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Version 1
11 March 2020

PROJECT NICKEL REVIEW OF FINANCIAL MODEL

By this letter OBE offers its opinion on the financial model prepared by 3i for Epione Bidco to price, structure and illustrate Project Nickel.

This letter is prepared in the context of our engagement letter, draft 2, of 10 March 2020, and is provided subject to the scope of work and other terms and conditions as set out therein.

VERSION CONTROL

This letter has been released in the following versions:

	Date	Purpose
Version 1	11 March 2020	For execution

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DEFINITIONS

For brevity, various entities are identified in this letter by short forms or acronyms:

- “Funder” refers to the (1) Finance Parties named as original parties to the Amended and Restated Original Facilities Agreement (as defined in the Master Refinancing Agreement) and any person that becomes a Lender (as defined in the Facilities Agreement (as amended and or restated)) or Hedge Counterparty (as defined in the Facilities Agreement) as part of primary syndication within six months of the date of this letter, and (2) the Finance Parties named as original parties to the Institutional Facility Agreement and any person that becomes a Lender (as defined in the Master Refinancing Agreement) as part of primary syndication within six months of the date of this letter ;
- “Epione” refers to Epione Bidco;
- “OBE” refers to Operis Business Engineering Limited; references to “we” and “our” also refer to OBE;
- “Project” refers to Project Nickel, which involves the refinancing of the Ionisos Group, pursuant to a master refinancing agreement to be entered into on or around the date of this letter (the Master Refinancing Agreement);
- “Model” refers to the financial model of the Project, developed by 3i, which takes the form of a Microsoft Excel spreadsheet called “Project Nickel - Financial Model (Updated) v6.xlsm” and dated 10 March 2020, 09:04:31 GMT;
- “Base Case” refers to the set of model input assumptions used by the Model, for which Epione is responsible;
- “Project Documents” refers to the project documents listed in Appendix A;

OPINION

It is OBE’s view that:

- the Model materially achieves its objective of generating profit and loss and cashflow projections and key financial ratios as defined in the Project Documents on the basis of the set of operational, financial, and economic assumptions set out in the Base Case;
- the logic and integrity of the Model are sound, the calculations arithmetically correct and the results reliable, accurate and consistent with the Base Case;
- the assumptions used and the logic embodied in the Model are materially consistent with the Project Documents; and
- the outputs of the Model contain no unexplainable trends or variations in key financial or banking indicators, and the definitions of cover ratios in the Project Documents are correctly interpreted in the Model’s formulae.

This opinion is limited to the cashflow schedule, profit and loss schedule, funding cover ratios as defined in the Project Documents; and any calculations involved in deriving those results.

For the avoidance of doubt, OBE does not offer an opinion on the appropriateness of the accounting and tax treatments, assumptions and calculations contained within the Model or their consistency with the relevant accounting standards and tax legislation.

This opinion is subject to the caveats as listed in Appendix B and the qualifications as listed in Appendix C.

ISSUES REPORTED

Errors discovered over the course of our review have been reported to Epione and its advisors. Any material ones have been removed from the Model, or corrected in the Project Documents, or are unresolved issues that appear as caveats in Appendix B.

LIABILITY

OBE's liability for losses incurred as a direct result of errors and omissions is subject to the following:

- OBE's liability is limited to £5 million in total with respect to this assignment;
- OBE does not accept liability to parties other than the Funder and Epione, unless specified in writing; and
- our duty of care shall be firstly to the Funder and subordinately to Epione, and we will not settle any claim with Epione without the Funder's prior agreement.

Yours faithfully,
David Rushton

David Rushton
Authorised signatory of
Operis Business Engineering Limited

Appendix A

PROJECT DOCUMENTS

DOCUMENT	FILE NAME / REFERENCE	DATE-STAMP
Extracts from Project Documentation	Extracts from Project Documentation.pdf	10 March 2020, 16:31:18

Appendix B

SPECIFIC CAVEATS

MODEL PERIODICITY

The interest periods and interest payment dates are defined as six months in the extracts from the debt financing documents. The Model does not have the capacity to calculate the interest every six months as all calculations are performed on an annual timeline. Instead it calculates interest for the whole year assuming that all debt cashflows take place at the end of each year. We note that this is a modelling simplification.

Appendix C

GENERAL QUALIFICATIONS

SCOPE

In general this opinion relates only to the internal consistency of the Model and its consistency with the Project Documents listed in Appendix A.

The Model contains actual historic data for historic modelled periods to 31 December 2019.

It is not part of the scope of OBE's work to examine the validity of the assumptions or the input data used in the Base Case and accordingly we express no opinion thereon. Items that fall into the category of input data include the historic data for past periods just mentioned.

REVIEW LIMITED TO BASE CASE

OBE has performed tests which study the reactions of the Model to variations made to a range of the inputs; however, the number of possible variations is unlimited and OBE can therefore offer no formal guarantee that the Model will operate correctly under every conceivable combination of inputs. Thus this opinion relates to the Model using the Base Case only.

DEALINGS WITH REPRESENTATIVES AND ADVISORS

The Funder is hereby notified that over the course of our review OBE has relied on the opinions, confirmations and/or information provided by Epione and/or by its representatives or advisors; and has treated those opinions, confirmations and/or information as if they had been provided by the Funder itself.

Therefore OBE provides this opinion letter to the Funder under the terms of the engagement letter on the condition that the Funder shall be bound by the opinions, confirmations and/or information provided to OBE by Epione and/or its representatives or advisors and OBE shall not be liable to the Funder for any inaccuracy or omission contained in the opinion letter which has been caused by or arises from any inaccuracy, incompleteness or lack of fitness for purpose of any opinions, confirmations and/or information so provided to OBE.

MACROS

We offer no comment on or assurance as to the general use and function of the macros in the Model.

ONGOING PROJECT MONITORING

The Model will need to be modified to make revised forecasts for the performance of Ionisos Group after the financial close date.

While we cannot offer any opinion on future versions of the Model that are subject to as yet unknown alteration, we believe that, if manipulated carefully by a competent operator who has intimate knowledge of its structure, the Model will be capable of monitoring the Ionisos Group, at least for the early years following the refinancing.

REDUNDANT CALCULATIONS

The Model contains some blank or redundant sections which are not active. OBE has not reviewed the workings of these sections and does not express an opinion on how these sections would work if non-zero values were inserted.

CASHFLOW TIMING

The Model makes the simplifying assumption that cashflows occur at the end of the periods in which they fall due. This approximation is common practice in financial models. It will result in some quantities being overstated slightly and others understated slightly, with the overall effect being small.

Note that an exception to this is the timing of the initial issuance of the refinancing facility. The first drawdown of this facility is modelled as occurring on 29 April 2020.