were given as collateral to the pool of lending banks, respectively:

1. Pledge on 100% of the shares of Itelyum Purification S.r.l
2. Pledge on the shares of the subsidiaries of Itelyum Purification S.r.l.;
3. Pledge on 100% of the shares of Itelyum Regeneration S.r.l
4. Pledge on the shares of the subsidiaries of Itelyum Regeneration S.r.l.;
5. Assignment as guarantee of the receivables arising from the share and purchase agreement;
6. Assignment under guarantee of all rights deriving from the Vendor Loan;
7. First-rank mortgage on properties lent for an original amount of € 118.8 million, of which € 79.2 million for the principal and € 39.6 million for interest.

The holder of the preferred shares of the Parent is entitled to a cumulative annual preferred dividend per preferred share. Such cumulative annual dividend should be calculated at 17.5% of their respective investment and is compounded annually. The dividend is due only if declared by the Shareholder's meeting.

Note 38. **Capital expenditure**

Capital expenditure: is calculated as the sum of additions in property, plant and equipment and additions in other intangible assets.

The following table provides the calculation of Capital expenditure for the six months ended June 30, 2021 and 2020:

(in millions of €)	For the six months ended June 30, 2021	2020
Additions in property, plant and equipment	9.1	5.8
Additions in other intangible assets	0.9	0.4
Capital expenditure	**9.9**	**6.2**

Note 39. **Subsequent events occurred after June 30, 2021**

In July, 2021, the Group acquired Castiglia, an historic company based in Massafra in the province of Taranto, Italy, which has been active for twenty years in the management of sludge deriving from treatment and purification of water, for a purchase price of € 19.4 million (excluding amount due under put/call options and deferred payments), of which € 13.6 million was paid on July 2, 2021.

On August 6, 2021, Itelyum Regeneration S.r.l. entered into a settlement agreement with inter alia, Stirling Square Capital Partners Special Opportunities (n. 1) Limited Partnership pursuant to which the outstanding amount under the Vendor Loan (please refer to Note 19), equal to approximately € 6.1 million, will be repaid concurrently with, and subject to, the completion of the Acquisition as defined below.

On August 9, 2021 Itelyum Purification S.r.l. entered into a settlement agreement with Lauro Quarantasei S.p.A. in respect of the loan granted by the latter that generates approximately € 8.0 million of reduction in other non-current financial liabilities, against which the Itelyum Purification S.r.l. undertook to bear the costs of certain environmental remediation activities relating to the Landriano purification site, estimated to be approximately € 8.0 million as of the date hereof. Concurrently, an amount of € 2.8 million will be released from escrow and become available to Itelyum Purification S.r.l. in settlement of certain refunds due to the Group by Lauro Quarantasei S.p.A.

On August 13, 2021, Verde Holdings SCA entered into a sale purchase agreement with, inter alios, Stirling Square Capital Partners Third Fund A Limited Partnership and Stirling Square Capital Partners Third Fund B Limited Partnership, SSCP Third Fund S.à r.l., Stirling Square Capital Partners Viscolube Co-Investment LP, and certain management and other co-investors of the Group relating to the acquisition of all of the equity interests in SSCP Green Holdings SCA (the “Acquisition”). The acquisition is subject to regulatory clearance and customary closing conditions, and is expected to be completed during the fourth quarter of 2021.

Other than the events noted above, no other events subsequent to June 30, 2021 occurred so as to render the current financial position substantially different from the Consolidated Balance Sheet presented at that date or to require adjustments or notes to the financial statements.

SSCP Green Holdings S.C.A.
represented by its general partner
SSCP Third Fund SARL

Ganash Lokanathen
Manager
03/09/2021

SSCP GREEN HOLDINGS SCA

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(in millions of €)	Notes	As of December 31, 2020	2019	2018
Goodwill	6	88.3	80.5	88.9
Other intangible assets	7	4.4	3.4	2.7
Property, plant and equipment	8	259.8	90.3	102.2
Investments	9	0.5	0.3	0.3
Other non-current financial assets	10	1.9	0.1	0.1
Non-current Assets		**354.9**	**174.6**	**194.2**
Inventories	11	20.1	22.9	25.6
Trade receivables	12	80.2	58.9	63.6
Tax receivables	13	3.9	3.3	3.2
Deferred tax assets	14	4.4	3.9	3.7
Other current assets	15	4.6	2.9	2.7
Cash and cash equivalents	16	39.1	54.1	29.9
Accrued income and prepaid expenses	17	2.2	1.6	1.6
Current Assets		**154.5**	**147.6**	**130.3**
Total Assets		**509.4**	**322.2**	**324.5**
Share capital		13.8	13.8	13.8
Reserves		218.2	58.7	58.6
Retained earnings/(losses)		(54.2)	(43.5)	(29.7)
Profit/(loss) for the year attributable to the owners of the Parent		(10.1)	(10.7)	(13.8)
Equity attributable to the owners of the Parent	18	**167.7**	**18.3**	**28.9**
Share capital and reserves of non-controlling interests		3.9	2.0	4.2
Profit/(loss) for the year attributable to non-controlling interests		3.1	2.6	1.4
Equity attributable to non-controlling interests	18	**7.0**	**4.6**	**5.6**
Equity	18	**174.7**	**22.9**	**34.5**
Non-current financial liabilities	19	140.9	146.0	154.1
Other non-current financial liabilities	20	29.5	28.1	26.7
Provisions for employee severance indemnities	21	6.3	4.3	4.5
Provisions	22	10.3	9.2	8.7
Deferred tax liabilities	23	1.3	3.2	5.9
Non-current Tax and social security liabilities	25	3.4	—	—
Non-current Liabilities		**191.7**	**190.8**	**199.9**
Current financial liabilities	19	26.6	16.7	12.1
Other current financial liabilities	20	1.4	5.9	4.0
Trade payables	24	81.0	64.7	56.9
Current Tax and social security payables	25	11.8	8.3	6.2
Other current liabilities	26	21.2	12.5	9.7
Accrued expense and deferred income	27	1.0	0.4	1.2
Current Liabilities		**143.0**	**108.5**	**90.1**
Total Equity and Liabilities		**509.4**	**322.2**	**324.5**

CONSOLIDATED INCOME STATEMENT

(in millions of €)	Notes	For the years ended December 31,		
		2020	2019	2018
Revenue	28	330.9	300.7	279.3
Other income	29	2.9	2.5	3.5
Change in work in progress, semi-finished and finished product inventories		(3.3)	(2.9)	0.3
Total revenue and other operating income		**330.5**	**300.3**	**283.1**
Purchase, services and other charges	30	(231.4)	(211.1)	(199.6)
Personnel costs	31	(39.0)	(34.1)	(32.1)
Other operating costs	32	(7.9)	(6.6)	(5.3)
Provisions for risks and charges	22	(1.5)	(0.3)	(0.4)
Depreciation and amortization	34	(42.2)	(41.6)	(45.3)
Impairment of receivables	12	(0.5)	(0.4)	(0.5)
Total costs		**(322.5)**	**(294.2)**	**(283.2)**
Operating result		**8.0**	**6.2**	**(0.1)**
Financial income	36	0.1	—	—
Financial expenses	36	(11.4)	(10.9)	(11.6)
Profit/ (loss) before taxation		**(3.3)**	**(4.7)**	**(11.7)**
Income taxes	37	(3.7)	(3.4)	(0.7)
Loss for the year		**(7.0)**	**(8.1)**	**(12.4)**
Profit (loss) for the year attributable to:				
- owners of the parent	18	(10.1)	(10.7)	(13.8)
- non-controlling interests	18	3.1	2.6	1.4

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of €)	As of January 1, 2018	Allocation of Result prior year	Change consolidation reserve	Dividend distribution	Change in scope of consolidation	Change in fair value of cash flow hedge derivatives	Profit (loss) for the year	Other variation	As of December 31, 2018
Share capital	13.8	—	—	—	—	—	—	—	13.8
Share premium reserve	59.2	—	—	—	—	—	—	—	59.2
Cash flow hedge reserve	(0.1)	—	—	—	—	(0.6)	—	—	(0.6)
Retained earnings/(losses)	(16.0)	(13.6)	—	—	—	—	—	—	(29.7)
Profit/(loss) for the year attributable to the owners of the Parent	(13.6)	13.6	—	—	—	—	(13.8)	—	(13.8)
Total Equity attributable to the owners of the Parent	**43.3**	**—**	**—**	**—**	**—**	**(0.6)**	**(13.8)**	**—**	**28.9**
Capital and reserves attributable to non-controlling interests	0.7	0.2	—	—	3.4	—	—	—	4.2
Profit/(loss) for the year attributable to non-controlling interests	0.2	(0.2)	—	—	—	—	1.4	—	1.4
Total Equity attributable to non- controlling interests	**0.9**	**—**	**—**	**—**	**3.4**	**—**	**1.4**	**—**	**5.6**
Total Equity	**44.1**	**—**	**—**	**—**	**3.4**	**(0.6)**	**(12.4)**	**—**	**34.5**

(in millions of €)	As of January 1, 2019	Allocation of Result prior year	Change consolidation reserve	Dividend distribution	Change in scope of consolidation	Change in fair value of cash flow hedge derivatives	Profit (loss) for the year	Other variation	As of December 31, 2019
Share capital	13.8	—	—	—	—	—	—	—	13.8
Share premium reserve	59.2	—	—	—	—	—	—	—	59.2
Cash flow hedge reserve	(0.6)	—	—	—	—	—	—	—	(0.7)
Consolidation reserve	—	—	0.2	—	—	—	—	—	0.2
Retained earnings/(losses)	(29.7)	(13.8)	—	—	—	—	—	—	(43.5)
Profit/(loss) for the year attributable to the owners of the Parent	(13.8)	13.8	—	—	—	—	(10.7)	—	(10.7)
Total Equity attributable to the owners of the Parent	**28.9**	**—**	**0.2**	**—**	**—**	**—**	**(10.7)**	**—**	**18.3**

(in millions of €)	As of January 1, 2019	Allocation of Result prior year	Change consolidation reserve	Dividend distribution	Change in scope of consolidation	Change in fair value of cash flow hedge derivatives	Profit (loss) for the year	Other variation	As of December 31, 2019
Capital and reserves attributable to non-controlling interests	4.2	1.4	—	(2.2)	(1.4)	—	—	—	2.0
Profit/(loss) for the year attributable to non-controlling interests	1.4	(1.4)	—	—	—	—	2.6	—	2.6
Total Equity attributable to non-controlling interests	**5.6**	**—**	**—**	**(2.2)**	**(1.4)**	**—**	**2.6**	**—**	**4.6**
Total Equity	**34.5**	**—**	**0.2**	**(2.2)**	**(1.4)**	**—**	**(8.1)**	**—**	**22.9**

(in millions of €)	As of January 1, 2020	Allocation of Result prior year	Change consolidation reserve	Dividend distribution	Change in scope of consolidation	Change in fair value of cash flow hedge derivatives	Profit (loss) for the year	Other variation	As of December 31, 2020
Share capital	13.8	—	—	—	—	—	—	—	13.8
Share premium reserve	59.2	—	—	—	—	—	—	—	59.2
Revaluation reserve – Law Decree 104/2020	—	—	—	—	—	—	—	158.5	158.5
Cash flow hedge reserve	(0.7)	—	—	—	—	0.3	—	—	(0.4)
Consolidation reserve	0.2	—	0.7	—	—	—	—	—	0.9
Retained earnings/ (losses)	(43.5)	(10.7)	—	—	—	—	—	—	(54.2)
Profit/(loss) for the year attributable to the owners of the Parent	(10.7)	10.7	—	—	—	—	(10.1)	—	(10.1)
Total Equity attributable to the owners of the Parent	**18.3**	**—**	**0.7**	**—**	**—**	**0.3**	**(10.1)**	**158.5**	**167.7**
Capital and reserves attributable to non-controlling interests	2.0	2.6	—	—	(0.7)	—	—	—	3.9
Profit/(loss) for the year attributable to non-controlling interests	2.6	(2.6)	—	—	—	—	3.1	—	3.1
Total Equity attributable to non- controlling interests	**4.6**	**—**	**—**	**—**	**(0.7)**	**—**	**3.1**	**—**	**7.0**
Total Equity	**23.0**	**—**	**0.7**	**—**	**(0.7)**	**0.3**	**(7.0)**	**158.5**	**174.7**

CONSOLIDATED CASH FLOW STATEMENT

(in millions of €)	For the years ended December 31, 2020	2019	2018
Profit / (loss) for the year	(7.0)	(8.1)	(12.4)
Income taxes	3.7	3.4	0.7
Financial interest/(income)	10.8	10.8	11.4
Provision for risks and charges	5.1	6.7	3.4
Amortization and depreciation	42.2	41.6	45.3
Other non-monetary (income) expenses	0.6	0.9	—
Cash flow from operating activities before changes in net working capital	*55.4*	*55.3*	*48.4*
Change in trade receivables	(5.5)	4.6	(4.6)
Change in inventories	3.1	2.6	0.6
Change in trade payables	5.3	7.8	2.9
Change in accrued income and prepaid expenses	(0.2)	—	0.4
Change in accrued expense and deferred income	(0.4)	(0.9)	0.1
Change in Other assets and liabilities	(6.7)	(10.8)	(4.2)
Cash used in operating activities after changes in net working capital	*51.0*	*58.7*	*43.6*
Income taxes paid	(4.3)	(4.6)	(0.4)
Change in provision for risks and charges	(3.6)	(4.3)	(5.7)
Interest paid	(8.7)	(6.2)	(11.5)
Net cash (outflow)/inflow from operating activities	**34.5**	**43.6**	**26.0**
Investment in intangible assets	(1.9)	(2.1)	(1.0)
Investment in property, plant and equipment	(16.2)	(12.5)	(10.3)
(Investment)/disinvestment in non current financial assets	(0.2)	—	0.2
Business combination	(25.5)	—	(7.9)
Net cash used in investing activities	**(43.8)**	**(14.6)**	**(19.0)**
Increase (decrease) in short-term bank debt	—	4.3	1.2
Increase / (decrease) in Financial payables due to other financial institutions	(5.6)	3.8	4.0
Increase in long-term financial debt	15.0	2.0	—
Repayment of loans	(15.1)	(14.9)	(5.9)
Net cash used in financing activities	**(5.7)**	**(4.8)**	**(0.7)**
Net cash (outflow)/inflow for the period	**(15.0)**	**24.2**	**6.3**
Cash and cash equivalents at the beginning of the period	**54.1**	**29.9**	**23.6**
Cash and cash equivalents at the end of the period	**39.1**	**54.1**	**29.9**

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

Note 1. **General information about the Group**

SSCP GREEN HOLDINGS SCA (the "Parent Company") was incorporated on December 14, 2015, and is organised under the laws of Luxembourg as a *Société en commandite par actions* for an unlimited period, with registered office at 8, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg, whose controlling shareholder is the company STIRLING SQUARE CAPITAL PARTNERS.

SSCP GREEN HOLDINGS SCA and its subsidiaries (the "Group") operate in the regeneration of waste oil, the purification of waste solvents, and the responsible management of a wide range of industrial waste. Through advanced technologies and continuous investments, the Group helps safeguard natural resources and improve quality of life, with sustainable processes, products and solutions for waste management and the optimization of served markets. It has more than 50 years of industrial history founded on the principles of the circular economy starting before it was considered the economy of the future, involving customers, suppliers, institutions, local and global communities in creating economic, environmental and social value.

Note 2. Basis of **presentation**

The Consolidated Financial Statements include the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Cash Flow Statement and the Explanatory Notes which were approved by the Board of Directors of SSCP Green Holdings SCA on September 3, 2021. These Consolidated Financial Statements have been prepared in accordance with the accounting standards issued by the Italian Accounting Organization (Organismo Italiano di Contabilità, O.I.C.) pursuant to the provision of the Italian Civil Code. In preparing the Consolidated Financial Statements, however, the Directors reclassified and renamed certain line items in order to render them more easily comparable to the financial information of entities that apply IFRS. These Consolidated Financial Statements are prepared in accordance with Italian GAAP, but do not constitute the Company's statutory consolidated financial statements for the years ended December 31, 2020, 2019, or 2018.

The items reported in the Consolidated Financial Statements are stated in accordance with the general principles of prudence and accruals and in accordance on going concern basis and taking account of the economic function of the assets and liabilities.

The Consolidated Financial Statements are shown in Euro, which is the functional currency of the Group and its subsidiaries. All amounts shown in this document are expressed in millions of Euro, unless otherwise specified. Certain numerical figures set out in this Consolidated Financial Statements, including financial data presented in millions and certain percentages, have been subject to rounding adjustments and, as a result, the totals of the data in columns or rows of tables in this Consolidated Financial Statements may vary slightly from the actual arithmetic totals of such information.

Covid-19 pandemic

In 2020, the national and international scenario was characterized by the spread of the Covid-19 pandemic and the consequent restrictive measures for its containment by the public authorities of the countries concerned.

In December 2019, a novel strain of coronavirus surfaced and, since then, has spread around the globe, including in Italy. The resulting disease, COVID-19, has been declared a pandemic by the World Health Organization. In response to the COVID-19 pandemic, on March 9, 2020, the Italian government imposed a nationwide quarantine together with several other measures. As a result of these restrictive measures, the Group transitioned a portion of its workforce to remote working and experienced operational difficulties; the plants in Pieve Fissiraga and in Ceccano were closed for several weeks between April and June 2020 resulting in a decrease of volume of waste oil processed of approximately 68% compared to the corresponding period of 2019; furthermore, the collection, transportation and storage activities of Environment business unit experienced a slowdown between March and June 2020.

Additionally, even though the nationwide quarantine in Italy was lifted on May 4, 2020, significant restrictions and social distancing measures remain in place, which continue to adversely affect the overall Italian economy and, in turn, Group's operations and Group's customers' operations.

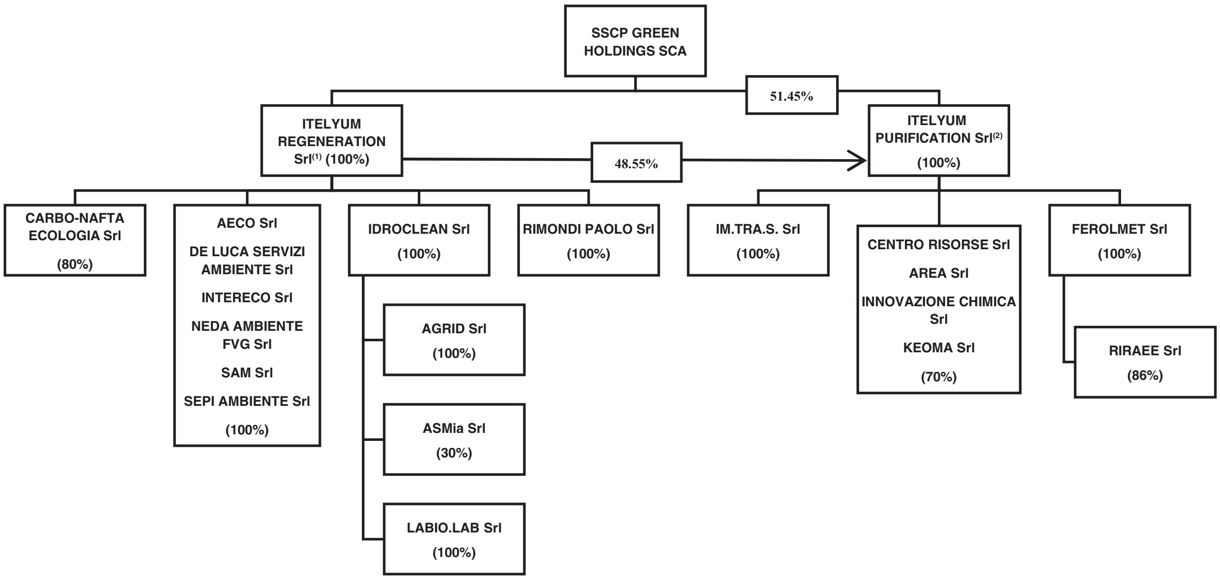
These circumstances have created a context of uncertainty that has distorted the pursuit of the strategic objectives set in place by the Group in recent years, and have created significant impacts on the results of 2020, both in terms of revenues and margins in particular in the segment of Regeneration during the lockdown imposed by the Italian government.

The Group has not suffered financial tensions in net working capital management following the spread of Covid-19 pandemic. As a result of the reduction in revenues and margins, Itelyum Regeneration S.r.l. during 2020 agreed with financial institutions an amendment to the financial covenants related to its medium-long term loans for the year ended December 31, 2020 and the following years.

The global spread of the Covid-19 pandemic and the associated restrictions continued in 2021 to varying degrees. The progress made by many countries in administering vaccines to their populations had a positive effect, while the emergence of new variants of the virus led to a renewed rise in infections at a national level. Compared with the prior year period, the global economy recorded positive growth. Performance during the first half of 2021 is in part dependent on the extent to which the negative impacts of the Covid-19 pandemic were already materializing and the degree of intensity applied to the measures taken to contain the spread.

Note 3. **Scope of consolidation and presentation of the Consolidated Financial Statements**

The scope of consolidation of the Group was determined by referring to the legal control that the Parent Company exercises over its subsidiaries. The following is the structure of the Group as of December 31, 2020:



(1) The company Itelyum Regeneration Srl and its subsidiaries corresponds to the Group Itelyum Regeneration.
(2) The company Itelyum Purification Srl and its subsidiaries corresponds to the Group Itelyum Purification.

The scope of consolidation at December 31, 2020, changed with respect to scope of consolidation at December 31, 2019 and 2018, therefore includes, the following companies:

Company	Control	Percentage Holding	Consolidation period
SSCP Green Holdings SCA	Holding	—	2020, 2019, 2018
AECO S.r.l.	Indirect	100.0%	2020, 2019, 2018
AGRID S.r.l.	Indirect	100.0%	2020
AREA S.r.l.	Indirect	70.0%	2020, 2019, 2018
ASMia S.r.l. (1)	Indirect	30.0%	2020
CARBO-NAFTA ECOLOGIA S.r.l.	Indirect	80.0%	2020
CENTRO RISORSE S.r.l.	Indirect	70.0%	2020, 2019, 2018
DE LUCA SERVIZI AMBIENTE S.r.l.	Indirect	100.0%	2020, 2019, 2018
ECOAUSILIA S.r.l.	Indirect	100.0%	2019, 2018
ECOSERVE S.r.l.	Indirect	100.0%	2019, 2018
FEROLMET S.r.l.	Indirect	100.0%	2020
IDROCLEAN S.r.l.	Indirect	100.0%	2020
IM.TRA.S. S.r.l.	Indirect	100.0%	2020, 2019, 2018

Company	Control	Percentage Holding	Consolidation period
INNOVAZIONE CHIMICA S.r.l.	Indirect	70.0%	2020, 2019, 2018
INTERECO S.r.l.	Indirect	100.0%	2020
ITELYUM PURIFICATION S.r.l.	Direct	100.0%	2020, 2019, 2018
ITELYUM REGENERATION S.r.l.	Direct	100.0%	2020, 2019, 2018
KEOMA S.r.l.	Indirect	70.0%	2020, 2019, 2018
LABIO.LAB S.r.l.	Indirect	100.0%	2020
NEDA AMBIENTE FVG S.r.l.	Indirect	100.0%	2020, 2019, 2018
RECOIL S.r.l.	Indirect	100.0%	2019, 2018
RIMONDI PAOLO S.r.l.	Indirect	100.0%	2020, 2019, 2018
RIRAEE S.r.l.	Indirect	86.0%	2020
SAM S.r.l.	Indirect	100.0%	2020, 2019, 2018
SEPI AMBIENTE S.r.l.	Indirect	100.0%	2020, 2019, 2018

(1) Idroclean S.r.l. holds 30% of ASMia S.r.l. but it is consolidated by the 68% in the Consolidated Income Statement and by the 30% in the Consolidated Balance Sheet, on the basis of contractual rights;

The changes in the Group's scope of consolidation during 2018, 2019 and 2020 involve the follows:

- On April 2018, ITELYUM PURIFICATION S.r.l. acquired CENTRO RISORSE S.r.l., AREA S.r.l., INNOVAZIONE CHIMICA S.r.l., KEOMA S.r.l. and 70% of ECOAUSILIA S.r.l.; through the acquisition of CENTRO RISORSE S.r.l. acquired 60% of ECOSERVE S.r.l.;
- ITELYUM REGENERATION S.r.l acquired the remaining 24% of SEPI AMBIENTE S.r.l. in 2018;
- 100.0% of ECOSERVE S.r.l. and 100.0% ECOAUSILIA S.r.l. have been acquired by NEDA AMBIENTE FVG S.r.l. in 2019 and merged by acquisition on 2020;
- ITELYUM REGENERATION S.r.l acquired the remaining 30% of NEDA AMBIENTE FVG S.r.l. in 2019;
- 80.0% of CARBO-NAFTA ECOLOGIA S.r.l. has been acquired by ITELYUM REGENERATION S.r.l. on January 2020;
- On February 28, 2020, ITELYUM REGENERATION S.r.l. acquired 100.0% of IDROCLEAN S.r.l. which helded 100.0% of AGRID S.r.l., 100.0% of LABIO.LAB S.r.l. and 30.0% of ASMia S.r.l.;
- INTERECO S.r.l. has been acquired by ITELYUM REGENERATION S.r.l. on July 2020;
- On October 31, 2020, ITELYUM PURIFICATION S.r.l. acquired 100.0% of FEROLMET S.r.l., which helded 86.0% of RIRAEE S.r.l..
- ITELYUM REGENERATION S.r.l acquired the remaining 30% of DE LUCA SERVIZI AMBIENTE S.r.l. in 2020;
- RECOIL S.r.l. has been merged by acquisition in RIMONDI PAOLO S.r.l. in 2020.

Note 4. **Consolidation accounting principles**

The Consolidated Financial Statements are prepared in accordance with the provisions of the accounting standard OIC 17.

The subsidiaries are included in the Consolidated Financial Statements from the date in which the Parent Company acquires control and are no longer consolidated from the date in which the Parent Company loses control.

The financial statements of companies included in the Consolidated Financial Statements are consolidated on a line-by-line basis. The main consolidation criteria, consistently applied year over year described herein, are as follows:

- the carrying amount of investments in consolidated subsidiaries is eliminated against the corresponding net equity; positive differences are allocated, where possible and gross of the related tax effect, to the subsidiaries' assets;
- Any non-attributable residual amount calculated at the date of acquisitions, represents goodwill and is recognized as intangible assets and amortized over its estimated useful life. Any negative residual, if it

is attributable to the forecast of unfavorable results, is recognized in the "Consolidation provision for future risks and charges"; in the event that there is no such forecast of future results, it is entered in a line of consolidated shareholders' equity, labelled "Consolidation reserve";

- all payables, receivables, revenue and costs, including any unrealized profit and losses, with the related tax effect, deriving from transactions between subsidiaries and the parent company or between subsidiaries are eliminated upon consolidation;
- deferred or prepaid taxes are calculated on the temporary differences between the taxable income and the economic result of the companies included in the consolidation;
- the portion of the Profit (loss) for the year attributable to non-controlling interest is recognized on the basis of the corresponding percentage of Shareholders' equity not owned by the Parent Company;
- the portion of the Equity attributable to non-controlling interests is recognized on the basis of the percentage not owned by the Parent Company.

Note 5. **Significant accounting policies**

The most significant accounting policies adopted in the preparation of the Consolidated Financial Statements, in accordance with legislative requirements, are the following:

Revaluation as allowed by Italian Law n. 126 of October 13, 2020

In 2020, the Group exercised the option provided by art. 110 of Italian Law Decree 104/2020, converted into Law no. 126 of October 13, 2020, and registered the revaluation of selected Property, plant and equipment. The subsidiaries which carried out the revaluations in 2020 are: Itelyum Regeneration S.r.l., S.E.P.I. Ambiente S.r.l., De Luca Servizi Ambiente S.r.l., Intereco S.r.l., Carbo-Nafta Ecologia S.r.l., Rimondi Paolo S.r.l., Neda Ambiente FVG S.r.l., Idroclean S.r.l., Agrid S.r.l., Labiolab S.r.l., Itelyum Purification S.r.l., Imtras S.r.l., Centro Risorse S.r.l., Innovazione Chimica S.r.l., Keoma S.r.l. and Ferolmet S.r.l..

The value of Property, plant and equipment was determined by comparing the Fair value of the assets, as indicated in the expert estimate prepared by PRAXI S.p.A., with registered office in C.so Vittorio Emanuele 3 - Torino, with the residual net book value, after the depreciation for the year 2020.

In particular, the Fair value of the assets was determined by applying an evaluation process based on its hypothetical replacement with a new similar asset. This way, its "maximum value" has been determined and it is identifiable with the cost the Group would incur to replace it or with its exact replica ("new construction cost") or, alternatively, if less, with that of an assets with equivalent characteristics and production capacities ("replacement cost").

Subsequently, the maximum value of the assets has been reduced to take into account the loss of value from the "physical depreciation" and from the "functional obsolescence" which measure their loss of value with respect to a new one.

On the basis of the expert estimate, the Group has entered higher values in Property, plant and equipment for € 168.5 million. The expert estimate attests that the net book value after revaluation does not exceed the recoverable amount likely to be attributable in relation to the production capacity and the possibility of using the abovementioned Property, plant and equipment by the companies and in relation to its current value.

For the purposes of the revaluation, the Group used the accounting technique of increasing the historical cost (gross amount) up to the level of fair value of the asset and for the difference by reducing the accumulated depreciation, taking into account, however, that, in the case where the fair value of the asset was equal to or less than the gross amount of the asset, the relative accumulated depreciation was decreased, while in the case where the fair value of the asset was higher the gross amount has been increased.

As a result of the assessment carried out, the Group choose to an extension of the period of the original depreciation, resulting from an assessment by the Directors of the residual useful life of the assets, also on the basis of the aforementioned expert estimate.

All the subsidiaries have also opted to the substitute tax, equal to 3% of the revaluation, to recognize it for tax purposes. Tax recognition begins, for what concern the deductibility of depreciation, from the year following that in which the revaluation has been made (2021 fiscal year), while in the case of transfer with consideration the higher values are recognized from January 1, 2024.

The accounting counterpart of the increase in the value of Property, plant and equipment is an equity reserve, labelled as "Revaluation reserve – Italian Law Decree 104/2020", for a total amount net of the aforementioned substitute tax of € 163.4 million. The "Revaluation reserve –Italian Law Decree 104/2020" is subject to particular civil constraints better explained below and it is a reserve under "suspension of tax" which, when distributed to the Shareholders, contributes to the formation of the Group's taxable amount and the taxable income of the recipient. Although this reserve is in the nature of a reserve under suspension of tax, by way of derogation from the general rule and as provided for in document OIC 25 (par. 64), the Group has not entered the deferred tax liability because, from the historical trend in the distribution of dividends from the subsidiaries to the Parent Company, the likelihood of future distributions of these reserves to the shareholders was considered to be low.

The substitute tax was therefore entered in Tax and social security payables for € 5.1 million (of which € 1.7 million due on 2021 and € 3.4 million in due on 2022 and 2023).

The table below shows the effect of the revaluation mentioned above for each category of the Consolidated Balance Sheet as of December 31, 2020.

(in millions of €)	Revaluation
Land and buildings	1.0
Plant and machinery	156.1
Industrial and commercial equipment	4.2
Other assets	7.2
3% Substitute tax	(5.1)
Total	**163.4**

It should also be noted that the Group intends to exercise the option provided by paragraphs 7 and 8 of art. 110 of the Law Decree 104/2020, converted into Law no. 126 of October 13, 2020, which refer to articles 11, 13, 14 and 15 of Law n. 342/2000, Italian legislation, to recognize for tax purposes the higher book values compared to the fiscally recognized values of Property, plant and equipment and Goodwill and other intangible assets, by paying a substitute tax equal to 3% of the revaluation,.

These higher values as of December 31, 2020, net of amortization, amount to € 4.4 million.

An equity reserve, net of substitute tax, will be recognized as a result of the tax recognition of these higher values. This provision must be made under "suspension of tax" on the equity reserves or, in the event these are insufficient, pursuant to art. 10 co. 4 of Italian Ministerial Decree 162/2001, on a corresponding part of the Share capital.

Goodwill and Other intangible assets

Goodwill includes the amounts paid in this regard in relation to business acquisitions or other corporate operations and are amortized over their useful life. The useful life is estimated starting from the initial recognition of goodwill and is not modified in subsequent years. Where it is not possible to estimate the useful life, goodwill is amortized over a period of 10 years.

Other intangible assets are recorded at purchase or production cost, increased by directly allocated acquisition costs, adjusted by the relative amortization provision and increased by any monetary revaluations in accordance with law.

Other intangible assets are recorded with the approval of the Board of Statutory Auditors in the cases established by law.

Start up and formation expenses are amortized over five years, with straight-line amortization applied.

Development costs are amortized according to their useful life, in exceptional cases in which it is not possible to reliably estimate their useful life, they are amortized over a period not exceeding five years. Until the amortization is completed, dividends can be distributed only if sufficient reserves remain available to cover the amount of the unamortized costs. The costs incurred for basic research are charged to the income statement in the year in which they are incurred.

Advertising costs are entirely recognized to profit and loss in the period in which they incur.

Industrial patent and similar intellectual property rights are amortized based on their estimated useful life, which has been assessed in a 3-5-year basis starting from the fiscal year in which the process of economic utility initiated.

In the event that, independently of the amortization already recorded, there is a permanent loss of value, the asset is derecognized; if, in subsequent years, the reasons justifying the write-down cease, the original value is restored, within the limits of the value that the asset would have had without the impairment loss, except for the item ''Goodwill'' and ''Deferred charges''.

Goodwill and Other intangible assets amortization are calculated using the straight-line method over the estimated useful lives of the assets, in accordance with the following amortization schedule:

Asset	Estimated useful life
Goodwill	5/10 years
Start up and formation expenses	5 years
Development costs	5 years
Industrial patents and similar intellectual property rights	5 years
Concessions, licenses, trademark and similar rights	5 years
Other (leasehold improvements, finance costs, other deferred)	Duration of underlying contract (residual mortgage or rental duration)
Intangible assets under construction	Such asset are not amortized until the improvements are completed.

Property, plant and equipment

Property, plant and equipment are recorded at purchase price, including accessory costs directly attributable to the asset, the direct and indirect costs for the portion reasonably attributable to the asset and are shown net of the related accumulated depreciation. The activities carried out by internal staff for engineering development and for the coordination of the construction of the plant are capitalized at cost.

The gross amount of Property, plant and equipment is revalued when specific Italian laws allow or require the revaluation of the Property, plant and equipment to align them, even only partially, to their higher normal value determined on the basis of their residual useful life.

In particular, in the financial statements of some subsidiaries, revaluations were made in accordance with Italian laws n. 576/1975, n. 72/1983, n. 413/1991, n. 342/2000, n. 448/2001, n. 266/2005, n. 2/2009 and n. 126/2020. For further information regarding the revaluation made in 2020, please refer to paragraph "Revaluation as allowed by Italian Law n. 126 of October 13, 2020" above.

The depreciation rates of the Property, plant and equipment are calculated based on the residual utilization value, on the basis of rates considered adequate to represent the usage and/or consumption of the assets and their reduced usage over time.

The estimated useful life of the Group assets are as follows:

Asset	Estimated useful life (in years)
Land and buildings	10, 18, 33
Plant and machinery	8, 10, 11
Industrial and commercial equipment	4, 5, 6, 7, 8, 10
Other assets	4, 5, 7, 8

For Property, plant and equipment acquired during the year, the above-mentioned rates are reduced by half, considered as representative of the lower utilization of these assets, presuming that their participation in the production process is on average half of the year.

Impairment of Property, plant and equipment, Goodwill and Other intangible assets

When events occur leading to the assumption of impairment of property, plant and equipment, goodwill or other intangible assets, their recoverability is tested by comparing the book value with the related recoverable value, which is the fair value adjusted for disposal costs or the value in use, whichever is greater.

The fair value is the amount that may be received for the sale of an asset or that may be paid for the transfer of a liability in a regular transaction between market operators as at the valuation date (i.e. exit price). The fair value of an asset is determined by adopting the valuations that market operators would use to determine the price of the asset.

The value in use is determined by discounting projected cash flows resulting from the use of the asset and, if they are significant and can be reasonably determined, from its sale at the end of its useful life, net of any disposal costs. Cash flows are determined based on reasonable, documentable assumptions representing the best estimate of future economic conditions which will occur during the remaining useful life of the asset, with a greater emphasis on outside information. Discounting is done at a rate reflecting current market conditions for the time value of money and specific risks of the asset not reflected in the estimated cash flows. The valuation is done for individual assets or for the smallest identifiable group of assets which, through ongoing use, generates incoming cash flow that is largely independent of those of other assets or groups of assets ("cash-generating units" or CGUs).

The CGUs identified by the Group are the following: Regeneration, Purification and Environment. If the reasons for impairment losses no longer apply, the assets (except for goodwill) are revalued, and the adjustment is posted to the income statement as a revaluation (recovery of value). The recovery of value is applied to the lower of the recoverable value and the book value before any impairment losses previously carried out, less any depreciation that would have been recorded if an impairment loss had not been recorded for the asset.

Financial assets

Investments in subsidiaries not consolidated and associates are accounted for at cost. Investments in other companies are accounted for at cost.

Receivables recorded under financial assets are measured using the amortized cost method.

Inventory

Inventories of consumables and spare parts are valued on the basis of the FIFO criterion at the lower of the cost incurred and the net realizable value. The cost of inventories includes the purchase cost, and any ancillary charges. Ancillary charges, as they are fungible, are calculated as the weighted average cost of the year.

Inventories of raw materials, work in progress and finished products are also valued on the basis of the FIFO criterion at the lower of the purchase or production cost and the net realizable value. The production cost includes ancillary charges, costs directly attributable to the product and other costs, for the reasonably attributable portion, relating to the manufacturing period.

In the Landriano Plant, (i) raw materials of pharmaceutical products and alcohol are valued at the last purchase cost; work in progress pharmaceutical products and alcohol are valued at specific cost, which consists in the attribution to the individual physical units of the costs specifically incurred for them; (ii) finished products are valued at production cost. In the Rho Plant, raw materials are valued at the last purchase cost and finished products are valued at the weighted average cost of the year.

Inventories are subject to devaluation in the balance sheet when the realizable value inferable from the market trend is lower than the relative book value. Obsolete and slow-moving stocks are written down in relation to their possibility of use or realization.

Where it is no longer possible to estimate the goods at incurred cost as determined by the above criteria, due to lower selling prices, depreciated goods, obsolescence, slow moving or possibility of use, the net realizable value determined by the market performance is applied Inventories.

Trade receivables

Receivables are recognised according to the amortised cost criteria, taking into account the timing and the expected value. The amortised cost criteria is not applied where the effects are insignificant or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is insignificant or where the receivables are short-term (i.e. with maturity of less than 12 months).

The value of receivables, established as above, is adjusted where necessary by a write-down provision, presented as a direct reduction of the value of the receivables to their expected realisable value. The write-down to the consolidated financial statements is equal to the difference between the book value and the value of estimated future cash flows, less amounts which are not expected to be received. The write-down is recognised in the Income Statement.

Receivables from factoring, with no draw back options, are eliminated from the Balance Sheet. Receivables from factors with draw back options, remain recorded in the Balance Sheet and a financial liability is recorded following the advance received.

Cash and cash equivalents

Cash and cash equivalents are stated at nominal value.

Accruals and deferrals

Prepayments and accruals include the costs and revenues accruing in the year but due in subsequent years.

Provisions for employee severance indemnities

The Provisions for employee severance indemnities recorded in the financial statements represent the actual debt of the Group with its employees at the reporting date, net of any advances to employees and payments to the complementary pension funds indicated by the employees or to the INPS Treasury Fund, pursuant to Article 1, paragraph 755 and thereafter of Law No. 296/06, Italian legislation.

It shall be noted that as of 1 January 2007, for companies with at least 50 employees, the Italian Finance Law and related implementing decrees introduced significant changes in the regulation of provisions for employment termination benefits, including the employee's choice concerning the allocation of severance indemnities accruing (to the supplementary pension funds or the "Treasury Fund" managed by INPS - national social welfare institution). The amount recorded in the consolidated financial statements is therefore net of payments to the funds mentioned.

Provisions

Provisions are recorded based on the principles of prudence and accruals and include provisions made to cover losses and debts of a certain nature and of a certain and probable existence, with uncertain amount and occurrence date. The provisions reflect the best estimate on the basis of available information at the reporting date. Potential liabilities which are only considered possible are described in the notes.

Provisions are recognized in the relevant line item of the income statement. Whenever the nature of the provision is not feasible with the relevant line item of the income statement, the provisions are entered in the "Provision for risk and charges" line item of the income statement.

Provisions for environmental liabilities are recorded following changes in terms of regulations or environmental regulations or litigation for violation of these rules, including rules on safety on construction sites and in the workplace. The estimate of the amount of the Provision is made considering the costs that it is presumed to incur in relation to the existing situation, also taking into account any technical developments and future legislation, which are known at the balance sheet date. The incurring of the costs indicated is presumed reasonably certain when a new legislative provision is certain and obliges the Group to remedy the damage caused or there have been administrative measures or legal proceedings, except in cases in which the disputes are deemed unfounded or the relative negative outcome is deemed unlikely.

Provision for Emission Trading CO_2 are recorded to deliver the emission allowances to the competent national authority on an accruals basis, in the year in which the obligation arises, in proportion to the emissions of greenhouse gases produced during the year itself. When preparing the consolidated financial statements, the Group records a liability to the competent national authority, in counterpart to the recognition in the income statement of the related costs accrued for the year.

Provisions for future charges relating to future flows on derivatives are discounted if they derive from a certain and reasonably estimated obligation and the disbursement is expected to take place over a period of time that makes the present value of the provision significantly different from the its estimated value.

Loans, trade and other payables

Loans, trade and other payables are recognised according to the amortised cost criteria, taking account of their timing ant the net realizable value. The amortised cost criteria is not applied to loans and payables where the effects are insignificant. Effects are considered insignificant for short-term loans and payables (i.e. with maturity of less than 12 months), or when the transaction costs, the commissions paid between the parties and any other difference between the initial value and the value at maturity are not significant. The breakdown by geographical area is not provided, as it is not significant.

Derivative financial instruments

Derivative financial instruments are financial assets and liabilities, recognized at fair value.

Derivatives are classified as hedging instruments only when, on the initiation of hedging, a strict and documented correlation exists between the characteristics of the hedged item and those of the hedging instrument, this hedging connection is formally documented and the effect of the hedge, periodically verified, is high.

Where derivatives hedge a risk of changes in future cash flows of the hedged instrument (cash flow hedge), the effective portion of profits or losses of the derivative financial instrument are suspended to net equity. The ineffective portion of the profits and losses associated with a hedge are recognized to the income statement. When the related transaction is realized, the accumulated gains and losses that have been recorded to equity are recognized in the income statement (to adjust or supplement the income statement accounts affected by the hedged cash flows). The Group applies hedge accounting to cover the fluctuation of cash flows due to exchange rates and interest rates.

Therefore, the changes of the relative fair value of derivative hedging financial instruments are recognized to a separate net equity reserve (''Reserve for future cash flow hedging operations'') in the case of the hedging of cash flows in a manner which offsets the effects of the cash flows hedged (the ineffective component, in addition to the change in the time value of options and forwards, is classified to the income statement).

Recognition of revenues and costs

Revenues and costs are recognized based on the accruals principle, independently of the receipt or payment date, net of returns (also through the recording of a provision under liabilities), allowances and bonuses. In particular:

- revenues from the sale of goods are recognized when the substantial and non-formal transfer of the title of ownership has occurred, assuming the transfer of risks and benefits for the substantial transfer;
- revenues from the sale of products and goods or from the provision of services relating to core business are recognized net of returns, allowances and bonuses, as well as taxes directly connected with the products sold and the services provided;
- revenues for services provided are recognized upon their completion and/or maturity;
- transactions with related parties are carried out at normal market conditions;
- financial income and expenses are recognized on an accrual basis;
- costs relating to the disposal of receivables for any reason (with or without draw back options) and of any nature (commercial, financial, other) are charged on an accrual basis.

Income taxes

Income taxes are registered based on the estimate of taxable income in accordance with law provisions and taking into account the applicable exemptions and the tax credits. The related payables are registered within "Tax payables" net of any payments made and of any withholding taxes. Any positive balance is registered within "Tax receivables".

Deferred tax liabilities and deferred tax assets are calculated on the temporary differences between the values of assets and liabilities and the corresponding values recognized for tax purposes. Their valuation is carried out taking account of the tax rate that the Group expects to incur in the year in which such differences will be used to calculate taxable income, considering the rates in force or already enacted as of the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences, if there is a reasonable certainty of the existence of taxable income in the years in which the differences will reverse. On the other hand, deferred tax liabilities are recorded on all taxable temporary differences. Deferred taxes relating to tax-suspension reserves are not recorded if there is a low likelihood that these reserves will be distributed to Shareholders.

The Group has two different tax consolidation agreements with its subsidiaries, relating to taxes on income in Italy, pursuant to Article 117 et seq. of Italian Presidential Decree No. 917 of December 22, 1986 (Testo Unico delle Imposte sui Redditi):

- From the year ended December 31, 2013, the company Itelyum Purification S.r.l., acts as the consolidating company and calculates a single assessable base for the companies of the Group Itelyum Purification adhering to the tax consolidation and therefore benefits from the possibility of offsetting assessable income with assessable losses in a single tax declaration.
- From the year ended December 31, 2016, the company Itelyum Regeneration S.r.l., acts as the consolidating company and calculates a single assessable base for the companies of the Group Itelyum Regeneration adhering to the tax consolidation and therefore benefits from the possibility of offsetting assessable income with assessable losses in a single tax declaration.

The companies involved in the tax consolidation agreements transfer to the consolidating company its assessable income (assessable income or tax loss); the consolidating company recognises a receivable equal to the IRES to be paid (the consolidated company recognises a payable to the consolidating company).

Criteria for converting items in foreign currencies

Receivables, payables and cash and cash equivalents in foreign currencies are accounted for at the value in Euro based on the exchange rate at the time of their formation; the exchange differences, realized on the date of collection or payment, are recorded in the income statement. As of the balance sheet date, receivables and payables in foreign currencies are adjusted to the exchange rate as of the balance sheet date; consequently, any accrued exchange differences are recognized in the income statement under item "Foreign exchange gains / (losses)". Any net profit resulting from the change in foreign currency items as of the balance sheet date must be accounted to a specific non-distributable reserve.

Use of estimates

The preparation of the current Consolidated Financial Statements requires management's estimates and assumptions on the values of the assets and liabilities in the financial statements and on the information relating to the assets and potential liabilities at the Consolidated Financial Statement date. The estimates and assumptions used are based on past experience and other factors considered relevant. However, actual results could differ from the estimates.

Estimates and assumptions are reviewed periodically and the impacts of any resulting changes are recognized directly in the income statement in the period in which the estimates are revised, if the revision impacts only that period, or also in future periods, if the revision impacts both the current and future periods. The most significant accounts concerned by these uncertainties are (i) the valuation of goodwill; (ii) the evaluation of the recoverable value of property, plant and equipment, goodwill and other intangible assets after the execution of the impairment test exercise and (iii) the depreciation of Property, plant and equipment and the amortization of Goodwill and Other intangible assets; (iv) the environmental liabilities; (v) the bad debt provision; (vi) the provision for risks and charges; (vii) the inventory obsolescence provision.

Valuation of Goodwill

With reference to the valuation of Goodwill, it involves a complex procedure that requires the application of various valuation methods, including the identification and measurement of the fair value of the assets acquired and the liabilities taken on. These methods use the following inputs: historical information, forecasts based on estimates or on observation of the market e.g. the royalty rate for the use of comparable assets, the discount rate, the residual useful life of the assets acquired, etc. The Directors also utilized the work of independent experts.

Evaluation of the recoverable value of property, plant and equipment, goodwill and other intangible assets

With reference to the measurement of the recoverable value of the goodwill, other intangibles assets and property, plant and equipment, the Directors, conducted three different impairment tests, one for the Regeneration, one for the Purification and one for Environmental as of December 31, 2020 2019 and 2018.

In order to perform such impairment tests for the Regeneration and the Purification the value in use was determined on the basis of economic and financial projections of each CGU for a period of 5 years and a terminal value based on the perpetuity method, considering a growth rate (g-rate) not higher than 2%.

These cash flows were discounted using a discount rate (WACC), taking into account the specific risks of the business and which reflects the current market valuations of the cost of money. The calculation of the weighted average cost of capital, led to a value of 9.0% for Regeneration and to a value of 8.4% for Purification.

For Environmental the impairment test was performed on the basis of fair value, determined considering the amount that may be received for the sale of an asset or that may be paid for the transfer of a liability in a regular transaction between market operators as at the valuation date (i.e. exit price).

No impairment emerged from the impairment tests, resulting in the value in use obtained significantly higher than the net invested capital.

The forecasts—including the level of investments and the change in net working capital—are based on the assumptions characterized in any case by intrinsic uncertainty, both with reference to macroeconomic and sector conditions as well as specific conditions tied to the Group, also based on the current status and knowledge of the pandemic crisis available at the time the estimate was made, which is inherently uncertain, any change of which—currently unpredictable—might result in final results that are different than what is estimated, which might require at consolidated level an impairment loss.

Depreciation of Property, plant and equipment and the amortization of Goodwill and Other intangible assets

With reference to the depreciation of Property, plant and equipment and the amortization of Goodwill and Other intangible assets, the depreciation rates of the Property, plant and equipment and the amortization rates of Goodwill and Other intangible assets are calculated based on the best estimate of the residual useful life of the assets linked to production made by the Group's technicians and Directors.

Environmental liabilities

The Group is subject, in relation to its activities, to numerous laws and regulations on environmental protection at European, national, regional and local level, including the laws which implement international conventions and protocols relating to the activities carried out.

The measurement of future liabilities in connection with reclamation and restoration obligations in relation to sites and/or land on which the Group carries out its business is a complex process based on technical and financial assumptions made by the Group's management and supported by independent experts where necessary. The estimates are reviewed at each balance sheet date to verify that the amounts recorded are the best reflection of the costs the Group will face. If any significant variations are found, the amounts are adjusted. The key factors for revising cost estimates are the developments in the Group's operations, technologies and the environmental regulations.

Measurement of environmental liabilities recorded in the financial statements takes into account the environmental legislation currently in force. However, this measurement could be subject to variations, even to a significant extent, in relation to: (i) the possibility of further contamination arising; (ii) the results of current and future refurbishment and the other possible effects arising from the application of the laws in force; (iii) the possible effects of new laws and regulations for environmental protection; (iv) the effects of any technological innovations for environmental cleansing; and (v) the possibility of disputes concerning the environmental liability for specific sites and the difficulty of determining the potential consequences of this, including in relation to the liability of other parties and any indemnity.

Provisions for risks and charges and bad debt provision

Regarding the provisions for risks and charges and the bad debt provision, the consolidated financial statements reflects the estimate of liabilities and the collectability of assets based on the best knowledge of solvency of the counterparts and the state of litigation, using the information provided by the legal and tax advisors, who assist the Group as well as considering outstanding contracts with the counterparts. The estimate of the risks is subject to uncertainties and it cannot be excluded that in future fiscal years, costs which cannot currently be estimated, might arise due to a worsening of the state of litigation and the level of counterparts' solvency.

Inventory obsolescence provision

The inventory obsolescence provision reflects the management's estimate of the Group's expected losses in value, determined on the basis of past experience. Abnormal market price trends could have repercussions in future inventory write-downs.

Analysis of Balance Sheet items

Note 6. **Goodwill**

As of December 31, 2020, 2019 and 2018 Goodwill amount respectively to € 88.3 million, to € 80.5 million and to € 88.9 million.

Goodwill is detailed as follows:

(in millions of €)	As of December 31, 2019	Increase	Other	Business combination	As of December 31, 2020
Historical cost	143.1	26.2	—	0.1	169.5
Accumulated amortization	(62.7)	(17.6)	(0.8)	(0.1)	(81.2)
Net book value	**80.5**	**8.6**	**(0.8)**	**—**	**88.3**

(in millions of €)	As of December 31, 2018	Increase	Other	Business combination	As of December 31, 2019
Historical cost	136.5	6.6	—	—	143.1
Accumulated amortization	(47.6)	(15.1)	—	—	(62.6)
Net book value	**88.9**	**(8.5)**	—	**—**	**80.5**

(in millions of €)	As of December 31, 2017	Increase	Other	Business combination	As of December 31, 2018
Historical cost	133.1	3.2	—	0.3	136.5
Accumulated amortization	(32.4)	(15.1)	—	(0.1)	(47.6)
Net book value	**100.7**	**(11.9)**	—	**0.1**	**88.9**

As of December 31, 2020, 2019 and 2018, the net book value of Goodwill is allocated as follows:

(in millions of €)	As of December 31,		
	2020	**2019**	**2018**
Purification	35.8	42.9	49.8
Regeneration	24.6	29.6	34.5
Environment	27.9	8.0	4.6
Goodwill	**88.3**	**80.5**	**88.9**

Additions of 2020 relate to Environment: Idroclean S.r.l. for € 11.5 million, Ferolmet S.r.l. for € 5.3 million, Intereco S.r.l for € 5.3 million, Carbonafta S.r.l. for € 1.8 million, De Luca Servizi Ambiente S.r.l. for € 1.4 million, Centro Risorse S.r.l. for € 0.5 million, Labio.Lab S.r.l for € 0.3 million, Agrid S.r.l. for € 0.1 million and Riraee S.r.l. for € 0.1 million.

Additions of 2019 relate mainly to Environment: Neda Ambiente FVG S.r.l. for € 4.8 million, Centro Risorse S.r.l. for € 1.1 million, Innovazione Chimica S.r.l. for € 0.3 million, Area S.r.l. for € 0.2 million.

Additions of 2018 relate to Environment: Innovazione Chimica S.r.l. for € 1.1 million, Centro Risorse S.r.l. for € 0.8 million, Area S.r.l. for € 0.6 million, S.E.P.I. Ambiente S.r.l for € 0.4 million, Ecoserve S.r.l. for € 0.2 million and Ecoausilia S.r.l. for € 0.1 million.

Note 7. **Other intangible assets**

As of December 31, 2020, 2019 and 2018 Other intangible assets amount respectively to € 4.4 million, to € 3.4 million and to € 2.7 million.

Other intangible assets are detailed as follow:

(in millions of €)	As of December 31, 2019	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2020
Historical cost							
Start up and formation expenses	3.1	0.3	—	1.2	—	—	4.6
Development costs	0.5	0.0	—	—	—	—	0.5
Industrial patents and similar intellectual property rights	2.5	0.2	—	—	—	—	2.6
Concessions, licenses, trademark and similar rights	0.3	0.1	—	—	—	0.1	0.5
Other intangible assets	10.7	1.1	(0.6)	(1.2)	(0.2)	2.2	12.0
Intangible assets under construction	1.3	0.2	(1.8)	—	—	1.2	0.9
Total historical cost	**18.5**	**1.9**	**(2.5)**	**—**	**(0.2)**	**3.6**	**21.3**
Accumulated amortization							
Start up and formation expenses	(2.8)	(0.4)	—	—	(1.1)	—	(4.3)
Development costs	(0.5)	—	—	—	—	—	(0.5)
Industrial patents and similar intellectual property rights	(1.9)	(0.3)	—	—	—	—	(2.2)
Concessions, licenses, trademark and similar rights	(0.2)	—	—	—	—	(0.1)	(0.4)
Other intangible assets	(9.8)	(0.5)	—	—	1.4	(0.7)	(9.5)
Intangible assets under construction	—	—	—	—	—	—	—
Total accumulated amortization	**(15.1)**	**(1.3)**	**—**	**—**	**0.3**	**(0.8)**	**(16.9)**

(in millions of €)	As of December 31, 2019	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2020
Net book value							
Start up and formation expenses	0.4	(0.1)	—	1.2	(1.1)	—	0.3
Development costs	—	—	—	—	—	—	—
Industrial patents and similar intellectual property rights	0.6	(0.1)	—	—	—	—	0.5
Concessions, licenses, trademark and similar rights	0.1	—	—	—	—	0.1	0.1
Other	1.0	0.6	(0.6)	(1.2)	1.2	1.5	2.5
Intangible assets under construction	1.3	0.2	(1.8)	—	—	1.2	0.9
Other intangible assets	**3.4**	**0.4**	**(2.5)**	**—**	**0.1**	**2.8**	**4.4**

(in millions of €)	As of December 31, 2018	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2019
Historical cost							
Start up and formation expenses	3.1	—	—	—	—	—	3.1
Development costs	0.5	—	—	—	—	—	0.5
Industrial patents and similar intellectual property rights	2.2	0.3	—	—	—	—	2.5
Concessions, licenses, trademark and similar rights	0.3	—	—	—	—	—	0.3
Other intangible assets	10.1	0.7	—	—	—	—	10.8
Intangible assets under construction	0.4	1.1	(0.1)	—	—	—	1.3
Total historical cost	**16.6**	**2.1**	**(0.1)**	**—**	**—**	**—**	**18.5**
Accumulated amortization							
Start up and formation expenses	(2.4)	(0.4)	—	—	—	—	(2.8)
Development costs	(0.4)	—	—	—	—		(0.5)
Industrial patents and similar intellectual property rights	(1.6)	(0.3)	—	—	—	—	(1.9)
Concessions, licenses, trademark and similar rights	(0.2)	—	—	—	—	—	(0.2)
Other intangible assets	(9.3)	(0.5)	—	—	—	—	(9.8)
Intangible assets under construction	—	—	—	—	—	—	—
Total accumulated amortization	**(13.9)**	**(1.3)**	**—**	**—**	**—**	**—**	**(15.1)**

(in millions of €)	As of December 31, 2018	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2019
Net book value							
Start up and formation expenses	0.8	(0.4)	—	—	—	—	0.4
Development costs	—	—	—	—	—	—	—
Industrial patents and similar intellectual property rights	0.6	—	—	—	—	—	0.6
Concessions, licenses, trademark and similar rights	0.1	—	—	—	—	—	0.1
Other	0.9	0.1	—	—	—	—	1.0
Intangible assets under construction	0.4	1.1	(0.1)	—	—	—	1.3
Other intangible assets	**2.7**	**0.8**	**(0.1)**	**—**	**—**	**—**	**3.4**

(in millions of €)	As of December 31, 2017	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2018
Historical cost							
Start up and formation expenses	1.5	0.1	—	1.6	—	—	3.1
Development costs	0.5	—	—	—	—	—	0.5
Industrial patents and similar intellectual property rights	1.6	0.1	—	—	—	0.5	2.2
Concessions, licenses, trademark and similar rights	0.2	0.1	—	—	—	—	0.3
Other intangible assets	10.6	0.6	—	(1.6)	—	0.5	10.1
Intangible assets under construction	0.3	0.1	—	—	—	—	0.4
Total historical cost	**14.6**	**1.0**	**—**	**—**	**—**	**0.9**	**16.6**
Accumulated amortization							
Start up and formation expenses	(1.1)	(0.5)	—	(0.7)	—	—	(2.4)
Development costs	(0.4)	(0.1)	—	—	—	—	(0.4)
Industrial patents and similar intellectual property rights	(1.0)	(0.2)	—	—	—	(0.4)	(1.6)
Concessions, licenses, trademark and similar rights	(0.1)	—	—	—	—	—	(0.2)
Other intangible assets	(8.7)	(0.8)	—	0.7	—	(0.5)	(9.3)
Intangible assets under construction	—	—	—	—	—	—	—
Total accumulated amortization	**(11.3)**	**(1.7)**	**—**	**—**	**—**	**(0.9)**	**(13.9)**

(in millions of €)	As of December 31, 2017	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2018
Net book value							
Start up and formation expenses	0.3	(0.5)	—	0.9	—	—	0.8
Development costs	0.1	(0.1)	—	—	—	—	—
Industrial patents and similar intellectual property rights	0.6	(0.1)	—	—	—	—	0.6
Concessions, licenses, trademark and similar rights	0.1	—	—	—	—	—	0.1
Other	1.9	(0.2)	—	(0.9)	—	—	0.9
Intangible assets under construction	0.3	0.1	—	—	—	—	0.4
Other intangible assets	**3.4**	**(0.7)**	**—**	**—**	**—**	**—**	**2.7**

Note 8. **Property, plant and equipment**

As of December 31, 2020, 2019 and 2018 Property, plant and equipment amount respectively to € 259.8 million, to € 90.3 million and to € 102.2 million.

Property, plant and equipment are detailed as follow:

(in millions of €)	As of December 31, 2019	Additions	Revaluations	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2020
Historical cost								
Land and buildings	43.2	0.8	0.2	—	1.7	—	4.3	50.3
Plant and machinery	340.7	6.3	59.7	(0.4)	5.2	1.3	7.0	419.8
Commercial and industrial equipment	21.2	1.2	0.3	0.1	—	—	3.0	25.9
Other tangible assets	13.8	0.1	1.1	(1.4)	(0.8)	—	6.6	19.8
Tangible assets under construction	5.4	7.8	—	(1.5)	(6.1)	—	0.6	6.1
Total historical cost	**424.3**	**16.2**	**61.3**	**(3.2)**	**—**	**1.3**	**21.5**	**521.8**
Accumulated depreciation								
Land and buildings	(21.6)	(1.1)	0.8	—	—	(0.4)	(1.0)	(23.3)
Plant and machinery	(286.8)	(19.4)	96.4	—	—	1.5	(5.3)	(213.6)
Commercial and industrial equipment	(14.4)	(1.5)	4.0	—	—	1.2	(2.5)	(13.2)
Other tangible assets	(11.2)	(1.2)	6.0	—	—	(1.1)	(4.5)	(12.0)
Tangible assets under construction	—	—	—	—	—	—	—	—
Total accumulated depreciation	**(334.0)**	**(23.2)**	**107.2**		**—**	**1.2**	**(13.3)**	**(262.1)**
Net book value								
Land and buildings	21.6	(0.3)	1.0	—	1.7	(0.4)	3.3	27.0
Plant and machinery	53.9	(13.1)	156.1	(0.4)	5.2	2.8	1.7	206.2
Commercial and industrial equipment	6.8	(0.3)	4.3	0.1	—	1.2	0.5	12.7
Other tangible assets	2.6	(1.1)	7.1	(1.4)	(0.8)	(0.7)	2.1	7.8
Tangible assets under construction	5.4	7.8	—	(1.5)	(6.1)	—	0.6	6.1
Property, plant and equipment	**90.3**	**(7.0)**	**168.5**	**(3.2)**	**—**	**2.9**	**8.2**	**259.8**

(in millions of €)	As of December 31, 2018	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2019
Historical cost							
Land and buildings	42.8	0.3	—	0.1	—	—	43.2
Plant and machinery	332.2	6.7	(0.1)	2.0	—	—	340.7
Commercial and industrial equipment	20.4	0.9	(0.1)	—	—	—	21.2
Other tangible assets	13.2	—	(0.4)	—	1.0	—	13.8
Tangible assets under construction	3.0	4.6	(0.1)	(2.1)	—	—	5.4
Total historical cost	**411.4**	**12.5**	**(0.7)**	**—**	**(1.0)**	**—**	**424.3**
Accumulated depreciation							
Land and buildings	(20.4)	(1.2)	—	—	—	—	(21.6)
Plant and machinery	(265.2)	(21.8)	0.1	—	—	—	(286.8)
Commercial and industrial equipment	(13.0)	(1.4)	—	—	(0.1)	—	(14.4)
Other tangible assets	(10.7)	(0.9)	0.3	—	—	—	(11.2)
Tangible assets under construction	—	—	—	—	—	—	—
Total accumulated depreciation	**(309.2)**	**(25.2)**	**0.4**	**—**	**(0.1)**	**—**	**(334.0)**
Net book value							
Land and buildings	22.4	(0.8)	—	0.1	—	—	21.6
Plant and machinery	67.0	(15.1)	—	2.0	—	—	53.9
Commercial and industrial equipment	7.4	(0.4)	(0.1)	0.0	(0.1)	—	6.8
Other tangible assets	2.5	(0.9)	(0.1)	0.0	1.0	—	2.6
Tangible assets under construction	3.0	4.6	(0.1)	(2.1)	—	—	5.4
Property, plant and equipment	**102.2**	**(12.6)**	**(0.3)**	**—**	**0.9**	**—**	**90.3**

(in millions of €)	As of December 31, 2017	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2018
Historical cost							
Land and buildings	33.1	0.3	—	0.1	—	9.3	42.8
Plant and machinery	314.6	1.2	(0.5)	7.8	—	9.0	332.2
Commercial and industrial equipment	15.7	2.8	(0.2)	0.1	—	1.9	20.4
Other tangible assets	9.8	0.1	(0.3)	0.1	0.9	2.4	13.2
Tangible assets under construction	5.1	5.7	—	(8.7)	—	0.8	3.0
Total historical cost	**378.4**	**10.1**	**(1.0)**	**(0.5)**	**0.9**	**23.5**	**411.4**
Accumulated depreciation							
Land and buildings	(15.4)	(1.1)	—	—	—	(3.9)	(20.4)
Plant and machinery	(233.6)	(25.4)	0.5	—	—	(6.6)	(265.2)
Commercial and industrial equipment	(10.1)	(1.4)	0.1	—	—	(1.6)	(13.0)
Other tangible assets	(8.3)	(0.8)	0.2	—	—	(1.8)	(10.7)
Tangible assets under construction	—	—	—	—	—	—	—
Total accumulated depreciation	**(267.5)**	**(28.6)**	**0.8**	**—**	**—**	**(14.0)**	**(309.2)**

(in millions of €)	As of December 31, 2017	Additions	Disposals	Reclassifications	Other changes	Business combination	As of December 31, 2018
Net book value							
Land and buildings	17.7	(0.8)	—	0.1	—	5.4	22.4
Plant and machinery	81.0	(24.2)	—	7.8	—	2.4	67.0
Commercial and industrial equipment	5.7	1.3	(0.1)	0.1	—	0.3	7.4
Other tangible assets	1.4	(0.7)	(0.1)	0.1	0.9	0.6	2.5
Tangible assets under construction	5.1	5.7	—	(8.7)	—	0.8	3.0
Property, plant and equipment	**110.9**	**(17.6)**	**(0.2)**	**(0.5)**	**0.9**	**9.6**	**102.2**

Additions of 2020 relate to:

- Plant and machinery for € 13.1 million, mainly from improvements in the Landriano and Rho plants for € 6.3 million (of which € 5.6 million of additions and € 0.8 million of reclassifications);
- Commercial and industrial equipment for € 2.9 million, mainly from improvements in the Landriano and Rho plants for € 0.9 million;
- Tangible assets under construction for € 7.8 million, mainly from the investment at the Pieve Fissiraga plant concerning the interconnections of the desiloxanation plant, the TDA and the upgrade of the HDF plant software, as well as the improvement of the fugitive emission captures and improvements in the Pieve Fissiraga and Ceccano plants for € 6.5 million.

Additions of 2019 relate to:

- Plant and machinery for € 6.7 million, mainly from (i) extraordinary maintenance in the Landriano and the Rho plants for € 3.4 million; and (ii) the investment made at the Pieve Fissiraga plant concerning the installation of a separator cyclone for € 2.6 million;
- Commercial and industrial equipment for € 1 million, mainly from extraordinary maintenance in the Landriano and the Rho plants for € 0.6 million;
- Other tangible assets for € 1.0 million, mainly from extraordinary maintenance on industrial trucks and the purchase of a new truck for € 0.2 million; purchase of roll-off containers and forklift trucks for € 0.1 million;
- Tangible assets under construction for € 4.6 million, mainly from (i) the investment made at the Pieve Fissiraga plant concerning the installation of a desiloxanation plant and improvements in the Pieve Fissiraga and Ceccano plants for € 3.0 million; (ii) revamping of the resin plant for € 0.1 million; (iii) for revamping of Area 6000 for € 0.1 million; (iv) for the construction of a new park of buried tanks at the Landriano plant for € 0.1 million; and (v) for utilities efficiency for € 0.3 million.

Additions of 2018 relate to:

- Plant and machinery for € 1.2 million, mainly from (i) investments in the Landriano and Rho plants for € 0.3 million; (ii) investments in the waste storage center in Bologna for € 0.3 million;
- Commercial and industrial equipment for € 2.8 million, mainly from investments in the Landriano Plant and the Rho Plant for € 2.6 million;
- Other tangible assets for € 1.1 million;
- Tangible assets under construction € 5.7 million, mainly from the improvement and maintenance of the plants and machinery of the Pieve Fissiraga and Ceccano plants, and in particular to the investment made at the Pieve Fissiraga plant concerning the installation of an additional reactor to allow an improvement in quality and an increase in the technical characteristics of the regenerated lubricating bases the plant produces for € 4.3 million.

Revaluation as allowed by Italian Law n. 126 of October 13, 2020

As referred in Note 5 "Significant accounting policies—Revaluation as allowed by Italian Law n. 126 of October 13, 2020", in 2020, the Group has exercise the option provided by art. 110 of Italian Law Decree 104/2020, converted into Italian Law no. 126 of October 13, 2020, and registered the revaluation of the following Property, plant and equipment. Revaluations of 2020:

- Land and buildings for € 1.0 million;
- Plant and machinery for € 156.1 million;
- Industrial and commercial equipment for € 4.2 million;
- Other assets for € 7.2 million.

For more details, please refer to Note 5 "Significant accounting policies—Revaluation as allowed by Italian Law n. 126 of October 13, 2020".

Note 9. **Investments**

Investments amounted to € 0.5 million as of December 31, 2020, to € 0.3 million as of December 31, 2019, and to € 0.3 million as of December 31, 2018. Investments are detailed as follows:

	As of December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Ecolombardia 4 S.p.A.	0.1	0.1	0.1
Biocalos S.r.l.	0.3	0.2	0.2
Other	0.1	—	—
Investments	**0.5**	**0.3**	**0.3**

Note 10. **Other non-current financial assets**

Other non-current financial assets amounted to € 1.9 million as of December 31, 2020, to € 0.1 million as of December 31, 2019, and to € 0.1 million as of December 31, 2018. The breakdown of the caption is detailed below:

	As of December 31,		
(in millions of €)	**2020**	**2019**	**2018**
From affiliated - Asmia	1.8	—	—
From other non-related parties	0.1	0.1	0.1
Other non-current financial assets	**1.9**	**0.1**	**0.1**

Note 11. **Inventories**

Inventories amounted to € 20.1 million as of December 31, 2020, to € 22.9 million as of December 31, 2019, and to € 25.6 million as of December 31, 2018, net of Inventory obsolescence provision amounting to € 1.3 million, € 0.8 million and € 0.4 million as of December 31, 2020, 2019 and 2018. The breakdown of the caption is detailed below:

	As of December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Raw materials, consumables and goods	9.5	8.5	7.5
Work-in-progress and semi-finished products	4.1	5.7	6.8
Finished goods	7.9	9.5	11.6
Inventory obsolescence provision	(1.3)	(0.8)	(0.4)
Inventories	**20.1**	**22.9**	**25.6**

The table below shows changes in inventory obsolescence provision:

(in millions of €)	As of December 31, 2020	2019	2018
Opening Inventory obsolescence provision	**(0.8)**	**(0.4)**	**(0.1)**
Accruals	(0.5)	(0.4)	(0.3)
Utilization	—	—	—
Releases	—	—	—
Closing Inventory obsolescence provision	**(1.3)**	**(0.8)**	**(0.4)**

Note 12. **Trade receivables**

Trade receivables amounted to € 80.2 million as of December 31, 2020, to € 58.9 million as of December 31, 2019, and to € 63.6 million as of December 31, 2018, net of Bad debt provision amounting to € 2.0 million, € 1.6 million and € 1.2 million as of December 31, 2020, 2019 and 2018. The breakdown of the caption is detailed below:

(in millions of €)	As of December 31, 2020	2019	2018
Gross trade receivables	82.2	60.6	64.7
Bad debt provision	(2.0)	(1.6)	(1.2)
Trade receivables	**80.2**	**58.9**	**63.6**

The break-down of Trade receivables by geographical area is detailed below:

(in millions of €)	As of December 31, 2020	2019	2018
Italy	70.6	48.7	54.3
Europe	2.3	3.1	3.3
Rest of the world	7.3	7.1	6.0
Trade receivables	**80.2**	**58.9**	**63.6**

The following is the change of Bad debt provision for the years:

(in millions of €)	As of December 31, 2020	2019	2018
Opening Bad debt provision	**(1.6)**	**(1.2)**	**(1.2)**
Effect of change in scope of consolidation	(0.5)	(0.1)	0.1
Impairment of trade receivables	(0.5)	(0.4)	(0.5)
Utilization	0.6	0.1	0.5
Releases	—	—	—
Closing Bad debt provision	**(2.0)**	**(1.6)**	**(1.2)**

Note 13. **Tax receivables**

Tax receivables amounted to € 3.9 million as of December 31, 2020, to € 3.3 million as of December 31, 2019, and to € 3.2 million as of December 31, 2018. The breakdown of the caption is detailed below:

(in millions of €)	As of December 31, 2020	2019	2018
Receivables from VAT	1.3	1.0	0.6
Receivables from tax consolidation (IRES)	1.2	0.7	0.2
R&D tax credit	0.4	0.3	0.7
Advances IRAP	0.2	0.2	0.1
Excise Duties	0.2	0.1	0.1
Advances IRES	0.1	0.1	0.6
IRES tax credit	0.1	0.7	0.7
Other tax receivables	0.4	0.1	0.2
Tax receivables	**3.9**	**3.3**	**3.2**

"IRAP" means "*imposta regionale sulle attività produttive*", the Italian regional production tax;

"IRES" means "*imposta sul reddito delle società*", the Italian corporate income tax;

Note 14. **Deferred tax assets**

Deferred tax assets amount to € 4.4 million, € 3.9 million and € 3.7 million as of December 31, 2020, 2019 and 2018, respectively.

Deferred tax assets refer to temporary differences fiscally deductible in future years. For more details, please refer to Note 35 "Income taxes".

Note 15. **Other current assets**

Other current assets amounted to € 4.6 million as of December 31, 2020, to € 2.9 million as of December 31, 2019, and to € 2.7 million as of December 31, 2018.

As of December 31, 2020, it mainly includes € 1.2 million from the fiduciary deposit set up in favor of the previous Ferolmet shareholders to guarantee the payment of the final price of the shares sold; € 0.6 million from the convention with Pieve Fissiraga Municipality related to the acquisition of the land adjacent to the Pieve Fissiraga plant; € 0.6 million from the estimated TEE certificates will be assigned to the Group due to the use of the cogeneration plants; € 0.2 million from margins paid on purchases of CO_2 quotas to be completed in the following year; € 0.2 million from advances paid to suppliers; and € 1.8 million from other receivables.

As of December 31, 2019, it mainly includes € 0.5 million from the estimated TEE certificates will be assigned to the Group due to the use of the cogeneration plants; € 0.5 million from advances paid to suppliers; € 0.2 million from margins paid on purchases of CO_2 quotas to be completed in the following year; and € 1.7 million from other receivables.

As of December 31, 2018, it mainly includes € 0.6 million from the estimated TEE certificates will be assigned to the Group due to the use of the cogeneration plants and € 2.1 million from other receivables.

Note 16. **Cash and cash equivalents**

Cash and cash equivalents amounted to € 39.1 million as of December 31, 2020, to € 54.1 million as of December 31, 2019, and to € 29.9 million as of December 31, 2018. The breakdown of the caption is detailed below:

	As of December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Cash on hand	—	—	—
Cash at bank	39.1	54.1	29.9
Cash and cash equivalents	**39.1**	**54.1**	**29.9**

Note 17. **Accrued income and prepaid expenses**

Accrued income and prepaid expenses amounted to € 2.2 million as of December 31, 2020, to € 1.6 million as of December 31, 2019, and to € 1.6 million as of December 31, 2018.

Note 18. **Equity**

The breakdown of the caption is detailed below:

(in millions of €)	As of December 31, 2020	As of December 31, 2019	As of December 31, 2018
Share capital	13.8	13.8	13.8
Share premium reserve	59.2	59.2	59.2
Revaluation reserve – Law Decree 104/2020	158.5	—	—
Cash flow hedge reserve	(0.4)	(0.7)	(0.6)
Consolidation reserve	0.9	0.2	—
Retained earnings/(losses)	(54.2)	(43.5)	(29.7)
Profit/(loss) for the year attributable to the owners of the Parent	(10.0)	(10.7)	(13.8)
Equity attributable to the owners of the Parent	**167.7**	**18.3**	**28.9**
Capital and reserves attributable to non-controlling interests	3.9	2.0	4.2
Result for the year attributable to non-controlling interests	3.1	2.6	1.4
Equity attributable to non-controlling interests	**7.0**	**4.6**	**5.6**
Equity	**174.7**	**22.9**	**34.5**

Share capital

As of December 31, 2020, the Share capital amounts to € 13.8 million which is divided into 7,036,698 limited ordinary shares, 3,100 unlimited shares and 6,780,973 limited preferred shares, with a nominal value of € 1 per share.

There were no movements on the Share capital during 2020, 2019 and 2018.

Shares	Share capital as of December 31, 2018 (in millions of €)	Subscriptions/ (Redemptions) for the year (Shares)	Subscriptions/ (Redemptions) for the year (in millions of €)	Share capital as of December 31, 2019 (in millions of €)	Subscriptions/ (Redemptions) for the year (Shares)	Subscriptions/ (Redemptions) for the year (in millions of €)	Share capital as of December 31, 2020 (in millions of €)
Unlimited Shares	—	—	—	—	—	—	—
Limited Preferred Shares	6.8	—	—	6.8	—	—	6.8
Class A	1.4	—	—	1.4	—	—	1.4
Class B	1.4	—	—	1.4	—	—	1.4
Class C	1.4	—	—	1.4	—	—	1.4
Class D	1.4	—	—	1.4	—	—	1.4
Class E	1.4	—	—	1.4	—	—	1.4
Total Share capital	**13.8**	**—**	**—**	**13.8**	**—**	**—**	**13.8**

Share premium account

The share premium account consists of the share premium of € 59.2 million relating to the limited alphabet shares and limited preferred shares as referred to in Note 39 "Off balance sheet commitments, guarantees and contingent liabilities". An amount of € 30.4 million is allocated to the limited shares premium account and € 28.7 million is allocated to the preferred shares premium account.

Reconciliation of the Parent Company net equity and result and those reported in the consolidated financial statements

(in millions of €)	Net equity December 31, 2020	Net Result for the year ended December 31, 2020	Net equity December 31, 2019	Net Result for the year ended December 31, 2019	Net equity December 31, 2018	Net Result for the year ended December 31, 2018
Financial statements of SSCP	**68.7**	**(1.2)**	**69.9**	**(1.3)**	**71.2**	**(1.1)**
Difference between book value of investments consolidated companies and shareholders' equity of the financial statements, including the result	(51.1)		(41.7)		(29.0)	
Result reported by subsidiaries	(9.7)	(9.7)	(11.5)	(11.5)	(12.8)	(12.8)
Adjustments consolidation:						
Revaluation reserve	158.5					
Elimination of inter-company profit/losses	0.9	0.9	2.1	2.1	0.1	0.1
Cash flow reserve	(0.4)		(0.7)		(0.6)	
Other consolidation adjustments net of the tax effect	0.9		0.2		—	
Net income attributable to minority interests		3.1		2.6		1.4
Equity and Profit/Loss—Parent	**167.7**	**(7.0)**	**18.3**	**(8.1)**	**28.9**	**(12.4)**
Equity and Profit/Loss—Non-controlling interests	**7.0**	**3.1**	**4.6**	**2.6**	**5.6**	**1.4**
Equity and Profit/Loss	**174.7**	**(10.1)**	**22.9**	**(10.7)**	**34.5**	**(13.8)**

Note 19. **Current and Non-current financial liabilities**

The breakdown of the caption is detailed below:

	As of December 31,					
	2020		2019		2018	
(in millions of €)	Current	Non-Current	Current	Non-Current	Current	Non-Current
Overdrafts and short-term bank borrowings	—	—	8.7	—	6.2	—
Other bank loans	—	—	—	—	—	—
Bank loans	26.5	140.9	8.0	146.0	5.8	154.1
Accrued interests on bank loans	0.1	—	—	—	—	—
Other bank liabilities	—	—	—	—	—	—
Current and Non-current financial liabilities	**26.6**	**140.9**	**16.7**	**146.0**	**12.1**	**154.1**

Details of outstanding Bank loans as of December 31, 2020 are provided below:

(in millions of €)	Original amount	Maturity	Rate	As of December 31, 2020	Current	Non-current
Facility A1 Regeneration	14.8	24/02/2022	Euribor + Margin(1)	3.1	3.1	—
Facility A2 Regeneration	13.7	24/02/2022	Euribor + Margin(1)	2.9	2.9	—
Facility B1 Regeneration	34.4	24/02/2023	Euribor + Margin(1)	32.7	(0.3)	33
Facility B2 Regeneration	32.1	24/02/2023	Euribor + Margin(1)	30.4	(0.3)	30.7
Acquisition/Capex Facility Regeneration	20.0	24/02/2023	Euribor + Margin(1)	16.8	2.9	13.9
Revolving Facility Regeneration	7.5	24/02/2022	Euribor + Margin(1)	7.4	(0.1)	7.5
Facility A1 Purification	22.0	03/08/2023	Euribor + Margin(2)	11.4	4.4	7.0
Facility A2 Purification	3.0	03/08/2023	Euribor + Margin(2)	1.6	0.6	1.0

(in millions of €)	Original amount	Maturity	Rate	As of December 31, 2020	Current	Non-current
Facility B1 Purification	35.0	02/08/2024	Euribor + Margin(2)	33.8	(0.3)	34.1
Facility B2 Purification	5.0	02/08/2024	Euribor + Margin(2)	4.9	—	4.9
Acquisition/Capex Facility Purification	6.0	02/08/2024	Euribor + Margin(2)	6.0	2.0	4.0
Revolving Facility Purification	7.5	03/08/2023	Euribor + Margin(2)	7.5	7.5	—
Other	n/a	n/a	n/a	8.9	4.1	4.8
Total Bank loans				**167.4**	**26.5**	**140.9**

(1) The medium / long-term loan signed by the subsidiary Itelyum Regeneration S.r.l. with a pool of banks, amounting to € 93.3 million as of December 31, 2020 (€ 92.6 million and € 93.7 million as of December 31, 2019 and 2018, respectively): (i) disbursed in February 2016 for a total nominal amount of € 95.0 million, of which € 28.5 million with maturity on December 2021 (with payment of the first installment at the end of 2016 and repayable in half-yearly installments each June and December of each year) and € 66.5 million with maturity in a single installment in February 2023; (ii) disbursed in July 2017 for a nominal amount of € 15.0 million, repayable in half-yearly installments from December 2019; (iii) disbursed in June 2019 for a nominal amount of € 5.0 million, repayable in half-yearly installments from December 2019; (iv) disbursed in March 2020 for a nominal amount of € 7.5 million, repayable in a single installment in February 2022. These loans provide for the payment of interest calculated at the variable rate Euribor + Margin, determined according to the contract based on Leverage. Leverage is determined by the ratio of contractual "Consolidated Total Net Debt" as of the date of the relevant period divided by contractual "Consolidated EBITDA" for that relevant period. According to Leverage, Margin is determined between 3.0% and 4.25% for the Facility A, between 4.0% and 4.75% for the Facility B, between 3.25% and 4.5% for the Acquisition/ Capex Facility and between 3.0% and 4.25% for the Revolving Facility.

(2) The medium / long-term loan signed by the subsidiary Itelyum Purification S.r.l. with a pool of banks, amounting to € 65.1 million as of December 31, 2020 (€ 66.1 million and € 70.1 million as of December 31, 2019 and 2018, respectively): (i) disbursed in August 2017 for a total nominal amount of € 75.0 million of which € 25.0 million with maturity on August 2023 (with payment of the first installment in June 2018 and repayable in each June and December of each year) and € 40.0 million with maturity in a single installment in August 2024; (ii) disbursed in April 2018 for a nominal amount of € 8.0 million to be paid in half-yearly installments from June 2019; (iii) disbursed in January 2019 for a nominal amount of € 2.0 million to be paid in half-yearly installments from June 2019; (iv) disbursed in March 2020 for a nominal amount of € 7.5 million with maturity in a single installment in August 2023. These loans provide for the payment of interest calculated at the variable rate Euribor + Margin, determined according to the contract based on Leverage. Leverage is determined by the ratio of contractual "Consolidated Total Net Debt" as of the date of the relevant period divided by contractual "Consolidated EBITDA" for that relevant period. According to Leverage, Margin is determined between 3.0% and 4.50% for the Facility A, between 4.25% and 5.0% for the Facility B, between 3.50% and 4.75% for the Acquisition/Capex Facility and between 3.25% and 4.50% for the Revolving Facility.

As of December 31, 2020, the Group, to hedge the risk of changes in the interest rate associated with its debt, has four hedging contracts in place (Interest Rate Swaps) with a notional value of € 84.3 million (€ 91.4 million and € 98.0 million as of December 31, 2019 and 2018, respectively). These instruments have been designated as hedging financial instruments and are backed by the same guarantees issued for the disbursement of the bank debt lines to cover which they were stipulated. For more details please refer to Note 37 "Derivative financial instruments" and Note 39 "Off balance sheet commitments, guarantees and contingent liabilities".

The medium-long term loan of the subsidiary Itelyum Regeneration S.r.l. contain covenants, which use calculations from the Itelyum Regeneration S.r.l. consolidated financial statements. At December 31, 2020, 2019 and 2018, the contractual loan covenants were duly respected. The duration of this contract is less than five years. For the years ended December 31, 2020, and the following years, the subsidiary Itelyum Regeneration S.r.l. agreed an amendment to the financial covenants.

The medium-long term loan of the subsidiary Itelyum Purification S.r.l. contain covenants, which use calculations from the Itelyum Purification S.r.l. consolidated financial statements. At December 31, 2020, 2019 and 2018, the contractual loan covenants were duly respected. The duration of this contract is less than five years.

Guarantees are in place for many of these loans and details are provided in Note 39 "Off balance sheet commitments, guarantees and contingent liabilities".

Note 20. **Other current and non-current financial liabilities**

The breakdown of the caption is detailed below:

(in millions of €)	As of December 31,					
	2020		2019		2018	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Factoring liabilities	0.9	—	5.5	—	3.3	—
Lauro Quarantasei SPA	0.5	23.2	0.5	22.1	0.4	21.0
Vendor Loan	—	6.4	—	6.0	—	5.7
Other			—	—	0.2	—
Other current and non-current financial liabilities	**1.4**	**29.5**	**5.9**	**28.1**	**4.0**	**26.7**

Other current and non-current financial liabilities mainly refers to:

- The "Factoring liabilities" contain payables for the sale of receivables without draw back options collected directly by the Group and due to the factor;
- The Loan from Lauro Quarantasei S.p.A., with maturity in February 2025 and fixed interest rate of 5.0%;
- The Vendor Loan, which the previous shareholders disbursed to the Group to cover potential liabilities that could arise after the closing date. This loan is interest-bearing, with maturity in ten years.

Note 21. **Provisions for employee severance indemnities**

Provisions for employee severance indemnities amount to €6.3 million, €4.3 million and €4.5 million as of December 31, 2020, 2019 and 2018, respectively.

The item includes the payable for severance pay and the payable for severance indemnity of the Group accrued to the employees of the Group at December 31, 2020.

The table below shows changes in Provisions for employee severance indemnities occurred during the years ended December 31, 2020, 2019 and 2018:

(in millions of €)	As of December 31, 2020	2019	2018
Opening Provisions for employee severance indemnities	**4.3**	**4.5**	**3.7**
Effect of change in scope of consolidation	1.7	—	0.7
Provision for the year	1.9	1.6	1.5
Utilization and payments to supplementary funds	(1.6)	(1.8)	(1.4)
Closing Provisions for employee severance indemnities	**6.3**	**4.3**	**4.5**

The increase in this account is principally related to the increase in Group personnel numbers from the acquisitions in the three-year period.

The following is the average number of employees in the three-year period 2020, 2019 and 2018, broken down by category:

Class	For the years ended December 31, 2020	2019	2018
Executives	15	19	19
Managers	66	53	41
Clerical employees	273	195	213
Blue collar workers	338	251	238
Total average workforce	**692**	**518**	**511**

Note 22. **Provisions**

Provisions amount to € 10.3 million, € 9.2 million and € 8.7 million as of December 31, 2020, 2019 and 2018, respectively.

The changes in the Provisions are shown in the table below:

	As of December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Opening balance	**9.2**	**8.7**	**7.6**
Effect of change in scope of consolidation	—	—	—
Provision for the year	4.9	2.9	1.9
Change in Financial derivative instruments	(0.3)	—	0.8
Utilization/releases	(3.4)	(2.4)	(1.6)
Closing balance	**10.3**	**9.2**	**8.7**

The breakdown of the caption is detailed below:

	As of December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Financial derivative instruments	0.5	0.9	0.9
Provision for site dismantlement and restoration (Pieve Fissiraga Plant)	—	—	0.2
Provision for environmental liabilities	6.8	5.1	5.6
Provision for Emission Trading CO_2	2.5	3.1	1.9
Other provisions	0.4	0.1	0.1
Provisions	**10.3**	**9.2**	**8.7**

Financial derivatives instruments refers to hedging derivatives. Details are provided in Note 38“Derivative financial instruments”.

The increase in the provision for environmental liabilities as of December 31, 2020, derives from an estimate of the future costs to be charged to the Provision, in particular taking into account the safety measures for the groundwater matrix and environmental characterization following inspections carried out by part of specialized technical consultants. The decrease in the provision for environmental liabilities as of December 31, 2019, derives mainly from the use of the Provisions for the costs incurred during the year in compliance with current environmental legislation.

The increase in the Provision for Emission Trading CO_2 as of December 31, 2020 and 2019, is mainly determined by the estimate of the cost for the purchase of CO_2 quotas to be made each year.

Note 23. **Deferred tax liabilities**

Deferred tax liabilities amount to € 1.3 million, € 3.2 million € 5.9 million as of December 31, 2020, 2019 and 2018, respectively.

Deferred tax liabilities refer to temporary differences fiscally payable in future years. For more details, please refer to Note 35 “Income taxes”.

Note 24. **Trade payables**

Trade payables amount to € 81.0 million, € 64.7 million and € 56.9 million as of December 31, 2020, 2019 and 2018, respectively.

The item comprises the amounts due for supplies for production, capital expenditures and services received at December 31, 2020, 2019 and 2018.

The break-down of Trade payables by geographical area is detailed below:

(in millions of €)	As of December 31, 2020	2019	2018
Italy	73.6	56.6	49.5
Europe	5.6	5.8	5.5
Rest of the world	1.8	2.3	1.9
Trade payables	**81.0**	**64.7**	**56.9**

Note 25. **Current and Non-current Tax and social security payables**

Tax and social security payables amount to € 15.2 million (of which € 11.8 million current and € 3.4 million non-current) as of December 31, 2020, € 8.3 million as of December 31, 2019, and € 6.2 million as of December 31, and 2018.

(in millions of €)	As of December 31, 2020		2019		2018	
	Current	Non-current	Current	Non-current	Current	Non-current
IRPEF (income taxes) for employees and self-employed and withholding taxes payables	5.2	—	3.5	—	2.8	—
Social security payables	2.5	—	2.0	—	1.6	—
Income taxes payables	1.1	—	1.6	—	0.6	—
VAT payables	0.6	—	0.5	—	0.6	—
Excise duties payables	0.1	—	0.1	—	0.1	—
Substitute tax payables	1.7	3.4	—	—	—	—
Other tax payables	0.6	—	0.7	—	0.4	—
Tax and social security payables	**11.8**	**3.4**	**8.3**	**—**	**6.2**	**—**

"IRPEF (income taxes) for employees and self-employed and withholding taxes payables", of which € 3.9 million are overdue as of December 31, 2020, will be settled within the terms of the law.

"Social security payables" refer to the amounts to be paid to the social security institutions in relation to (i) the employee's salaries, the charges relating to holidays accrued and not taken and additional salaries and (ii) the remuneration of self-employed.

"Income taxes payables" refer to the general Italian corporate income tax ("IRES") and the regional tax on productive activities ("IRAP").

"Substitute tax payables" for € 5.1 million (of which € 1.7 million in within 12 months and € 3.4 million beyond 12 months) were entered as a result of the revaluation made as allowed by Italian Law n. 126 of October 13, 2020.

Please see Note 5 "Significant accounting policies—Revaluation as allowed by Italian Law n. 126 of October 13, 2020".

Note 26. **Other current liabilities**

As of December 31, 2020, 2019 and 2018 Other current liabilities amount respectively to €21.2 million, to € 12.5 million and to € 9.7 million.

Other current liabilities are detailed as follow:

(in millions of €)	As of December 31, 2020	2019	2018
Payables from acquisitions	13.9	6.0	1.9
Payables to employees	5.1	4.0	3.6
Provision for bonuses matured by personnel	0.6	1.2	1.0
Payables to agents	0.6	0.4	0.3
Other	1.0	0.9	2.8
Other current liabilities	**21.2**	**12.5**	**9.7**

"Payables from acquisitions" refers to the deferred amount due between the following year for the purchase of the shares of the companies acquired in 2020, 2019 and 2018.

"Payables to employees" contain the salaries, the charges relating to holidays accrued and not taken and additional salaries.

"Provision for bonuses matured by personnel" refers to the bonuses the Group will recognize in the following year to the employees linked to the results of the year ended as of the balance sheet date. This amount is net of payments made during the year and related to bonuses accrued in the previous year.

"Payables to agents" contain payables for sales concluded during the year.

Note 27. **Accrued expenses and deferred income**

As of December 31, 2020, 2019 and 2018 Accrued expenses and deferred income amount respectively to €1.0 million, to € 0.4 million and to € 1.2 million.

Income Statement

Note 28. **Revenue**

Revenue amounted to € 330.9 million, € 300.7 million and € 279.3 million for the year ended December 31, 2020, 2019 and 2018, respectively. The Revenue by segment is presented below:

(in millions of €)	For the years ended December 31, 2020	2019	2018
Purification	125.3	117.3	119.3
Regeneration	85.4	97.9	97.6
Environment	120.2	85.5	62.4
Revenue	**330.9**	**300.7**	**279.3**

The break-down of Revenue by geographical area is detailed below:

(in millions of €)	For the years ended December 31, 2020	2019	2018
Italy	263.3	232.7	215.2
Europe	26.8	36.5	25.2
Rest of the world	40.8	31.5	38.9
Revenue	**330.9**	**300.7**	**279.3**

Revenue increased from € 300.7 million in 2019 to € 330.9 million in 2020, or 10.0%. The increase for € 30.2 million is the result of:

(i) decrease of Regeneration for € 12.6 million;

(ii) offset by increase in Purification for € 8.0 million and increase in Environment for €34.8 million.

Revenue increased from € 279.3 million in 2019 to € 300.7 million in 2020, or 7.7%. The increase is mainly attributable to the increase in Environment for € 23.1 million.

Note 29. **Other income**

Other income amounted to € 2.9 million, € 2.5 million and € 3.5 million for the year ended December 31, 2020, 2019 and 2018, respectively. The detail of the caption is presented below:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Prior year income	0.7	0.6	0.5
Escrow from environmental cleanup	0.9	0.6	0.7
TEE certificates	0.6	0.5	0.5
R&D tax credit contribution	—	0.3	0.8
Other income	0.7	0.5	1.0
Other income	**2.9**	**2.5**	**3.5**

Note 30. **Purchase, services and other charges**

Purchase, services and other charges amount to € 231.9 million, € 211.2 million and € 199.8 million for the year ended December 31, 2020, 2019 and 2018, respectively.

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Purchase of raw materials, consumables, goods and changes in inventories	114.8	118.5	124.7
Costs for services	112.4	89.1	71.0
Rent	4.7	3.6	4.1
Purchase, services and other charges	**231.9**	**211.2**	**199.8**

Purchase, services and other charges mainly include costs for the purchase of raw materials to be used in the production process, goods for sales, maintenance materials and diesel for transportation.

Purchase of raw materials, consumables, goods and changes in inventories over Revenue decreased from 44.6% in 2018, to 39.4% in 2019 and to 34.7% in 2020.

The costs for services mainly refer to costs relating to services of an operational nature and to general charges of the Group, the remuneration of Directors, the compensation of Statutory Auditors and the fees payable to the Independent Auditors.

Costs for services over Revenue increased from 25.4% in 2018, to 29.6% in 2019 and to 34.0% in 2020..

Rent mainly refer to the rent of buildings, the rental and leasing of cars, motor vehicles, machinery, tanks for the storage of waste oils and other operational equipment.

Overall, the impact of Rent on Revenue remained stable in the three-year period, equaling 1.4%, 1.2% and 1.5% respectively in 2020, 2019 and 2018.

Note 31. **Personnel costs**

Personnel costs amounted to € 39.0 million, € 34.1 million and € 32.1 million for the year ended December 31, 2020, 2019 and 2018, respectively.

The breakdown of Personnel costs is presented below:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Salaries and wages	27.7	24.1	22.0
Social security contributions	8.6	7.4	6.9
Employee severance indemnities	1.9	1.6	1.5
Other personnel costs	0.8	0.9	1.7
Personnel costs	**39.0**	**34.1**	**32.1**

The increase in this account is principally related to the increase in Group personnel numbers from the acquisitions in the three-year period.

Note 32. **Other operating costs**

Other operating costs amounted to € 7.9 million, € 6.6 million and € 5.4 million for the year ended December 31, 2020, 2019 and 2018, respectively.

The breakdown of Other operating costs is presented below:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Consumption taxes and excise duties	0.9	1.0	1.0
Non-income taxes	0.6	0.6	0.5
Contingent liabilities and losses from disposals	1.0	0.7	0.8
Other	5.4	4.3	3.1
Other operating costs	**7.9**	**6.6**	**5.4**

Other operating costs over Revenue increased from 1.9% in 2018, to 2.2% in 2019 and to 2.4% in 2020, mainly related to the increase in cost from the purchase of CO_2 quotas.

Note 33. **Depreciation and amortization**

Depreciation and amortization amounted to € 42.2 million, € 41.6 million and € 45.3 million for the year ended December 31, 2020, 2019 and 2018, respectively.

The breakdown of Depreciation and amortization is presented below:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Depreciation of Property, plant and equipment	23.3	25.2	28.6
Amortization of Goodwill	17.6	15.1	15.1
Amortization of Other intangible assets	1.3	1.3	1.7
Depreciation and amortization	**42.2**	**41.6**	**45.3**

Please refer to Note 6 “Goodwill”, Note 7 “Other intangible assets” and Note 8 “Property, plant and equipment” for more details.

Note 34. **Financial income and expenses**

The breakdown of Net financial expenses is presented below:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Financial income	**0.1**	**—**	**—**
Interest on bank loans	(0.2)	(0.2)	(0.1)
Other bank charges	—	—	(0.1)
Bank charges on bank loans	—	—	(0.1)
Financial expenses on medium/long -term loans	(9.5)	(9.5)	(10.1)
Interest payable to Lauro Quarantasei	(1.1)	(1.1)	(1.0)
Other interest	(0.6)	(0.1)	(0.2)
Financial expenses	**(11.4)**	**(10.9)**	**(11.6)**
Net financial expenses	**(11.3)**	**(10.9)**	**(11.6)**

Net financial expenses amounted to € 11.3 million, € 10.9 million and € 11.6 million for the year ended December 31, 2020, 2019 and 2018, respectively, and remained stable in the three-year period.

Note 35. **Income taxes**

Income taxes amounted to € 3.7 million, € 3.4 million and € 0.7 million for the year ended December 31, 2020, 2019 and 2018, respectively.

The breakdown of Income taxes is presented below:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Current taxes	(6.4)	(6.3)	(5.2)
Taxes related to prior year	0.3	(0.1)	0.6
Deferred taxes	2.0	2.7	3.5
Prepaid taxes	0.4	0.3	0.5
Income taxes	**(3.7)**	**(3.4)**	**(0.7)**

Current taxes are as follows:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
IRES	4.4	3.9	3.2
IRAP	2.0	2.3	2.1
Current taxes	**6.4**	**6.3**	**5.2**

In relation to temporary differences that resulted in the recording of deferred tax assets, reference should be made to the following tables:

	As of December 31, 2020		Changes in Taxable income		Changes in Deferred tax assets		As of December 31, 2019	
(in millions of €)	**Taxable income**	**Deferred tax assets**	**Business combinations**	**Other net changes**	**Business combinations**	**Other net changes**	**Taxable income**	**Deferred tax assets**
IRES								
Depreciation	0.8	0.2	—	—	—	—	0.8	0.2
Excess of Bad debt provision	0.6	0.2	0.4	(0.1)	0.1	—	0.4	0.1
Exchange differences	0.4	0.1	—	0.3	—	0.1	—	—
Financial derivative instruments	0.5	0.1	—	(0.3)	—	(0.1)	0.9	0.2
Goodwill	0.2	0.1	—	—	—	—	0.2	0.1
Inventory obsolescence provision	1.3	0.3	—	0.5	—	0.1	0.8	0.2
Maintenance expenses	0.9	0.2	0.1	0.5	—	0.1	0.3	0.1
MBO Managing Director	—	—	—	(0.1)	—	—	0.1	—
Membership fees, Tares set aside but not paid and exchanges differences	0.1	—	—	—	—	—	0.1	—
Other	0.4	0.1	—	—	—	—	0.5	0.1
Property, plant and equipment subjected to revaluation art. 15	4.1	1.0	0.1	(0.4)	—	(0.1)	4.4	1.1
Provision for bonuses matured by personnel	0.7	0.2	—	(0.4)	—	(0.1)	1.2	0.3
Provision for Emission Trading CO_2	2.5	0.6	—	(0.5)	—	(0.1)	3.1	0.7
Provision for environmental liabilities	3.3	0.8	—	1.8	—	0.4	1.5	0.4
Other provisions	0.3	0.1	—	0.3	—	0.1	—	—
Remuneration to Directors not yet paid	0.1	—	—	—	—	—	0.1	—
Tax losses	—	—	—	(0.3)	—	(0.1)	0.3	0.1
Total IRES	**16.4**	**3.9**	**0.5**	**1.2**	**0.1**	**0.3**	**14.6**	**3.5**

(in millions of €)	As of December 31, 2020		Changes in Taxable income		Changes in Deferred tax assets		As of December 31, 2019	
	Taxable income	Deferred tax assets	Business combinations	Other net changes	Business combinations	Other net changes	Taxable income	Deferred tax assets
IRAP								
Depreciation	0.7	—	—	—	—	—	0.7	—
Goodwill	0.2	—	—	—	—	—	0.2	—
Inventory obsolescence provision	0.1	—	—	—	—	—	0.1	—
Other	0.5	—	0.1	0.1	—	—	0.3	—
Property, plant and equipment subjected to revaluation art. 15	4.1	0.2	—	(0.4)	—	—	4.4	0.2
Provision for Emission Trading CO_2	2.5	0.1	—	(0.5)	—	—	3.1	0.1
Provision for environmental liabilities	3.3	0.1	—	1.8	—	0.1	1.5	0.1
Other provisions	0.3	—	—	0.3	—	—	—	—
Total IRAP	**11.7**	**0.5**	**0.1**	**1.3**	**—**	**0.1**	**10.3**	**0.4**
Total	**28.0**	**4.4**	**0.6**	**2.4**	**0.1**	**0.4**	**25.0**	**3.9**

(in millions of €)	As of December 31, 2019		Changes in Taxable income		Changes in Deferred tax assets		As of December 31, 2018	
	Taxable income	Deferred tax assets	Business combinations	Other net changes	Business combinations	Other net changes	Taxable income	Deferred tax assets
IRES								
Depreciation	0.8	0.2	—	0.1	—	—	0.7	0.2
Excess of Bad debt provision	0.4	0.1	—	0.1	—	—	0.3	0.1
Financial derivative instruments	0.9	0.2	—	0.1	—	—	0.8	0.2
Goodwill	0.2	0.1	—	—	—	0.1	0.2	—
Inventory obsolescence provision	0.8	0.2	—	0.4	—	0.1	0.4	0.1
Maintenance expenses	0.3	0.1	—	—	—	—	0.3	0.1
MBO Managing Director	0.1	—	—	—	—	—	0.1	—
Membership fees, Tares set aside but not paid and exchanges differences	0.1	—	—	0.1	—	—	—	—
Other	0.5	0.1	—	0.1	—	—	0.4	0.1
Property, plant and equipment subjected to revaluation art. 15	4.4	1.1	—	(0.2)	—	—	4.6	1.1
Provision for bonuses matured by personnel	1.2	0.3	—	(0.1)	—	—	1.3	0.3
Provision for Emission Trading CO_2	3.1	0.7	—	1.2	—	0.2	1.9	0.5
Provision for environmental liabilities	1.5	0.4	—	(0.1)	—	—	1.6	0.4
Provision for site dismantlement and restoration (Pieve Fissiraga Plant)	—	—	—	(0.2)	—	—	0.2	—
Remuneration to Directors not yet paid	0.1	—	—	(0.1)	—	—	0.2	—
Tax losses	0.3	0.1	—	(0.3)	—	(0.1)	0.6	0.2
Total IRES	**14.6**	**3.5**	**—**	**1.0**	**—**	**0.3**	**13.6**	**3.3**
IRAP								
Depreciation	0.7	—	—	0.1	—	—	0.6	—
Goodwill	0.2	—	—	0.2	—	—	—	—
Inventory obsolescence provision	0.1	—	—	—	—	—	0.1	—
Other	0.3	—	—	—	—	—	0.3	—
Property, plant and equipment subjected to revaluation art. 15	4.4	0.2	—	(0.2)	—	—	4.6	0.2
Provision for Emission Trading CO_2	3.1	0.1	—	1.0	—	—	2.1	0.1
Provision for site dismantlement and restoration (Pieve Fissiraga Plant)	—	—	—	(1.6)	—	(0.1)	1.6	0.1
Provision for environmental liabilities	1.5	0.1	—	1.3	—	0.1	0.2	—
Total IRAP	**10.3**	**0.4**	**—**	**0.8**	**—**	**—**	**9.5**	**0.4**
Total	**25.0**	**3.9**	**—**	**1.9**	**—**	**0.3**	**23.1**	**3.7**

(in millions of €)	As of December 31, 2018 Taxable income	As of December 31, 2018 Deferred tax assets	Changes in Taxable income Business combinations	Changes in Taxable income Other net changes	Changes in Deferred tax assets Business combinations	Changes in Deferred tax assets Other net changes	As of January 1, 2018 Taxable income	As of January 1, 2018 Deferred tax assets
IRES								
Depreciation	0.7	0.2	—	0.2	—	0.1	0.5	0.1
Excess of Bad debt provision	0.3	0.1	—	(0.1)	—	—	0.4	0.1
Financial derivative instruments	0.8	0.2	—	0.8	—	0.2	0.1	—
Goodwill	0.2	—	—	—	—	—	0.1	—
Inventory obsolescence provision	0.4	0.1	—	0.3	—	0.1	0.1	—
Maintenance expenses	0.3	0.1	0.1	—	—	—	0.2	—
MBO Managing Director	0.1	—	—	0.1	—	—	—	—
Membership fees + Tares set aside but not paid + exchanges differences	—	—	—	(0.2)	—	—	0.2	—
Other	0.4	0.1	0.2	(0.1)	0.1	—	0.3	—
Property, plant and equipment subjected to revaluation art. 15	4.6	1.1	—	(0.1)	—	—	4.7	1.1
Provision for bonuses matured by personnel	1.3	0.3	—	1.2	—	0.3	0.1	—
Provision for Emission Trading CO_2	1.9	0.5	—	1.2	—	0.3	0.6	0.2
Provision for environmental liabilities	1.6	0.4	—	(0.6)	—	(0.2)	2.2	0.5
Provision for site dismantlement and restoration (Pieve Fissiraga Plant)	0.2	—	—	—	—	—	0.2	—
Remuneration to Directors not yet paid	0.2	—	—	—	—	—	0.2	—
Tax losses	0.6	0.2	1.0	(1.4)	0.2	(0.1)	1.0	—
Total IRES	**13.6**	**3.3**	**1.3**	**1.3**	**0.3**	**0.7**	**10.9**	**2.0**
IRAP								
Depreciation	0.6	—	—	0.2	—	—	0.4	—
Goodwill	—	—	—	(0.1)	—	—	0.1	—
Inventory obsolescence provision	0.1	—	—	—	—	—	0.1	—
Other	0.3	—	0.2	(0.1)	—	—	0.2	—
Other provisions	—	—	—	(0.4)	—	—	0.4	—
Property, plant and equipment subjected to revaluation art. 15	4.6	0.2	—	(0.1)	—	—	4.7	0.2
Provision for Emission Trading CO_2	2.1	0.1	—	1.4	—	0.1	0.6	—
Provision for environmental liabilities	1.6	0.1	—	(0.2)	—	—	1.8	0.1
Provision for site dismantlement and restoration (Pieve Fissiraga Plant)	0.2	—	—	—	—	—	0.2	—
Total IRAP	**9.5**	**0.4**	**0.2**	**0.7**	**—**	**0.1**	**8.5**	**0.3**
Total	**23.1**	**3.7**	**1.5**	**2.0**	**0.3**	**0.8**	**19.4**	**2.3**

In relation to temporary differences that resulted in the recording of deferred tax liabilities, reference should be made to the following tables:

(in millions of €)	As of December 31, 2020 Taxable income	As of December 31, 2020 Deferred tax liabilities	Changes in Taxable income Business combinations	Changes in Taxable income Other net changes	Changes in Deferred tax liabilities Business combinations	Changes in Deferred tax liabilities Other net changes	As of December 31, 2019 Taxable income	As of December 31, 2019 Deferred tax liabilities
IRES								
Commercial and industrial equipment	—	—	—	—	—	—	0.1	—
Depreciation	3.9	0.9	—	(3.6)	—	(0.9)	7.5	1.8
Gain on disposals	—	—	—	—	—	—	0.1	—
Plant and machinery	0.5	0.1	—	(3.3)	—	(0.8)	3.9	0.9
Total IRES	**4.5**	**1.1**	**—**	**(7.0)**	**—**	**(1.7)**	**11.5**	**2.8**
IRAP								
Commercial and industrial equipment	—	—	—	—	—	—	0.1	—
Depreciation	3.9	0.2	—	(3.6)	—	(0.2)	7.4	0.3
Plant and machinery	0.5	—	—	(3.3)	—	(0.1)	3.9	0.2
Total IRAP	**4.4**	**0.2**	**—**	**(6.9)**	**—**	**(0.3)**	**11.4**	**0.5**
Total	**8.9**	**1.3**	**—**	**(14.0)**	**—**	**(2.0)**	**22.9**	**3.2**

(in millions of €)	As of December 31, 2019		Changes in Taxable income		Changes in Deferred tax liabilities		As of December 31, 2018	
	Taxable income	Deferred tax liabilities	Business combinations	Other net changes	Business combinations	Other net changes	Taxable income	Deferred tax liabilities
IRES								
Commercial and industrial equipment	0.1	—	—	—	—	—	0.1	—
Depreciation	7.5	1.8	—	(5.4)	—	(1.3)	12.9	3.1
Exchange differences	—	—	—	(0.3)	—	(0.1)	0.3	0.1
Gain on disposals	0.1	—	—	0.1	—	—	—	—
Plant and machinery	3.9	0.9	—	(3.9)	—	(1.0)	7.8	1.9
Total IRES	**11.5**	**2.8**	**—**	**(9.5)**	**—**	**(2.4)**	**21.1**	**5.1**
IRAP								
Commercial and industrial equipment	0.1	—	—	—	—	—	0.1	—
Depreciation	7.4	0.3	—	(5.2)	—	(0.2)	12.6	0.5
Plant and machinery	3.9	0.2	—	(3.9)	—	(0.1)	7.8	0.3
Total IRAP	**11.4**	**0.5**	**—**	**(9.1)**	**—**	**(0.3)**	**20.5**	**0.8**
Total	**22.9**	**3.2**	**—**	**(18.6)**	**—**	**(2.7)**	**41.6**	**5.9**

(in millions of €)	As of December 31, 2018		Changes in Taxable income		Changes in Deferred tax liabilities		As of January 1, 2018	
	Taxable income	Deferred tax assets	Business combinations	Other net changes	Business combinations	Other net changes	Taxable income	Deferred tax assets
IRES								
Commercial and industrial equipment	0.1	—	—	(0.1)	—	—	0.2	—
Depreciation	12.9	3.1	—	(8.5)	—	(2.0)	21.3	5.1
Exchange differences	0.3	0.1	—	0.3	—	0.1	—	—
Gain on disposals	—	—	0.1	(0.1)	—	—	0.1	—
Plant and machinery	7.8	1.9	—	(4.0)	—	(1.0)	11.8	2.8
Total IRES	**21.1**	**5.1**	**0.1**	**(12.4)**	**—**	**(2.9)**	**33.4**	**7.9**
IRAP								
Commercial and industrial equipment	0.1	—	—	(0.1)	—	—	0.2	—
Depreciation	12.6	0.5	—	(8.4)	—	(0.4)	21.0	0.9
Plant and machinery	7.8	0.3	—	(4.0)	—	(0.2)	11.8	0.5
Total IRAP	**20.5**	**0.8**	**—**	**(12.5)**	**—**	**(0.6)**	**33.0**	**1.4**
Total	**41.6**	**5.9**	**0.1**	**(24.9)**	**—**	**(3.5)**	**66.4**	**9.3**

Other information to be provided in the Explanatory Notes

Note 36. **Remuneration of Directors, Statutory Auditors and the Independent auditors**

The breakdown of the remuneration of Directors, Statutory Auditors and the Independent auditors are shown below:

(in millions of €)	For the years ended December 31, 2020	2019	2018
Board of Directors	2.1	1.6	1.5
Board of Statutory Auditors	0.2	0.2	0.2
Independent auditors	0.2	0.2	0.2
Total	**2.5**	**2.0**	**1.8**

Note 37. **Transactions with Related Parties**

All transactions with related parties have occurred at normal market conditions and are detailed as follow:

(in millions of €)	SSCP Green Sarl	SSCP Third Fund A and B	ASMIA Srl
Other non-current financial assets			
As of December 31, 2020	—	—	1.8
As of December 31, 2019	—	—	—
As of December 31, 2018	—	—	—
Other current assets			
As of December 31, 2020	—	—	—
As of December 31, 2019	—	—	—
As of December 31, 2018	—	—	—
Other non-current financial liabilities			
As of December 31, 2020	—	—	—
As of December 31, 2019	—	—	—
As of December 31, 2018	0.1	—	—
Other current financial liabilities			
As of December 31, 2020	—	—	—
As of December 31, 2019	—	—	—
As of December 31, 2018	—	—	—
Trade payables			
As of December 31, 2020	—	0.1	0.6
As of December 31, 2019	—	0.1	
As of December 31, 2018	—	—	—

(in millions of €)	SSCP Green Sarl	SSCP Third Fund A and B	ASMIA Srl
For the years ended December 31, 2020	—	—	—
For the years ended December 31, 2019	—	—	—
For the years ended December 31, 2018	—	—	—
Financial expenses			
For the years ended December 31, 2020	—	—	—
For the years ended December 31, 2019	—	—	—
For the years ended December 31, 2018	—	—	—

Note 38. **Derivative financial instruments**

As previously described, the Group undertook forward operations in derivative financial instruments in order to hedge the risk of interest rate fluctuations relating to the bank loans.

Financial risk management

As the Group is operative on global markets, it is exposed to a range of financial risks, including those regarding interest, currency rate and cash flow movements. In order to minimize these risks, the Group therefore uses derivative instruments for ‘‘risk management’’, while derivative instruments or similar are not utilized for trading purposes.

Currency risk

The Euro is the functional currency used for the consolidated financial statements; however, the Group carries out operations in currencies other than the Euro, principally in US Dollars, with an exposure therefore to currency risk.

The risk management policy seeks to reduce the impact on Group margins and cash flows from currency movements, minimizing at the same time protection costs against these events in terms of the pre-chosen hedging instruments. For commercial or financial transactions in currencies other than the Euro, the currency risk managed concerns fluctuations in the exchange rate between the agreement of the commercial/financial operation and its receipt/payment.

Interest rate risk

The exposure to interest rate risk relates essentially to loans agreed at variable rates. This risk concerns the possibility that an increase in market rates results in higher interest charges.

This type of hedge seeks to minimize interest rate changes generated by loans at variable rates. The exposure to interest rate risk is calculated on the basis of the loan repayment plans and the parameters used to calculate interest.

Specifically, the Group—in accordance with the requirements of accounting standard OIC 32—accounted for hedging transactions according to the hedge accounting criterion for the management of the following financial risks:

As of December 31, 2020 Itelyum Regeneration S.r.l. has in place an Interest Rate Swap (IRS) for a notional total amount of € 48.5 million (€ 52.5 million and € 56.4 million as of December 31, 2019 and 2018, respectively) with Banca Intesa San Paolo and Banco BPM with maturity on December 31, 2021, in order to hedge the risk of interest rate fluctuations relating to the loan. The IRS derivative contracts are used to convert floating rate loans to fixed rate loans.

As of December 31, 2020 Itelyum Purification S.r.l. has in place an Interest Rate Swap (IRS) for a notional total amount of € 35.8 million (€ 38.9 million and € 41.6 million as of December 31, 2019 and 2018, respectively) with Banca Intesa San Paolo and Banco BPM with maturity on December 31, 2022, in order to hedge the risk of interest rate fluctuations relating to the loan. The IRS derivative contracts are used to convert floating rate loans to fixed rate loans.

(in millions of €)	Bank	Maturity	Notional amount as of December 31, 2020	Fair value as of December 31, 2020
Interest Rate Swap	Banco BPM	12/30/2022	17.9	(0.2)
Interest Rate Swap	Intesa San Paolo	12/30/2022	17.9	(0.2)
Interest Rate Swap	Banco BPM	12/31/2021	24.3	(0.1)
Interest Rate Swap	Intesa San Paolo	12/31/2021	24.3	(0.1)

(in millions of €)	Bank	Maturity	Notional amount as of December 31, 2019	Fair value as of December 31, 2019
Interest Rate Swap	Intesa	12/31/2021	26.3	(0.2)
Interest Rate Swap	Banco BPM	12/31/2021	26.3	(0.2)
Interest Rate Swap	Intesa San Paolo	12/31/2022	19.5	(0.3)
Interest Rate Swap	Banco BPM	12/31/2022	19.5	(0.3)
Flexible Forward Export	Intesa	n/a	0.8	—

(in millions of €)	Bank	Maturity	Notional amount as of December 31, 2018	Fair value as of December 31, 2018
Interest Rate Swap	Banco BPM	12/30/2022	20.8	(0.3)
Interest Rate Swap	Intesa San Paolo	12/30/2022	20.8	(0.3)
Interest Rate Swap	Banco BPM	12/31/2021	28.2	(0.2)
Interest Rate Swap	Intesa San Paolo	12/31/2021	28.2	(0.2)
Currency Option Plafond	UBI	1/25/2019	0.5	—
Currency Option Plafond	UBI	2/11/2019	1.0	—
Currency Option Plafond	UBI	3/18/2019	0.8	—
Flexible Forward Export	Banco BPM	2/11/2019	0.5	—
Flexible Forward Export	Banco BPM	3/4/2019	0.8	—
Flexible Forward Export	Banco BPM	2/11/2019	0.6	—
Flexible Forward Export	Banco BPM	1/9/2019	1.0	—

Note 39. **Off balance sheet commitments, guarantees and contingent liabilities**

As of December 31, 2020, the caption amounts to € 20.3 million and they are related to guarantees given by the financial institutions to third parties (Entities, Public Administration, etc.) on behalf of the Group.

With regard to the loan agreements signed by the Group, it should be noted that, the following were given as collateral to the pool of lending banks, respectively:

1. Pledge on 100% of the shares of Itelyum Purification S.r.l
2. Pledge on the shares of the subsidiaries of Itelyum Purification S.r.l.;
3. Pledge on 100% of the shares of Itelyum Regeneration S.r.l
4. Pledge on the shares of the subsidiaries of Itelyum Regeneration S.r.l.;
5. Assignment as guarantee of the receivables arising from the share and purchase agreement;
6. Assignment under guarantee of all rights deriving from the Vendor Loan;
7. First-rank mortgage on properties lent for an original amount of € 118.8 million, of which € 79.2 million for the principal and € 39.6 million for interest.

The holder of the preferred shares of the Parent is entitled to a cumulative annual preferred dividend per preferred share. Such cumulative annual dividend should be calculated at 17.5% of their respective investment and is compounded annually. The dividend is due only if declared by the Shareholder's meeting.

Note 40. **Capital expenditure**

Capital expenditure: is calculated as the sum of additions in property, plant and equipment and additions in other intangible assets.

The following table provides the calculation of Capital expenditure for the years ended December 31, 2020, 2019 and 2018:

	For the years ended December 31,		
(in millions of €)	**2020**	**2019**	**2018**
Additions in property, plant and equipment	16.2	12.5	10.3
Additions in other intangible assets	1.9	2.1	1.0
Capital expenditure	**18.1**	**14.6**	**11.3**

Note 41. **Subsequent events occurred after December 31, 2020**

During the month of March, 2021, within the terms of Italian Law Decree n. 23 of April 8, 2020 ("Liquidity Decree") issued in the context of Covid-19 pandemic, the Group obtained bank loans for a total of € 8.5 million, of which € 5.0 million to Itelyum Purification S.r.l. and € 3.5 million to Centro Risorse S.r.l., to be used for liquidity needs and financing of the net working capital. The date of maturity of these facilities is March 26, 2027.

In July, 2021, the Group acquired Castiglia, an historic company based in Massafra in the province of Taranto, Italy, which has been active for twenty years in the management of sludge deriving from treatment and purification of water, for a purchase price of € 19.4 million (excluding amount due under put/call options and deferred payments), of which € 13.6 million was paid on July 2, 2021.

On August 6, 2021, Itelyum Regeneration S.r.l. entered into a settlement agreement with inter alia, Stirling Square Capital Partners Special Opportunities (n. 1) Limited Partnership pursuant to which the outstanding amount under the Vendor Loan (please refer to Note 19), equal to approximately € 6.1 million, will be repaid concurrently with, and subject to, the completion of the Acquisition as defined below.

On August 9, 2021 Itelyum Purification S.r.l. entered into a settlement agreement with Lauro Quarantasei S.p.A. in respect of the loan granted by the latter that generates approximately € 8.0 million of reduction in other non-current financial liabilities, against which the Itelyum Purification S.r.l. undertook to bear the costs of certain environmental remediation activities relating to the Landriano purification site, estimated to be approximately € 8.0 million as of the date hereof. Concurrently, an amount of € 2.8 million will be released from escrow and become available to Itelyum Purification S.r.l. in settlement of certain refunds due to the Group by Lauro Quarantasei S.p.A.

On August 13, 2021, Verde Holdings SCA entered into a sale purchase agreement with, inter alios, Stirling Square Capital Partners Third Fund A Limited Partnership and Stirling Square Capital Partners Third Fund B Limited Partnership, SSCP Third Fund S.à r.l., Stirling Square Capital Partners Viscolube Co-Investment LP, and certain management and other co-investors of the Group relating to the acquisition of all of the equity interests in SSCP Green Holdings SCA (the “Acquisition”). The acquisition is subject to regulatory clearance and customary closing conditions, and is expected to be completed during the fourth quarter of 2021.

Other than the events noted above, no other events subsequent to December 31, 2020 occurred so as to render the current financial position substantially different from the Consolidated Balance Sheet presented at that date or to require adjustments or notes to the financial statements.

SSCP Green Holdings S.C.A.
represented by its general partner
SSCP Third Fund SARL

Ganash Lokanathen
Manager
03/09/2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
SSCP Green Holdings SCA

Opinion

We have audited the consolidated financial statements of SSCP Green Holdings SCA and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2020, 2019 and 2018, the consolidated income statement, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the years then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Italian GAAP.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of SSCP Green Holdings SCA (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 5 "Significant accounting policies - Revaluation as allowed by Italian Law n. 126 of October 13, 2020" of the consolidated financial statements, which describes the effects of the revaluation of selected property, plant and equipment carried out as at December 31, 2020 by certain Italian subsidiaries of the Group. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian GAAP and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

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Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's 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 auditor's 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 an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Paola Mariateresa Rolli
Partner

Milan, Italy
September 3, 2021

THE ISSUER

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