**Prospectus dated 19 September 2019**

# IVS Group S.A.

## EUR [ ● ] [ ● ] per cent. senior unsecured notes due 2026

Subject to the Minimum Offer Condition (as defined herein), IVS Group S.A. (the "**Issuer**") is expected to issue on or about 18 October 2019 (the "**Issue Date**") between Euro 250,000,000 (the "**Minimum Offer Amount**") and Euro 300,000,000 (the "**Maximum Offer Amount**") [ ● ] per cent. senior unsecured notes due 2026 with a denomination of Euro 1,000 (the "**Notes**") (the "**Offering**"). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date (as defined herein). The Notes will be issued at a price of 100.00 per cent. of their principal amount (the "**Issue Price**"). The Notes will bear interest from and including 18 October 2019 to, but excluding, 18 October 2026, at a minimum rate of 3 per cent. per annum (the "**Minimum Interest Rate**"), payable annually in arrear on 18 October each year, commencing on 18 October 2020.

The Notes, and any non-contractual obligations arising out of or in connection therewith, will be governed by the laws of England and Wales. The Issuer's obligations under the Notes will constitute direct, unconditional and unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves and *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, unless such obligations are accorded priority under mandatory statutory law. The Notes will be effectively subordinated to the Issuer's and its subsidiaries' (the "**Group**") existing and future secured obligations, including the Existing Notes, that are secured by property and assets that do not secure the Notes to the extent of the value of the property or assets securing such debt. Additionally, the Notes will be structurally subordinated to any existing and future obligations of the Issuer's subsidiaries not guaranteeing the Notes.

On or about 15 November 2019, and according to the terms of the Trust Deed (as defined herein) governing the Existing Notes (as defined herein), the Issuer, either itself or through one of its subsidiaries, expects to use the net proceeds from the Offering to redeem, or cause to be redeemed, the outstanding Existing Notes issued by IVS Group S.A. in full (the "**Existing Notes Redemption**"). Any net proceeds from the Offering not used for the Existing Notes Redemption will be available for general corporate purposes. See "*Use of Proceeds*". The terms and conditions of the Notes (the "**Terms and Conditions**") provide that if the Issuer shall have failed to: (i) on or prior to 29 November 2019 (the "**Longstop Date**"), redeem, or cause to be redeemed all of the Euro 240,000,000 million aggregate principal amount of the Existing Notes outstanding (including the pro rata share of the Existing Notes held by the Group at the Existing Notes Redemption Date (as defined below)) or (ii) within 30 business days of the date of the Existing Notes Redemption (the "**Existing Notes Redemption Date**"), procure that each of IVS Italia S.p.A. ("**IVS Italia**") and S. Italia S.p.A. ("**S. Italia**" and together with IVS Italia the "**Future Guarantors**"), or their successors, shall, subject to certain legal limitations set out under Article 3.2 of the Terms and Conditions of the Notes, unconditionally and irrevocably guarantee the due and punctual payment of the principal and any premium in respect of, and interest on, the Notes and of any other amounts payable by the Issuer under the Trust Deed (as defined herein) (the "**Future Guarantees**"), then all, but not some only, of the Notes shall be subject to a special mandatory redemption at their principal amount, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of such special mandatory redemption. See "*Terms and Conditions of the Notes—Redemption and Repurchase—Special Mandatory Redemption*", "*Terms and Conditions of the Notes—Limitation on Guarantor Liability*", "*Risk Factors—Risks Related to the nature of the Notes and the Future Guarantees—If completion of the Existing Notes Redemption is delayed beyond the Longstop Date or the Future Guarantees are not granted within 30 business days of the Existing Notes Redemption Date, the Issuer will be required to redeem the Notes at par, which means that you may not obtain the return you expect on the Notes*" and "*Risk Factors—Risks Related to the Offering, the Notes and the Future Guarantees—The Notes will not be guaranteed by the Future Guarantors at issuance, and once the Future Guarantees have been granted they will be significantly limited by applicable laws and are subject to certain limitations and defences*". At any time on or after 18 October 2022, the Issuer may redeem the Notes in whole or in part from time to time at the redemption prices specified herein. At any time prior to 18 October 2022, the Issuer may also redeem the Notes in whole or in part from time to time if the Issuer pays a "make-whole" premium. In the event of the occurrence of certain developments in applicable tax law, the Issuer may redeem all, but not some only, of the Notes. See "*Terms and Conditions of the Notes*" for further information.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). This Prospectus is published in electronic form together with all documents incorporated by reference herein on the website of the Issuer (www.ivsgroup.it/en/) (the "**Issuer's Website**") and the website of the Luxembourg Stock Exchange (www.bourse.lu) (the "**Luxembourg Stock Exchange Website**") and will be available free of charge at the registered office of the Issuer. This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg ("**Luxembourg**") (the "**CSSF**") in its capacity as competent authority under Regulation (EU) 2017/1129 and the Law of 16 July 2019 on Prospectuses for Securities (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Prospectus Law**") which implements certain provisions of the Prospectus Regulation and provides for requirements covering the national prospectus regime. Pursuant to Article 6(4) of the Luxembourg Prospectus Law, by approving this Prospectus, the CSSF assumes no responsibility for, and gives no undertaking as to, the economic and financial soundness of the transaction and the quality or solvency of the Issuer. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer nor of the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the securities.The Issuer has requested the CSSF to provide the competent authority in Italy, *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") with a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law (the "**Notification**"). Application has been made to Borsa Italiana S.p.A. ("**Borsa Italiana**") for the Notes to be admitted to listing and trading on the Borsa Italiana's regulated *Mercato delle Obligazioni Telematico* market (the "**MOT**"). The MOT is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended. Borsa Italiana has admitted the Notes to listing on the MOT with order n. LOL-004127 dated 13 September 2019. The start date of official trading of the Notes on the MOT (the "**Trading Start Date**") will be set by Borsa Italiana in accordance with Rule 2.4.3 of the Borsa Italiana rules and published on the Issuer's Website and the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana. The Trading Start Date shall correspond to the Issue Date. The interest rate of the Notes (which shall not be less than the Minimum Interest Rate) and the yield will be set out in a notice, which will be filed with the CSSF and published on the Company's Website, the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana prior to the start of the Offering Period (the "**Interest Rate and Yield Notice**"). The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in a notice, which will be filed with the CSSF and published on the Issuer's Website, the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana no later than the third business day after the end of the Offering Period (the "**Offering Results Notice**").

The Notes will initially be represented by a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or about the Issue Date with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A.("**Clearstream, Luxembourg**"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"), without interest coupons, on or after the date that is 40 days after the Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See "*Summary of Provisions relating to the Notes while represented by the Global Notes*".

Subject to and as set forth in "*Terms and Conditions of the Notes—Taxation*", the Issuer will not be liable to pay any additional amounts to holders of the Notes (the "**Noteholders**" and each, a "**Noteholder**") in relation to any withholding or deduction required pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (as the same may be amended or supplemented from time to time) where the Notes are held by a person or entity resident or established in a country that does not allow for satisfactory exchange of information with the Italian tax authorities and otherwise in the circumstance described in "*Terms and Conditions of the Notes—Taxation*".

The Notes have been assigned the following securities codes:
ISIN: XS2049317808; Common Code: 204931780.

**This Prospectus shall be valid for 12 months after its approval by the CSSF. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the validity of the Prospectus has expired.**

**The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Notes are in bearer form and are subject to United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America (the "United States" or the "U.S.") or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")).**

**Investing in the Notes involves certain risks. See "*Risk Factors*" beginning on page 13.**

*Placement Agent*

**EQUITA SIM**

## RESPONSIBILITY STATEMENT

Each of the Issuer and each of the Future Guarantors accepts responsibility for the information contained in this Prospectus, each with respect to the information pertaining to each of them, and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

The Issuer accepts responsibility for the translations into English of the financial statements as of and for the years ended 31 December 2017 and 31 December 2018 and as of and for the six months ended 30 June 2019 incorporated by reference herein. Each of the Future Guarantors accepts responsibility for the translations into English of the financial statements as of and for the years ended 31 December 2017 and 31 December 2018 incorporated by reference herein and the financial statements as of and for the six months ended 30 June 2019 included herein.

Each of the Issuer and the Future Guarantors further confirms that: (i) this Prospectus contains all relevant information with respect to the Group, the Notes and the Future Guarantees which is material in the context of the issue and offering of the Notes, including all relevant information which, according to the particular nature of the Issuer, the Notes and the Future Guarantees, is necessary to enable Investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Future Guarantors and the Group and of the rights attached to the Notes and the Future Guarantees; (ii) the information contained in this Prospectus relating to the Issuer, the Future Guarantors, the Group, the Notes and the Future Guarantees is accurate and complete in all material respects and is not misleading; (iii) any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Group, the Notes or the Future Guarantees the omission of which would, in the context of the issue and offering of the Notes, make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect; and (v) reasonable enquiries have been made by the Issuer and the Future Guarantors to ascertain all such facts and to verify the accuracy of all such information.

## CONSENT

The Issuer has not granted its consent for the use of this Prospectus for any subsequent resale or of the Notes by any Intermediaries.

## NOTICE

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer, The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") or the Placement Agent. Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes made hereunder shall, under any circumstances, create any implication that: (i) the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently supplemented, (ii) there has been no adverse change in the financial situation of the Issuer, the Group or the Future Guarantors which is material in the context of the issue and sale of the Notes and the Future Guarantees since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently supplemented, or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference, or (iii) any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates" "intends", "expects" or other similar terms. This applies in particular to statements under the captions "*Risk Factors*" and "*Description of the Issuer—Business Description of the Issuer and the Group (Including the Future Guarantors)*" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Issuer, the Future Guarantors and the Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer or the Group, to be materially different from or worse than those expressed or implied by these forward-

looking statements. The Issuer and the Future Guarantors do not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Certain numerical figures set out in this Prospectus, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in this Prospectus may vary slightly from the actual arithmetic totals of such information.

Furthermore, this Prospectus contains industry related data taken or derived from industry and market research reports published by third parties ("**External Data**"). Commercial publications generally state that the information they contain originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on a series of assumptions. The External Data has not been independently verified by the Issuer or the Future Guarantors.

The External Data has been reproduced accurately by the Issuer and the Future Guarantors in this Prospectus, and as far as the Issuer and the Future Guarantors are aware and are able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced External Data inaccurate or misleading. The Issuer and the Future Guarantors do not have access to the underlying facts and assumptions of numerical and market data and other information contained in publicly available sources. Consequently, such numerical and market data or other information cannot be verified by the Issuer and the Future Guarantors.

None of the Placement Agent, the Trustee, any of their respective affiliates, or any other person mentioned in this Prospectus, except for the Issuer and the Future Guarantors, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and, accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons represents, warrants or undertakes, express or implied, or accepts any responsibility for, the accuracy and completeness of the information contained in any of these documents or any other information provided by the Issuer or the Future Guarantors in connection with the Notes or their distribution.

Each Investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer, the Group and the Future Guarantors. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer, the Trustee or the Placement Agent to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer, the Future Guarantors, the Trustee, the Placement Agent or any of their respective affiliates to a recipient hereof and thereof that such recipient should purchase any Notes.

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Placement Agent to inform themselves about and to observe any such restrictions. None of the Issuer, the Placement Agent or the Trustee represents that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Placement Agent or the Trustee which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Placement Agent has represented that all offers and sales by them will be made on the same terms.

For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see "*Sale and Offer of the Notes—Selling Restrictions".*

The legally binding language of this Prospectus, according to Article 27 of the Prospectus Regulation, is English. For the purposes of the offer of the Notes to the public in Italy a courtesy translation in Italian of the sections entitled "*Summary*" and "*Terms and Conditions of the Notes*" will be made available separately with this Prospectus.

**This Prospectus may only be used for the purpose for which it has been published.**

**This Prospectus does not constitute, and may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

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## DEFINITIONS

In this Prospectus, unless otherwise specified, all references to "**€**", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended, and references to "**USD**" or "**U.S. dollar**" are to the legal currency of the United States of America.

**Definitions**

As used in this Prospectus:

- "**acquisition rate**" refers to the ratio between vends made in the current quarter by customers who became Group customers in the previous quarter to total vends of the current quarter, net of customers acquired in the previous and current quarters, as presented on an annualised basis in this Exchange Offer Memorandum—such figures exclude all vends which were acquired through mergers and acquisitions activity;

- "**churn rate**" refers to the ratio between vends made in the previous quarter by customers which were lost by the Group during the quarter and total vends made in the previous quarter, as presented on an annualised basis in this Exchange Offer Memorandum;

- "**Clearing Systems**" refers to Clearstream, Luxembourg and Euroclear;

- "**Clearstream, Luxembourg**" refers to Clearstream Banking S.A.;

- "**Coin Service Business**" refers to the activities of our Group in Italy that conduct our coin management business, specifically the following subsidiaries: CSH S.r.l.; Venpay S.p.A.; Coin Service S.p.A., Coin Service Nord S.p.A. and Moneynet S.p.A.;

- "**CONSOB**" refers to the Italian Commissione Nazionale per le Società e la Borsa;

- "**consumers**" refers to the individuals who purchase a product from our vending machines;

- "**CSSF**" refers to the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg;

- "**customers**" refers to the clients of our Vending Business with whom we contract to place vending machines on their premises;

- "**DAV**" refers to Distribuidores Automáticos Vending, S.L., a *sociedad limitada* organised under the laws of the Kingdom of Spain and one of the IVS Group's vending machine operator subsidiaries operating in Spain;

- "**DDS**" refers to the IVS Group's subsidiary SDA-DDS S.p.A.

- "**EU**" refers to the European Union;

- "**European Economic Area**" or "**EEA**" refers to the economic area encompassing all of the members of the European Union and the European Free Trade Association;

- "**Euroclear**" refers to Euroclear Bank SA/NV;

- "**Existing Notes**" refers to IVS Group S.A.'s 4.5 per cent. senior unsecured notes due 2022 issued on 6 November 2015 and admitted to trading on the regulated *Mercato delle Obligazioni Telematico* market of Borsa Italiana;

- "**Existing Notes Trust Deed**" refers to the trust deed dated 6 November 2015 constituting the Existing Notes, as supplemented by a supplemental trust deed dated 9 May 2016 and entered into by, *inter alios,* IVS Group S.A. as issuer, IVS Italia and S Italia S.p.A. as guarantors and The Law Debenture Trust Corporation p.l.c. as trustee;

- "**Future Guarantee**" refers to the guarantee of the due and punctual payment of the Notes to be granted by the Future Guarantors

- "**Future Guarantors**" refers to IVS Italia and S. Italia, collectively;

- "**GDP**" refers to gross domestic product;

- "**Generali PanEurope**" refers to Generali PanEurope Limited (a company organised under the laws of Ireland and affiliated with Assicurazioni Generali S.p.A.);

- "**Group**", "**us**", "**we**" and "**our**" refer to the Issuer and its consolidated subsidiaries, unless the context requires otherwise or is clear from context;

- "**IAA**" refers to the Italian Antitrust Authority;

- "**Issue Date**" refers to the date the Notes are issued, initially set as 18 October 2019. In the case of an early closure or extension of the Offering Period (as defined in "*Sale and Offer of the Notes*"), the Issue Date will be the fifth business day following the closure of the Offering Period;

- "**Issuer**" refers to IVS Group S.A.;

- "**Italy**" refers to the Republic of Italy;

- "**Intermediary**" or "**Intermediaries**" refer to investment companies, banks, wealth management firms, registered financial intermediaries, securities houses and any other intermediary authorised to make Purchase Offers directly on the MOT or - if such institution is not qualified to perform transactions on the MOT - through an intermediary or agent authorised to do so;

- "**Investors**" refers to the general public in Luxembourg and Italy and to qualified investors (as defined in the Prospectus Regulation) in Luxembourg, Italy and other jurisdictions as indicated in the selling restrictions as described in "*Sale and Offer of the Notes—Public Offer and Selling Restrictions*", being the persons to whom the Offering is addressed;

- "**IVS Group Holding**" refers to the Issuer's predecessor IVS Group Holding S.p.A. before the Merger;

- "**IVS Italia**" refers to IVS Italia S.p.A., a direct, wholly-owned subsidiary of the Issuer and a Future Guarantor of the Notes offered hereby;

- "**IVS Partecipazioni**" refers to IVS Partecipazioni S.p.A., the controlling shareholder of the Group;

- "**Longstop Date**" refers to 29 November 2019;

- "**Luxembourg**" refers to the Grand Duchy of Luxembourg;

- "**Luxembourg Prospectus Law**" refers to the Luxembourg law of 16 July 2019 on Prospectuses for Securities (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*), which implements certain provisions of the Prospectus Regulation;

- "**Maximum Offer Amount**" refers to Euro 300,000,000, being the maximum aggregate principal amount of Notes that will be offered by the Issuer, as such amount may be reduced by the Issuer prior to the Launch Date;

- "**Member State**" refers to a member state of the European Union;
- "**Merger**" refers to the business combination by and between privately-held IVS Group Holding and publicly-listed special purchase acquisition company Italy 1 Investment S.A. conducted pursuant to Luxembourg law of 19 May 2006 on takeover bids (*Loi du 19 mai 2006 concernant les offres publiques d'acquisitions*), effective as of 16 May 2012 with Italy 1 Investment S.A. as the surviving entity. Subsequent to the Merger, Italy1 Investment S.A. changed its name to "IVS Group S.A.". See "*Information about the Group—The Merger*";
- "**Minimum Offer Amount**" refers to Euro 250,000,000, being the minimum aggregate principal amount of Notes that will be offered by the Issuer;
- "**Minimum Offer Condition**" refers to the condition that, if, at the expiration of the Offering Period, Purchase Offers have not been placed sufficient for the sale of at least the Minimum Offer Amount, the Offering will be withdrawn;
- "**MIV**" refers to the *Mercato Telematico degli Investment Vehicles* segment of the Borsa Italiana;
- "**Monte Titoli**" refers to Monte Titoli S.p.A.;
- "**MTA**" refers to the *Mercato Telematico Azionario* segment of the Borsa Italiana;
- "**OCS**" refers to Office Coffee Service, the IVS Group's semi-automatic vending machines;
- "**Offering Period**" refers to the period during which the Offering will be open, starting on 30 September 2019 at 09:00 (the "**Launch Date**") remaining open until 11 October 2019 at 17:30 (the "**Offering Period End Date**"), subject to postponement, anticipation or amendment by the Issuer and the Placement Agent;
- "**Paying Agents**" refers to the Principal Paying Agent, together with any other paying agent appointed from time to time under the Agency Agreement;
- "**Placement Agent**" and "**Specialist**" refer to Equita S.I.M. S.p.A.;
- "**Principal Paying Agent**" refers to The Bank of New York Mellon, London Branch;
- "**PRIIPs Regulation**" refers to Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014;
- "**Prospectus Regulation**" refers to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended);
- "**Purchase Offer**" refers to an offer to purchase the Notes;
- "**redevance costs**" or "**usage fees**" refer to fees the Group pays to customers (usually larger corporate customers or public entities) to place vending machines at their premises;
- "**S. Italia**" refers to S. Italia S.p.A., a direct, wholly- owned subsidiary of the Issuer and a Future Guarantor of the Notes offered hereby;
- "**Substainability Report**" refers to the substainability report of the IVS Group available on the Issuer's website;
- "**Supplement**" refers to any supplement to this Prospectus in accordance to Article 23 of the Prospectus Regulation;
- "**Terms and Conditions**" refers to the terms and conditions governing the Notes, as set out in "*Terms and Conditions of the Notes*";

- "**Trust Deed**" refers to the trust deed dated as of the Issue Date between the Issuer and the Trustee;
- "**Trustee**" refers to The Law Debenture Trust Corporation p.l.c., in its capacity as trustee of the Noteholders;
- "**vend**" refers to a single sale made from a vending machine;
- "**Vending Business**" refers to the activities of our Group in Italy, France, Spain and Switzerland that conduct our automatic and semi-automatic vending machine operations, including our Office Coffee Services business;
- "**VAT**" refers to value added tax;

## SUMMARY

**Section A – Introduction and warnings**

This summary should be read as an introduction to this prospectus (the "**Prospectus**").

Any decision to invest in the [ ● ] per cent. senior unsecured notes due 2026 (ISIN: XS2049317808) (the "Notes") offered hereby by IVS Group S.A. (Legal Identity Identifier ("LEI"): 2221001SWMFR4N4VBK57) (the "**Issuer**" and the offering of the Notes, the "**Offering**") should be based on consideration of this Prospectus as a whole by the Investor.

The Investor could lose all or part of the capital invested in the Notes.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of its member state of the European Union ("**Member State**") to the Agreement on the European Economic Area, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid Investors when considering whether to invest in the Notes.

You are about to purchase a product that is not simple and may be difficult to understand.

The Issuer's registered address is 18, Rue de l'Eau, L-1449 Luxembourg, Grand Duchy of Luxembourg.

The Prospectus was approved by the *Commission de Surveillance du Secteur Financier* ("**CSSF**") on [ ● ] 2019. CSSF's registered address is 283, route d'Arlon, L-1150 Luxembourg. CSSF's contact details: (i) telefon: (+352) 2625 1 - 1 (telefonzentrale), (ii) fax: (+352) 26 25 1 – 2601, (iii) e-mail: direction@cssf.lu

**Section B - Who is the Issuer of the Notes?**

**Legal and commercial name**

IVS Group S.A. is the legal name of the Issuer and IVS Group is the commercial name of the Issuer.

**Domicile, legal form, legislation, country of incorporation**

IVS Group S.A. (LEI: 2221001SWMFR4N4VBK57) is a public limited liability company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg ("**Luxembourg**") and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 155 294. IVS Group S.A. has its operational headquarters at Via dell'Artigianato, 25, Seriate (BG) 24068, Italy.

**Principal activities**

The Group manages a network of approximately 202,000 automatic (traditional vending) and semi-automatic (Office Coffee Service, "**OCS**") vending machines, located at corporate offices, institutions and public places through which we sell a broad range of products, including hot and cold beverages, in-between meals, snacks and confectionary (the "**Vending Business**"). In addition, the Group operates a coin service business (the "**Coin Service Business**") that consists of collecting, packaging and delivering coins for a variety of customers, including banks, mass-retailers, third party vending operators, parking operators, train stations and highway ticket offices.

**Description of the Group and the Issuer's position within the Group**

The Issuer is the parent company of the Group, with 35 subsidiaries and affiliated companies incorporated in Italy, France, Spain and Switzerland.

**Controlling Persons**

The Issuer is controlled by IVS Partecipazioni S.p.A. ("**IVS Partecipazioni**"). The table below sets forth the beneficial ownership of the Issuer according to the most recent information available.

| | Shares[(1)] | | Voting Power |
|---|---|---|---|
| **Name of beneficial owner** | **Amount** | **%** | **%** |
| IVS Partecipazioni[(2)] ..... | 23,068,739 | 62.3% | 62.3% |
| Amber Coffee Investment | 2,518,853 | 6.8% | 6.8% |
| Amber Active Investors Limited | 2,133,291 | 5.8% | 5.8% |

| | | | |
|---|---|---|---|
| Other free float on Borsa Italiana ..... | 9,355,790 | 25.2% | 25.2% |
| **Total .....** | **37,056,673** | **100.0%** | **100.0%** |

(1) The Issuer holds 1,895,818 Shares (treasury shares), representing 4.87 per cent. of total Shares, which do not vote.

(2) IVS Partecipazioni is the vehicle which is beneficially owned by former IVS Group Holding S.p.A. shareholders including certain members of the Issuer's Board of Directors and senior management, including Messrs. Massimo Paravisi and Antonio Tartaro.

***Board of Directors***

***The Directors of the Issuer are:***

| Name | Age | Position |
|---|---|---|
| Mr. Paolo Covre ..... | 72 | Chairman |
| Mr. Massimo Paravisi ..... | 51 | Co-Chief Executive Officer |
| Mr. Antonio Tartaro ..... | 53 | Co-Chief Executive Officer |
| Mr. Vito Alfonso Gamberale ..... | 75 | Vice Chairman |
| Ms. Adriana Cerea ..... | 73 | Director |
| Ms. Monica Cerea ..... | 44 | Director |
| Mr. Luigi De Puppi ..... | 77 | Independent Non-Executive Director |
| Mr. Raffaele Agrusti ..... | 62 | Independent Non-Executive Director |
| Mr. Carlo Salvatori ..... | 78 | Independent Non-Executive Director |
| Mr. Maurizio Traglio ..... | 64 | Non-Executive Director |
| Ms. Mariella Trapletti ..... | 67 | Non-Executive Director |

***Auditors***

The Issuer's auditor is Ernst & Young S.A.

**What is the key financial information regarding the Issuer?**

The following tables set out selected financial information relating to the Group. The information has been extracted from the audited IFRS consolidated financial statements of the Group as of and for the years ended 31 December 2017 and 2018, as well as from the unaudited interim consolidated financial statements as of and for the six-month periods ended 30 June 2019, unless otherwise stated.

| | For the year ended 31 December (audited) | | For the six months ended 30 June (unaudited) | | For the twelve months ended 30 June (unaudited) |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (in thousands of €) | | | | |
| Operating profit/(loss) ..... | 39,690 | 44,947 | 26,610 | 25,225 | 43,562 |

| | As of 31 December | | As of 30 June |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| Net Financial position ..... | (254,067) | (285,453) | (361,328) |

| | For the year ended 31 December (audited) | | For the six months, ended 30 June (unaudited) | | For the twelve months ended 30 June (unaudited) |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (thousands of €) | | | | |
| Net cash provided by operating activities ..... | 61,049 | 49,061 | 50,327 | 66,855 | 65,589 |
| Net cash used in investing activities ..... | (79,832) | (66,224) | (41,463) | (49,320) | (74,081) |
| Net cash provided by/(used in) financing activities ..... | (20,556) | 34,979 | 28,948 | 17,341 | 23,372 |

**What are the key risks that are specific to the Issuer?**

The following are risk factors relating to the Issuer and the Group (including the Future Guarantors) that may affect the Issuer's and the Future Guarantors' ability to fulfil their obligations under the Notes and the Future Guarantees, respectively. Since the Issuer, the Future Guarantors and their respective subsidiaries conduct the same business activities, we do not believe they are exposed to separate risks, except as otherwise noted:

1. *We have historically and intend to continue to selectively acquire competitors in our industry from time to time as part of our business strategies; however, we may not realise all of the benefits of past or future acquisitions, we may not successfully consummate acquisitions or integrate acquired businesses and acquisitions may carry unexpected liabilities;*
2. *Our business requires capital expenditures which may divert significant cash flow from other investments or uses, including debt servicing;*
3. *The performance of our business is negatively affected by VAT rates on food and beverage items sold in vending machines and any further increase in VAT could require us to incur additional costs and have an adverse effect on our business, results of operations and financial condition;*
4. *The applicability of Luxembourg law to us and our corporate actions would be uncertain if it were to be established that our head office were not in Luxembourg;*
5. *Our significant leverage may make it difficult for us to service our debt, including the Notes, and operate our businesses;*

If any of the risks described above were to materialise, this may affect the Issuer's ability to fulfil its payment obligations under the Notes and/or lead to a decline in the market price of the Notes.

**Section C - What are the main features of the Notes?**

**Type and class of securities being offered including any security identification number**

Subject to the condition that, the Offering will be withdrawn if, at the expiration of the Offering Period, offers to purchase the Notes ("**Purchase Offers**") have not been placed sufficient for the sale of at least Euro 250,000,000 million aggregate principal amount of the Notes (the "**Minimum Offer Condition**"), the Issuer is expected to issue on or about 18 October 2019, between a minimum of Euro 250,000,000 and a maximum of Euro 300,000,000 (the "**Maximum Offer Amount**") [ ● ] per cent. senior unsecured notes due 2026 (the "**Notes**"). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date at 09:00 (CET). The Notes will constitute direct, unconditional and unsecured obligations of the Issuer bearing fixed interest.

*Securities codes for the Notes*: *ISIN*: XS2049317808 *Common Code*: 204931780.

*Pair Value of the Notes:* Euro 1,000 *Denomination:* The Notes are denominated and payable in euro.

*Issue Price:* The Notes will be issued at a price of 100.00 per cent. of their principal amount (the "**Issue Price**").

*Maturity Date:* The Notes will mature on 18 October 2026.

**Rights attached to the Notes, ranking of the Notes, limitations of the rights attached to the Notes**

*Negative Pledge:* The Terms and Conditions of the Notes (the "**Terms and Conditions**") contain a negative pledge.

*Financial Covenants*: The Terms and Conditions contain financial covenants.

*Taxation:* All payments in respect of the Notes by or on behalf of the Issuer or any Future Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of any of Luxembourg or Italy, unless the withholding or deduction of the Taxes (the "**Tax Deduction**") is required by law. In that event, the Issuer or, as the case may be, a Future Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes (the "**Noteholders**") and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**" respectively) after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction. All the above is nevertheless subject to customary market exceptions.

The Issuer or, as the case may be, a Future Guarantor will not be required to make an increased payment for a Tax Deduction imposed by Luxembourg on the basis of the Luxembourg law of 23 December 2005 introducing a final withholding tax on certain savings income, as amended.

*Events of Default:* The Trustee at its discretion may, and if so requested by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an extraordinary resolution of the Noteholders shall (subject in each case to

being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer and, if applicable, the Future Guarantors that the Notes are immediately due and repayable.

*Cross Acceleration:* The Terms and Conditions include a cross acceleration provision.

*Status of the Notes:* The Notes and the Coupons will constitute direct, unconditional and (subject to the negative pledge) unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

The Notes will be effectively subordinated to the Issuer's and its subsidiaries' existing and future secured obligations, including the Existing Notes, that are secured by property and assets that do not secure the Notes to the extent of the value of the property or assets securing such debt. Additionally, the Notes will be structurally subordinated to any existing and future obligations of the Issuer's subsidiaries not guaranteeing the Notes.

*Interest:* Interest on the Notes (which shall not be less than the Minimum Interest Rate) will accrue at a minimum fixed rate of 3 per cent. per annum starting from the Issue Date, payable annually in arrear on 18 October of each year commencing on 18 October 2020.

*Indication of yield:* On the basis of the issue price of the Notes of 100 per cent. of their principal amount and a Minimum Interest Rate of 3 per cent. per annum, the gross real yield of the Notes is a minimum of 3 per cent. on an annual basis. The final yield will be set out in the Interest Rate and Yield Notice (see "*Sale and Offer of the Notes*"). The yield indicated in this paragraph is calculated, and the final yield set out in the Interest Rate and Yield Notice will be calculated, as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

*Early Redemption at the Option of the Issuer:* At any time prior to 18 October 2022, the Issuer may redeem the Notes in whole or in part from time to time if the Issuer pays a "make-whole" premium. At any time on or after 18 October 2022, the Issuer may redeem the Notes, in whole or in part and from time to time, at the following redemption prices (expressed as a percentage of the principal amount on the redemption date), plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date:

| **Redemption Period** | **Price** |
|---|---|
| From 18 October 2022 | 101.5 |
| From 18 October 2023 | 100.75 |
| From 18 October 2024 | 100.375 |
| From 18 October 2025 and thereafter | 100 |

*Early Redemption for Taxation Reasons:* Early redemption of the Notes for reasons of taxation will be permitted, if as a result of any change in, or amendment to, the laws or regulations or any change in the application or interpretation of such laws or regulations) of Luxembourg or Italy or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer would be required to pay additional amounts on the Notes.

*Special Mandatory Redemption:* If the Issuer shall have failed to: (i) on or prior to 29 November 2019 (the "**Longstop Date**"), redeem, or cause to be redeemed all of the Euro 240,000,000 million aggregate principal amount of the Existing Notes outstanding (including the pro rata share of the Existing Notes held by the Group at the Existing Notes Redemption Date) or (ii) within 30 business days of the Existing Notes Redemption Date, procure that each of the Future Guarantors, or their successors, shall grant the Future Guarantees, then all, but not some only, of the Notes shall be subject to a special mandatory redemption at their principal amount, plus accrued and unpaid interest and additional amounts, if any, from the date the Notes are issued, initially set as 18 October 2019 (the "**Issue Date**") to the date of such special mandatory redemption.

*Trustee:* The Law Debenture Trust Corporation p.l.c.

**Restrictions on free transferability of the Notes**

The Notes are freely transferable. However, the offer and the sale of the Notes and the distribution of this Prospectus is subject to specific restrictions that vary depending on the jurisdiction where the Notes are offered or sold or this Prospectus is distributed.

**Where will the securities be traded?**

Application has been made for the Notes to be admitted to trading on the regulated *Mercato delle Obligazioni Telematico* market (the "**MOT**") of Borsa Italiana. Borsa Italiana has admitted the Notes to listing on the MOT with order n. LOL-004127 dated 13 September 2019.

**Is there a guarantee attached to the Notes?**

**The Future Guarantors**

IVS Italia S.p.A. ("**IVS Italia**") and S. Italia S.p.A. ("**S. Italia**" and, together with IVS Italia, the "**Future Guarantors**").

IVS Italia S.p.A. is a joint stock company (*società per azioni*) under the laws of the Republic of Italy ("**Italy**") (LEI: 8156004509AE49D26041) with its registered office and operational headquarters at Via dell'Artigianato, 25, 24068 Seriate (Bergamo), Italy and registered in the Business Register of Bergamo (*Registro delle Imprese di Bergamo*) under registration number and fiscal code 03320270162.

S Italia S.p.A. is a joint stock company (*società per azioni*) under the laws of Italy (LEI: 8156007065A1BC92A370 ) with its registered office and operational headquarters at Via dell'Artigianato, 25, 24068 Seriate (Bergamo), Italy and registered in the Business Register of Bergamo (*Registro delle Imprese di Bergamo*) under registration number and fiscal code 12687800156.

The Future Guarantors are direct, wholly-owned subsidiaries of the Issuer and are operational companies of the Group.

The Future Guarantors are affected by the same risk factors that affect the Issuer.

**The Future Guarantees**

Within 30 business days of the date on which the Issuer shall have redeemed, or shall have caused to be redeemed all of the Euro 240,000,000 million aggregate principal amount of the Existing Notes outstanding (including the pro rata share of the Existing Notes held by the Group at the Existing Notes Redemption Date (as defined herein)) (the "**Existing Notes Redemption**" and the date of the Existing Notes Redemption, the "**Existing Notes Redemption Date**"), the Issuer shall procure that the Future Guarantors shall, subject to certain legal limitations set out under Article 3.2 of the Terms and Conditions of the Notes, unconditionally and irrevocably guarantee (the "**Future Guarantees**") the due and punctual payment of the principal and any premium in respect of, and interest on, the Notes and of any other amounts payable by the Issuer under the trust deed dated as of the Issue Date between The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") and the Issuer (the "**Trust Deed**").

The obligations of the Future Guarantors under the Future Guarantees shall constitute direct, unconditional and (subject to the negative pledge) unsecured obligations of the Future Guarantors ranking pari passu with all other outstanding unsecured and unsubordinated obligations of the Future Guarantors, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

**Selected historical key financial information**

The following tables set out selected financial information relating to each of IVS Italia and S. Italia. The information has been extracted from the audited stand-alone IFRS financial statements of each of IVS Italia and S. Italia as of and for the years ended 31 December 2017 and 2018. The unaudited interim stand-alone financial information of IVS Italia and S. Italia as of and for the six months ended 30 June 2019 have been taken from reports prepared by each of IVS Italia and S. Italia, which were prepared exclusively for the purpose of presenting such information in this Prospectus. Neither of IVS Italia or S. Italia have a legal obligation to prepare interim stand-alone financial statements. Therefore, the financial information of each of IVS Italia and S. Italia as of and for the six months ended 30 June 2019 presented herein has not been subject to any kind of audit or review by their respective independent auditors.

***IVS Italia S.p.A.***

| | For the year ended 31 December (audited) | | For the six months ended 30 June (unaudited) | |
|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 |
| | (in thousands of €) | | | |
| Operating profit/(loss) | 23,357 | 27,492 | 16,592 | 16,612 |

| | As of 31 December | | As of 30 June |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| Net Financial Position | (278,038) | (280,810) | (297,038) |

| | For the year ended 31 December (audited) | |
|---|---|---|
| | 2017 | 2018 |
| | (thousands of €) | |
| Net cash provided by operating activities | (1,497) | 17,768 |

| | | |
|---|---|---|
| Net cash used in investing activities | (29,720) | (23,546) |
| Net cash provided by/(used in) financing activities | (3,057) | 4,226 |

***S. Italia S.p.A.***

| | For the year ended 31 December (audited) | | For the six months ended 30 June (unaudited) | |
|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 |
| | (in thousands of €) | | | |
| Operating profit/(loss) | 3,165 | 603 | 892 | 1,270 |

| | As of 31 December (audited) | | As of 30 June (unaudited) |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| Net Financial Position | 13,943 | 17,096 | 14,965 |

| | For the year ended 31 December (audited) | |
|---|---|---|
| | 2017 | 2018 |
| | (thousands of €) | |
| Net cash provided by operating activities | 10,798 | 3,249 |
| Net cash used in investing activities | (10,347) | (3,249) |
| Net cash provided by/(used in) financing activities | (452) | - |

**What are the key risks that are specific to the Notes?**

An investment in the Notes involves certain risks associated with the respective characteristics of the Notes and the Future Guarantees (once they are granted) which could lead to substantial losses that Noteholders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Those risks include that:

1. *The Notes will be structurally subordinated to the liabilities of our subsidiaries and, following the granting of the Future Guarantees, to those of our non-Future Guarantor Subsidiaries.*

2. *The Notes will not be guaranteed by the Future Guarantors as at the Issue Date, and once the Future Guarantees have been granted they will be significantly limited by applicable laws and are subject to certain limitations and defences.*

3. *The Future Guarantees may be automatically released under certain circumstances.*

4. *The Notes are subject to a risk of early redemption at the option of the Issuer.*

If any of the risks described above were to materialise, this may affect the Issuer's ability to fulfil its payment obligations under the Notes and/or lead to a decline in the market price of the Notes.

**Section D – Offer**

**Under which conditions and timetable can I invest in the Notes?**

**Terms and conditions of the offer**

*Offering of the Notes:* The Offering is addressed to the general public in Luxembourg and Italy and to qualified investors (as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended) (the "**Prospectus Regulation**")) in Luxembourg, Italy and other jurisdictions as indicated in the selling restrictions (the "**Investors**") following the approval of this Prospectus by the Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg (the "**CSSF**") according to Article 6 of the Luxembourg law of 16 July 2019 on Prospectuses for Securities (Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières) (the "**Luxembourg Prospectus Law**") which implements certain provisions of the Prospectus Regulation, and the effectiveness of the notification of this Prospectus by the CSSF to the competent authority in Italy, the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") according to Article 25 of the Prospectus Regulation and Article 6 of the Luxembourg Prospectus Law.

*Offering Period:* The Offering will open on 30 September 2019 at 09:00 (CET) and will expire on 11 October 2019 at 17:30 (CET), subject to amendment, extension or postponement by the Issuer and the Equita S.I.M. S.p.A. (the "**Placement Agent**") (the "**Offering Period**").

*Pricing Details:* The Notes will be issued at a price of 100.00 per cent. of their principal amount.

*Offeror of the Notes and person asking for admission to trading of the Notes on the MOT:* IVS Group S.A., a public limited liability company (*société anonyme*) under the laws of Luxembourg with registered office in 18, Rue de l'Eau, L-1449 Luxembourg, Grand Duchy of Luxembourg.

*Disclosure of the Results of the Offering*: The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the yield and the demand by Investors in the course of the determination of the conditions (the bookbuilding procedure) prior to the start of the Offering Period. In the course of the bookbuilding procedure, the Placement Agent will accept within a limited period of time indications of interest in subscribing for the Notes from Investors. Subsequently, the Placement Agent will determine, in consultation with the Issuer and based on, among other things, the quantity and quality of the expressions of interest received from Investors during the bookbuilding procedure, the interest rate (coupon) and the final yield. The interest rate of the Notes (which shall not be less than the Minimum Interest Rate) and the yield will be set out in the Interest Rate and Yield Notice, which will be filed with the CSSF, and published on the Issuer's Website (www.ivsgroup.it/en/), the Luxembourg Stock Exchange Website (www.bourse.lu) and released through the SDIR-NIS system of Borsa Italiana prior to the start of the Offering Period. The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in the Offering Results Notice which will be filed with the CSSF, and published on the Issuer's Website (www.ivsgroup.it/en/), the Luxembourg Stock Exchange Website (www.bourse.lu) and released through the SDIR-NIS system of Borsa Italiana no later than the third business day after the end of the Offering Period.

*Conditions of the Offering:* Except for the Minimum Offer Condition, the Offering is not subject to any conditions.

Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

*Technical Details of the Offering:* The Offering will occur through Purchase Offers made by Investors on the MOT through Intermediaries and coordinated by the Placement Agent, who has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an investment company, bank, wealth management firm, registered financial intermediary, securities house and any other intermediary authorised to make Purchase Offers directly on the MOT or - if such institution is not qualified to perform transactions on the MOT - through an intermediary or agent authorised to do so (each an "**Intermediary**"). Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of aggregate par value of Euro 1,000 of the Notes, and may be made for any multiple thereof.

During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorised to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT.

*Plan of distribution:* The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify Investors of the number of Notes they have been assigned within the Issue Date, which is also the date on which Investors will be required to remit payment in exchange for the issuance of Notes that have been accepted by the Issuer.

After the end of the Offering Period, Borsa Italiana, in conjunction with the Issuer, shall set and give notice of the start date of official trading of the Notes on the MOT (the "**Trading Start Date**"). The Trading Start Date shall correspond to the Issue Date.

Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the Investor, will be repaid to the Investor who initiated the Purchase Offer by the Issue Date.

Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted.

Investors may place multiple Purchase Offers.

Purchase Offers placed by Italian Investors through telecommunication means are not subject to the existing withdrawal provisions applicable to distance marketing of consumer financial services, services in accordance with articles 67-*bis* and 67-*duodecies* of legislative Decree no. 206 of 6 September 2005 as regards the public offer in Italy.

*Revocation of Purchase Offers:* If the Issuer publishes any supplement to this Prospectus in accordance to Article 23(1) of the Prospectus Regulation (a "**Supplement**"), any Investor who has placed a Purchase Offer prior to the issuance of the Supplement shall be entitled to revoke such Purchase Offer by no later than the second business day following the publishing of the Supplement, in accordance with Article 23(2) of the Prospectus Regulation. Revocation of a Purchase Offer may be accomplished by delivering written notice to the Intermediary through whom the Investor made the Purchase Offer, who shall in turn notify the Placement Agent of such revocation.

Other than as described above, Purchase Offers, once placed, may not be revoked.

*Payment and Delivery of the Notes:* Investors will pay the Issue Price on the Issue Date.

In case of early closure of the Offering or extension of the Offering Period, a press release will be made to announce the action and inform Investors and potential Investors of the revised Issue Date.

The Notes are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended ("**TEFRA D**"). The Notes will initially be represented a temporary global note, and will be exchangeable for interests in a permanent global note without interest coupons attached against certification of non-U.S. beneficial ownership in compliance with TEFRA D. Ownership of interests in Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests in the Notes through participants in Euroclear and/or Clearstream, Luxembourg, including Monte Titoli. Euroclear and Clearstream, Luxembourg will hold interests in the Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Book-Entry Interests will not be issued in definitive form. Payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg.

None of the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent or any other paying agent appointed from time to time or any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

**Estimated expenses charged to the Investor by the Issuer**

The Issuer will not charge any costs, expenses or taxes directly to any Investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries.

**Why is this Prospectus being produced?**

**Reasons for the offer and use of proceeds**

The Issuer intends to use the net proceeds from the Offering to purchase, redeem or cause to be redeemed, all of the Existing Notes outstanding in an amount equal to Euro 240,000,000 million of the aggregate principal amount of the Existing Notes. Any net proceeds from the Offering not used for the purpose of purchase, redeem or cause to be redeemed, all of the Existing Notes outstanding will be available for general corporate purposes.

**A description of any interest that is material to the issue/ offer including conflicting interests**

The Placement Agent and its affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Placement Agent and its affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer and the Placement Agent involved in the issue, including conflicting ones that are material to the issue.

## 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 Prospectus prior to making any investment decision with respect to participation in the Offer. We have described below those risks that we currently consider to be specific to the Issuer, the Future Guarantors and the Notes and which are material for taking an informed investment decision in the Notes. We have assessed the materiality of the risk factors below based on the probability of their occurrence and the expected magnitude of their negative impact.*

*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.*

*This Prospectus 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 Prospectus.*

### Risks Related to the business activities and industry of the Issuer and the Group (Including the Future Guarantors)

#### *Our business, financial condition and results of operations may be adversely affected by the current unfavourable economic conditions in our primary markets of Italy, France, Spain and Switzerland*

Demand for products sold through the vending machine of the Issuer, in particular snacks and meals on the go and office coffee breaks, is correlated with the consumer confidence. During the past years, the European economies were the Group operates underwent periods of deep economic recession which lowered consumer confidence lasting for certain countries, including Italy, through 2018. Recessionary conditions and uncertainty in the macroeconomic environment and, in particular, on the consumer confidence, adversely impacted in the past, and may adversely impact in the future, our customers' decision to contract for a vending machine on their premises as well as consumers discretionary consumption patterns.

Approximately three quarters of our vending machines are located in companies and the majority of our vends occur during the working week, and there is therefore a close correlation between the total number of items sold through the vending machines of the Group and GDP of our primary markets, due primarily to reductions of workforces during recessionary periods and decreased purchase power among consumers. As we expericed in the past, the uncertain economic prospects may lead consumers to make fewer snack and in-between meal purchases from our vending machines.

The following are the main macroeconomic figures of the countries were we operate as of the date of this Prospectus.

*Italy*. The Italian economy, which is the primary market where we operate, has shown negative macroeconomic imbalances related to low productivity growth and high unemployment rate since 2011. According to the European Commission, Italian Real GDP showed a limited growth in 2018 due to low exports development and domestic policy uncertainty, negatively affecting the real economy. The upcoming fiscal policies (including an increase in VAT rate applicable to our vending machine products) will depend upon the relation between the future Government parties. According the Italian National Statistical Institute, Italy's GDP grew by 1.1 per cent. in 2016, 1.7 per cent. in 2017 and 0.9 per cent. in 2018.

*France*. The French economy experienced a moderate growth in GDP in the last three years. According to the French National Statistical Institute, France's GDP grew by 1.0 per cent. in 2016, 2.4 per cent. in 2017 and 1.7 per cent. in 2018.

*Spain.* The Spanish economy experienced a recovery in GDP growth in the last three years. According to the Spanish National Statistical Institute, Spain's GDP grew by 3.2 per cent. in 2016, 3.0 per cent. in 2017 and 2.6 per cent. in 2018.

*Switzerland*. The Swiss economy experienced a mild growth in GDP in the last three years. According to the Swiss Federal Statistical Office, Swiss' GDP grew by 1.6 per cent. in 2016, 1.6 per cent. in 2017 and 2.6 per cent. in 2018.

A deterioration of the condition of the Italian, French, Spanish and Swiss economies, including as expressed by the indicators described above, could have a material adverse effect on our business, financial condition and results of operations.

***We have historically and intend to continue to selectively acquire competitors in our industry from time to time as part of our business strategies; however, we may not realise all of the benefits of past or future acquisitions, we may not successfully consummate acquisitions or integrate acquired businesses and acquisitions may carry unexpected liabilities.***

As we experienced in the past in connection with certain maior acquisitions in relation to our primary business (Vending Business) and, starting from 2011, in connection with our Coin Service Business, growth can place significant strain on our management resources and financial and accounting control systems. In addition, our ability to engage in strategic acquisitions - such as, with reference to the Coin Service Business, the recent acquisition of 76% of the share capital of the payment institution Moneynet S.p.A. completed throught our fully controlled subsidiary CSH S.r.l. - may depend on our ability to raise substantial capital and we may not be able to raise the funds necessary to implement our acquisition strategy on terms satisfactory to us, if at all. Although we analyse and conduct due diligence on acquisition targets, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations and our inquiries may fail to uncover relevant information.

However, there can be no assurance that our assessments or due diligence of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. Unprofitable investments or an inability to integrate or manage new investments could adversely affect our results of operations. In addition, potential synergies that our management identifies in connection with recently made and future acquisitions (in particular in connection with the recent acquisition of SDA-Società Distribuzione Automatica 2000 S.r.l., part of our Vending Business) may not be attained due to a variety of factors such as technological incompatibility, logistical difficulties or regional variations in consumer preferences and such problems could have a material adverse effect on our business, financial condition and results of operations.

***Payment of increased usage fees to customers could negatively affect our business.***

We are required to pay a usage fee (sometimes called a "redevance" cost) to place vending machines in public spaces and certain corporate locations. These fees have increased in recent years due in part to the difficult macroeconomic environment and in part to a competitor aggressive approach with these kinds of clients. We face pressure from our customers, in a competitive market, to increase the fees we pay to place our vending machines on their premises. If we are unable to respond effectively to ongoing pricing-related pressures, we may fail to win or retain certain accounts or could suffer a significantly increase in our direct operating expenses in the future. Our fee arrangements are based on our evaluation of unique factors with each customer, including, total revenues, long-term, non-cancellable contracts, placement of our vending machines in high-traffic locations and the demographics of the relevant location. An increase in royalties paid by the Groupcould have a material adverse effect on our business, financial condition and results of operations.

***The success of our Vending Business depends on technological innovations and the user experience of the vending machines we operate.***

We believe that technological advances may emerge and that existing technologies may be further developed in fields in which we operate, both of which could affect our business and require significant investments. Our inability to adopt advances in technology may adversely affect our growth prospects, financial condition and results of operations. Although we believe we have always been on the vanguard of technological innovation in the vending machine operator industry, there can be no assurance that we can acquire or implement successfully new models or

variants of existing models and/or that we will be successful in stocking such vending machines with the products that will be most appealing to consumers.

Finally, our success is also dependent on the user experience of the vending machines we operate. To generate revenues and profits, we must stock food and beverage products that appeal to consumer preferences in vending machines that consistently and reliably dispense the products we offer. If users encounter vending machines that have been affected by vandalism, malfunction or that contain undesirable products, our reputation may suffer and consumers may be deterred from patronising our vending machines, leading to lower revenue. Though we invest significant sums in monitoring the functioning of our vending machines, we cannot assure you that we will be successful in sustaining a positive user experience.

***Recent consumption trends for healthier and environmentally friendly products and the demand for reduction of single-use plastics (in particular cups and stirrers) may influence the consumers' demand for goods sold through our vending machines which could negatively affect the sales and margins of our Vending Business.***

Consumption trends of food and beverages are influenced by an increasing sensibility of consumers and regulators regarding healthier food (food and beverages with low calories and lower sugar/salt content) and environmental care (reduction of waste packaging and single-use plactics, recycling). These trends can influence consumptions levels, product costs and indirect costs (packaging and distribution) of the food and beverage industry. Although IVS Group is not a food and beverage producer, its sales and margins could be affected by these trends, as its customers could move to products different to those currently sold through its vending machines, like different product categories and/or products with no plastic packaging.

The final outcome of these recent trends cannot be accurately predicted, as changes could also generate new opportunities (sales of higher added value products, new revenues from entering in specialised logistic services for waste and packaging materials recycling, etc.). Therefore, the logistic and commercial organisation of IVS Group faces new challenges and could be unable to fully exploit new opportunities arising from new health and environmental sensitivity, or could suffer a reduction of its margins on those market segments and clients particular sensitive to these trends.

***We operate in highly competitive industries, and if we do not compete effectively, we may lose market share or be unable to maintain or increase prices for our services.***

The market segment of the food and beverage sector for in-between meals and snacks is highly competitive. Depending on location, our vending machines compete with many well-established cafés, fast-food restaurants, delicatessens, sandwich shops, take-out and food-delivery service companies, convenience stores and supermarkets. Our Office Coffee Services business competes with cafés, specialty coffee retailers and fast-food restaurants. As a result of this competitive environment, our suppliers have significant bargaining advantages because of the multiple channels through which they can sell and/or distribute their products.

In general, we believe the vending machine operator sector is characterised by extensive logistics, distribution and maintenance service requirements, the management of which is difficult and expensive for potential new entrants. Although we believe that there are relatively few companies in the vending machine operator business that have the scale to compete with us, consolidation in the industry among existing operators could adversely affect us. Presently the market is highly fragmented and we believe we enjoy a strong competitive position, but we can provide no assurance that this will continue in the future.

To compete in the highly competitive vending machine operator market, we intend to continue investing in both our existing network of vending machines as well as deploying next-generation vending machines to expand the our business. However, as we expand, we may face significant competition from domestic and overseas players, particularly in France, Spain and Switzerland where we have limited market share and geographic coverage. There can be no assurance that we will be able to compete successfully in such a marketplace and a loss in market share may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we face constraints on our ability to increase prices in response to competitive pressures or otherwise. For example, as of 30 June 2019, our Vending Business operated 201,786 vending machines of which 71,917 were OCS (semi-automatic vending machines), in four countries. We have limited abilities to quickly reflect higher

prices for our products stocked in our vending machines as our vending machines must be reconfigured and such actions usually require that the relevant vending machines be out of order for a period, reducing vends, and we may face increased logistical expenses associated with employee wages. As a result, we cannot assure you that competitive forces will not require us to make investments into our vending machine stock, or that we can increase prices with sufficient flexibility and speed to preserve or increase on our margins, any of which could have a material adverse effect on our business, financial position and results of operations.

***A failure of our key information technology, inventory management and maintenance systems or processes could have a material adverse effect on our ability to conduct our business.***

We rely extensively on information technology, inventory management and maintenance systems to monitor the status of tens of thousands of vending machines. We also utilise a management software to manage our Coin Service Business. These systems and processes include, but are not limited to, ordering and managing stock from suppliers, coordinating the logistics of restocking of our vending machines, distributing products to various locations, processing transactions, summarising and reporting results of operations, complying with regulatory, legal or tax requirements, and other processes necessary to manage the business. Because we believe our systems represent a significant competitive advantage, if such systems are damaged or cease to function properly, we may suffer interruptions in our ability to manage operations which could reduce our vends by impeding our ability to distribute products and restock our vending machines.

Moreover, because consumer decisions to purchase snack food and other in-between meals products are contextually specific and can change on a day to day basis (or even during the course of a day), a lost vend due to a vending machine malfunction or a lack of stock cannot typically be recouped once the malfunction has been addressed and/or the vending machine has been restocked (i.e. a consumer who cannot purchase a product one day because of a malfunction would not typically, as a result, purchase two such products the following day once the malfunction has been addressed). Failures in our systems could therefore reduce our revenues, adversely affect our reputation among consumers and/or our customers, compromise our competitive position or otherwise have a material adverse effect on our business, financial condition and results of operations.

***We are reliant on certain key manufacturers for the production of the vending machines we require to operate and expand our business.***

We do not manufacture new vending machines, though we do have own our vending machine refurbishment and customisation capabilities. For new machines, we primarily rely on four manufacturers to supply us with the vending machines we require to operate and expand our business. We rely on these manufacturers to produce high-quality vending machines in adequate quantities to meet customer demands. On the other hand, another significant financial crisis like that which occurred since 2011, could have a significant adverse effect on the financial position of certain of our suppliers, some of which were in financial distress during those years. If one or more of our vending machine manufacturer partners were to experience severe financial difficulties or cease operations, our ability to source new vending machines or component parts could be disrupted and a prolonged interruption could significantly adversely affect our business. Any decline in quality, disruption in production or inability of the manufacturers to produce the machines in sufficient quantities, whether as a result of a natural disaster, labour strikes or other causes, could have a material adverse effect on our business, financial condition and results of operations.

***Our Coin Service Business involves the movement of large sums of money, and, as a result, our business is particularly dependent on our ability to process and settle transactions securely, accurately and efficiently.***

In March 2011, we set up our Coin Service Business, representing at that time a new business area for us. Coin Service Business consists in managing metal coins, including collection, counting, authentication, packaging, transport and delivery. The Coin Service Business manages every year approximately 30,000 tons of coins, with a value of around Euro 2.5 billion. The Coin Service Business is a regulated activity, requiring specific authorisations and permits. As we are responsible for large sums of money that are substantially greater than the revenues generated, the success of our business particularly depends upon the efficient, secure, and error-free handling of the money. We rely on the ability of our employees and our operating systems and network to process these transactions in a secure, efficient, uninterrupted and error-free manner. Transportation of large sums of coins also exposes us to the risk of loss or theft. In the event of a breakdown, catastrophic events, security breaches, improper operations or any other event impacting our systems or network or our vendors' systems or processes, or improper actions taken by employees, or third parties, we could suffer

financial loss, loss of consumers or the sums entrusted to us, damage to our reputation, and breach of applicable rules which may result in fines and/or criminal sanctions inposed to us.

***Our business requires capital expenditures which may divert significant cash flow from other investments or uses, including debt servicing.***

We currently manage approximately 202,000 vending machines in our Vending Business, including automatic vending machines and semi-automatic vending machines. As part of our business model, we acquire new vending machines for new customer sites, we refurbish vending machines and we replace those that reach obsolescence, both from our existing installed vending machine base and those of the companies we may acquire. In the years ended 31 December 2016, 2017 and 2018, our total capital expenditures for vending machines and related equipment were Euro 29.8 million, Euro 38.1 million and Euro 40.1 million, respectively. Though we have established our own in-house maintenance and repair capabilities, we can provide no assurance that our capital expenditure will not increase, and such increases may divert significant cash flows from other investments or uses, including debt servicing, which could have a material adverse effect on our business, financial condition and results of operations.

***Certain products we sell are susceptible to seasonal variation and sustained periods of abnormal weather can have a material adverse effect on our business.***

Our vends of certain products have historically been affected by seasonal variation. Our vending machines include cold drinks, ice cream and water which have historically tended to enjoy increased vends during the summer months. However, if a summer is unseasonably cool, it causes a significant reduction in sales of cold beverages, as happened in 2014. A reduction in cold beverage sales mostly affects our travel sub-segment, traditionally one of our more profitable sub-segments. Coffee vends exhibit less variation, but can also be affected by seasonal factors, especially for our vending machines inside offices and government buildings, where vends are lower during holiday times. In addition, severe weather can influence consumer traffic patterns in high-traffic areas. If transportation services are closed due to heavy snow or rain, our vending machines in those locations will effectively have no patrons and vends lost on a particular business day cannot typically be recouped in the future. See "*—A failure of our key information technology, inventory management and maintenance systems or processes could have a material adverse effect on our ability to conduct our business".* There can be no assurance that we will continue to manage effectively the stocking of our products influenced by seasonal variation or that severe weather events will not reduce our vends at certain locations, the occurrence of which could have a material adverse effect on our business, financial condition and results of operation.

***The loss of major customers and/or the inability to establish new customer relationships could adversely affect our business, financial condition and results of operations.***

We place our vending machines through contracts with third parties, primarily through relationships with numerous small private customers and to a certain extent, arrangements with large institutional customers. Vending machines placed with our large institutional customers are concentrated at key traffic sites at train and subway stations, highway service stations and airports.

Most of our arrangements with institutional customers are evidenced by written contracts which have terms that generally range from two to six years (with some concessions having a longer duration) and contain termination clauses as well as automatic renewal clauses, in certain specific cases connected to the attainment of certain revenue targets. During the term of these arrangements, we have exclusive rights to place vending machines at specified locations. We compete to maintain existing accounts and to establish new relationships in our core markets, however we can give no assurance of our ability to renew existing contracts or enter into new contracts. We also maintain contracts with public and local entities and establishments that provide public services, such as hospitals, government buildings and schools, which have terms that generally range from three to five years and, pursuant to EU and Italian public tenders law, such contracts cannot be renewed absent a new auction process involving at least five participants. We can give no assurance that we can successfully compete in subsequent auction processes for public service contracts, or that such public service establishments will continue to welcome vending machines on their premises. We are also subject to risk that contracts with certain customers could face legal challenge because the relevant contracting entity determined that the public tender rules were not applicable and therefore, were not followed or that the contracts were entered into without an auction process.

While we believe that our customer base is diverse, we can provide no assurance that the loss of any single customer or group of customers would not materially adversely affect our business, financial condition and results of operations. In addition, if we are unable to effectively redeploy vending machines from discontinued locations on a timely basis to equally desirable locations, our business, financial condition and results of operations could be adversely affected.

***Our operations could be adversely affected if we are unable to retain key employees.***

We depend on certain key personnel for our success. Our performance and our ability to implement our strategies depend on the efforts and abilities of our executive officers and key employees. In order to strength the loyalty of our strategic employees, on December 28, 2018, the extraordinary shareholders' meeting of IVS Group S.A. approved a share-based incentive plan for the period 2019-2021 (the "**Incentive Plan**") providing for the assignment of a number of option rights in favour of the executive directors and key managers of the Group. However, we can give no assurance that our Incentive Plan will successfully support our ability to retain our key executives and employees and our operations could be adversely affected if a number of these officers or key employees do not remain with us. In the event that such key personnel choose not to remain with us, there is a risk that they may join a competing business.

Moreover, while employment contracts for key personnel contain non-compete arrangements, there is no assurance that these arrangements will be enforceable. Furthermore, there may be a limited number of persons with the requisite skills to serve in these positions and we may be unable to replace key employees with qualified personnel on acceptable terms. Our ability to recruit, motivate and retain personnel is important to our success and there can be no assurance that we will be able to do so given the market in which we operate. See "*Management—The Issuer—Incentive Plan".*

***Higher employment costs may have a material adverse effect on our business, financial condition and results of operations.***

Labour costs have been increasing steadily in our business over the past years. In particular, during the period 2017 - 2018 the labour costs of the IVS Group increased from Euro 109,352 thousand to Euro 115,259 thousand (or to Euro 113,811 thousand excluding the increase arising from M&A activities).

Our labour costs may rise faster than expected in the future as a result of increased workforce activism, government decrees and changes in social and pension contribution rules meant to reduce government budget deficits or to increase welfare benefits to employees. We may not manage to offset the increase in labour costs through productivity gains. If employment costs increase further, our operating costs will increase, which could, if we cannot recover these costs from our customers through increased selling prices or offset them through productivity gains or other measures, have a material adverse effect on our business, financial condition and results of operations.

***Any negative impact on the reputation of the brand names of certain of the key products we sell may adversely affect our competitive position. We may also be affected by failure to protect our proprietary know-how and trade secrets.***

We stock and sell in our vending machines certain brand name products (for example, coffee brands such as Nespresso™ or Lavazza™) whose brands are owned by our suppliers or other third parties. We have limited control over such brands and any failure on the part of the owners of such brands to defend their intellectual property rights or preserve and build their brands' reputations could compromise such reputations or the public's perception of such brands, diminishing the value of such brands and potentially adversely impacting our sales and/or our own reputation.

We also rely upon unpatented proprietary know-how and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property, there can be no assurances that our confidentiality agreements will not be breached; such agreements will provide meaningful protection for our trade secrets or proprietary know-how; or adequate remedies will be available in the event of an unauthorised use or disclosure of these trade secrets or know-how. In addition, litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Such resultant intellectual property litigation could result in substantial costs and diversion of resources, may result in counterclaims or other claims against us and could harm our business significantly.

**Legal, Taxation and Regulatory Risks**

***We are susceptible to claims of anti-competitive practices.***

Part of our strategy is to be a market leader in the markets where we operate. For this reason, we may be accused of the abuse of our position (in particular in Italy) or the use of anti-competitive practices. This risk may increase in the event we acquire companies that have strong market position in any of the countries in which we operate. Any such claims could adversely affect our reputation, potentially result in legal proceedings and fines – such as the fine of EUR 31,918 thousand we recently received in connection with an investigation of the Italian Antitrust Authority for an alleged unlawful competition-restricting agreement in the Italian vending machine market in which we are supposed to be involved – that could have an impact on our business, financial condition and results of operations and require us to divest assets in markets where we have a dominant position.

Such claims could also impair our acquisition growth strategy. Before certain future acquisitions may be consummated, we may need to seek approvals and consents from regulatory agencies or there may be applicable waiting periods that will need to expire and we may be unable to obtain such regulatory approvals or consents. Such regulatory approval process triggered by our leading position or claims of anti-competitive practices may have the effect of delaying acquisitions. See "*Information About the Group—Business Description of the Issuer and the Group (Including the Future Guarantors)—Legal Proceedings—The Future Guarantors—IVS Italia—Italian Antitrust Authority Investigation*".

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

We are from time to time subject to tax audits and investigations by the tax authorities in the countries where we operate, which include investigations with respect to the direct tax and indirect tax regime of any of our transactions and/or value-added tax classification of products sold through our vending machines.

Moreover, adverse developments in tax laws or regulations, or any change in position by the relevant taxing authority regarding the application, administration or interpretation of these laws or regulations, could have a material adverse effect on our business, financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and our other indebtedness. Tax audits and investigations by the competent tax 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 adjustment in connection with our business would not have a material adverse effect on our business, financial condition and results of operations.

***The performance of our business is negatively affected by VAT rates on food and beverage items sold in vending machines and any further increase in VAT could require us to incur additional costs and have an adverse effect on our business, results of operations and financial condition.***

Our vending machine business operates primarily in Italy and we also have operations in France, Spain and Switzerland. Any of these countries may adopt new tax laws or modify existing laws to increase taxes, especially VAT rates, applicable to the products that consumers purchase from our vending machines. According to the agreement reached with the European Union to respect certain budgetary restrictions and achieve certain spending cuts, the Italian Parliament approved in December 2017 (reference is made to art. 1, par. 2, Law no. 205/2017) a VAT increase of 1.5 per cent starting from 2019 and of an additional 1.5 per cent from 2020. Considering that certain fiscal measures have been approved in order to avoid that VAT increase, the stability law approved by the Italian parliament at the end of December 2018 (Law no. 145/2018), has neutralized the increase only for 2019. However, we cannot guarantee that the Italian government will be able to take steps sufficient to avoid the increases in 2020 and in that case the VAT rate applicable to vending machine products will be increased from 10 per cent to 13 per cent.

VAT increases affect the prices consumers pay for food and beverage items, reducing their purchasing power. For vending machine operators such as the Group, we are obliged to respond to the new VAT rates by discussing with our customers the re-pricing of the food and beverage items sold in vending machines on their premises and re-pricing has cost and time implications. An increase in VAT also reduces the reimbursement we receive from the tax authorities that covers the differential between the VAT we pay for the food and beverage items we purchase from suppliers for stocking our vending machines and the applicable VAT that consumers pay at the point of sale.

In addition, when we purchase our inventory in Italy, we pay VAT equal to 22 per cent. of the purchase price (that could be increased to 25,2 per cent starting from 2020 and to 26,5 per cent starting from 2021 pursuant to art. 1, par. 2 of Law no. 205/2017 and art. 1, par. 2 of Law no. 145/2018). When consumers purchase items from our vending machines, however, they paid, VAT equal to 10 per cent (that could be increased to 13 per cent starting from 2020 as noted above). Pursuant to applicable law, the Italian government refunds us the difference in VAT we pay to purchase inventory and the VAT paid by consumers. However, these payments have been significantly delayed in recent years.

As a result of the above, any future increase of VAT in a market where we operate may, negatively affect our revenue and increase our operating costs and could have a material adverse effect on our business, financial condition and results of operations.

***The food and beverage industry is highly regulated and our business could be materially adversely affected by changes in governmental regulation and legislation or by associated compliance costs. Moreover, failure to comply with governmental regulations could result in the imposition of fines or restrictions on operations and remedial liabilities.***

The food and beverage industry is highly regulated by local, national and European legislation related to nutritional information, food safety and hygiene, public tenders for placement of vending machines on public premises and increasingly, broader public health and diet concerns. National legislation mandates, among other things, the temperatures we must store certain products. We may also be affected in the future by requirements regarding energy consumption of our vending machines and the use of recyclable or biodegradable containers in connection with our Office Coffee Service machines. Moreover, to the extent any design or technical flaws result from our refurbishment of vending machines, we may be liable for any damages caused thereby. In addition, diet concerns motivate certain regulations that affect the products we can offer for sale in our vending machines. France, for example, only allows vending machines in schools to stock products such as edible seeds, unsalted nuts and fruit and vegetables and the only permissible beverages are water, pure fruit juices, yoghurt and milk drinks, low-calorie hot chocolate, tea and coffee. Such restrictions could require us to stock less profitable products in our vending machines and/or products that are less appealing to consumers and generate less revenue. If such regulations were to spread to Italy or Spain, then it may have a material adverse effect on our business, financial condition and results of operations.See "*Information About the Group—Business Description of the Issuer and the Group (Including the Future Guarantors)—Regulation and Quality Control*".

***The international scope of our operations and our corporate and financing structure may expose us to potentially adverse tax consequences.***

We are subject to taxation in and to the tax laws and regulations of multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to intercompany pricing laws, including those relating to the flow of funds among our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position by the relevant authority regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and on our indebtedness. In addition, the tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding our tax residency for tax purposes, the tax treatment or characterisation of any of our transactions, including the tax treatment or characterisation of our indebtedness, including the Notes, existing and future intercompany loans and guarantees or the deduction of certain interest expense. These factors could have a material adverse effect on our business, financial condition, results of operations and cash flows or on our ability to service or otherwise make payments on the Notes.

***The applicability of Luxembourg law to us and our corporate actions would be uncertain if it were to be established that our head office were not in Luxembourg.***

Luxembourg law on commercial companies dated 10 August 1915, as amended (the "**Luxembourg Companies' Law**") does not define the "head office" (*administration central*) for Luxembourg companies but states that the registered office of a commercial company is located at the seat of its central administration (*siège de l'administration centrale*) and further establishes an assumption according to which, until evidence to the contrary is presented, the central administration of a company is deemed to coincide with its registered office (*siège statutaire*).

Therefore, the determination thereof is essentially a factual question. Under Luxembourg case law, factors that courts consider in determining the location of a company's head office include the place of meetings of its corporate bodies, the location of its books and records and the place of the company's daily management. Since the Merger, all of our meetings of the board of directors at which board members were physically present and an extraordinary shareholders' meeting have taken place in Italy and, as of 31 December 2018, we believe our operational headquarters was in Italy. If it were to be established that our head office were not in Luxembourg, the applicability of Luxembourg law to us and our corporate actions would be uncertain. It is difficult to predict the legal consequences if Luxembourg law were deemed not to apply to us (including the effect on our corporate power and authority under Luxembourg law).

Although we believe that we are in compliance with the Luxembourg Companies Law in a manner sufficient to preserve our Luxembourg existence and domicile and our power and authority to execute and perform all relevant obligations under the Notes, we can provide no assurance with respect to the legal effect of a determination that our head office is not in Luxembourg.

**Internal control Risks**

***If an individual within our Group, or a third party acting on behalf of any Group entity, commits certain crimes, we and/or that Group entity may be subject to administrative liability and may face the application of sanctions, also on an interim basis, that include the prohibition to contract with public entities, termination of existing contracts and concessions, revocations or restrictions of licences and the seizures of profits arising from the crime.***

The real and perceived integrity of our employees, executives and systems is critical to our ability to attract customers and comply with applicable regulations. Our reputation in this regard is an important factor in our business dealings with governmental authorities and our business partners and customers. Accordingly, a finding of improper conduct on our part, or on the part of one or more of our current or former employees or another related party that is attributable to us, could result in civil or criminal liability for us and could have a material adverse effect upon our business, results of operations and financial condition including our ability to retain or renew existing concessions, contracts (including with public entities) and licences or obtain new concessions, contracts (including with public entities) and licences.

The tender process and the award of contracts by public authorities and concessions involve risks associated with fraud, bribery of officials involved in the tender process and corruption or allegations thereof. Although we maintain internal monitoring systems, we may be unable to detect or prevent every instance of fraud, bribery, corruption and other crimes committed in relation to our activities involving our employees or agents in the future. We may therefore be subject to civil and criminal penalties and to reputational damage as a result of such occurrences. The involvement or association of our employees or agents with fraud, bribery, corruption and other crimes committed in relation to our activities, or allegations or rumours relating thereto, could have a material adverse effect on our business, results of operations and financial condition.

***We may be subject to administrative liability if our internal anti-corruption controls and policies are inadequate or are not effectively implemented.***

Italian Legislative Decree No. 231 of 8 June 2001 ("**Decree 231**") allows Italian corporate entities to implement compliance procedures to defend themselves against the administrative liability that may attach to them under Decree 231 for crimes committed in their interest or to their advantage by individuals who have a functional relationship with such corporate entities, such as employees, directors and representatives.

As of the date of this Prospectus, the following companies of the Group have adopted organizational, management and control models pursuant to Decree 231 ("**OMC models**"): the Issuer, IVS Italia, IVS Sicilia S.p.A., Eurovending S.r.l., SDA-DDS S.p.A., Coin Service Nord S.p.A. and Coin Service S.p.A.. OMCs provide a defines from administrative liability to corporate entities that have implemented an OMC in compliance with Decree 231 and have appointed an independent officer or body, such as a supervisory body (*Organismo di Vigilanza*), to supervise such OMC. The adoption of an OMC model by a company does not in itself preclude the application of sanctions under Decree 231, and failure to update these OMC models increases the risk that administrative liability under Decree 231 may attach. If a crime falling within the scope of Decree 231 is committed, the court will examine the controls implemented by the relevant company and, where the controls are considered to be inadequate, implemented ineffectively or insufficiently monitored, the Company could be subject to economic sanctions, (fines and confiscation

of profits) and legal sanctions which could include: (i) prohibition from continuing the business affected by the criminal offenses; (ii) suspension and revocation of current or future authorisations, licences or concessions; (iii) prohibition from contracting with public authorities; (iv) exclusion from subsidies, loans contributions or, where applicable, the revocation of those already granted; and (v) prohibition on publicising goods or services. The duration of these disqualifications ranges from a minimum of three months to a maximum of two years (in very serious cases, however, some of these disqualifications can be applied permanently).

If we are, or one of our Group companies is found liable under Decree 231 and sanctions are imposed, our authorisations, licences, concessions and financing agreements may be terminated (or our ability to draw under financing agreements may be suspended) and we may face temporary or permanent suspension of our operations, debarment from contracting with public authorities and debarment or cross-debarment from public funding, which could have a material adverse effect on our business, financial condition and results of operations.

**Risks Related to the Group's Capital Structure**

***The Issuer will be largely dependent on receiving payments from other members of the Group to make payments on the Notes. Such other members may not be able to make such payments in some circumstances.***

The Issuer is a holding company, with limited revenue-generating operations of our own. As a result, in order to make payments on the Notes, we will be dependent on receiving payments from our subsidiaries in the form of dividends and the making, or repayment, of loans and advances. The ability of our subsidiaries to make payments to us (or, in the case of Future Guarantors, once the Future Guarantees have been granted, to meet the obligations of their Future Guarantees) will depend on their results of operations, cash flows and earnings, which, in turn, will be affected by all of the factors discussed in these "*Risk Factors*". Furthermore, certain of our operating subsidiaries have debt agreements, and payments under those agreements may inhibit the ability of certain members of our Group to make distributions or other payments to creditors. We cannot assure you that arrangements with our subsidiaries will provide us with sufficient dividends, distributions or loans to fund payments on the Notes if and when required.

***We are controlled by IVS Partecipazioni whose interests may not be fully aligned with the interests of the Noteholders.***

As of the date of this Prospectus, IVS Partecipazioni, a vehicle formed by certain legacy shareholders of IVS Group Holding beneficially owns 59.2 per cent. of our Shares and controls 62.3 per cent. of our voting rights. The Shares are listed on the MTA (automated stock markets) of Borsa Italiana S.p.A. (the Italian Stock Exchange), STAR segment (ticker: IVS). See "*Information About the Group—Principal Shareholders—The Issuer—Share Capital and Principal Shareholders*". The interests of our principal shareholders may not in all cases be aligned with your interests. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of IVS Partecipazioni might conflict with your interests as a Noteholder. In addition, IVS Partecipazioni may have an interest in causing our Board of Directors to declare dividends, incur additional indebtedness or pursue acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance its equity investments, even though such transactions might involve risks to you as a Noteholder.

***We are exposed to risks related to Group companies that include minority shareholders.***

We conduct our business through operating subsidiaries. In some instances, third-party shareholders hold minority interests in these subsidiaries; such third parties are generally the former owners of such operating subsidiaries our Vending Business has subsequently purchased. We also operate our Coin Service Business with third party non-controlling shareholders. While we generally consider entering into such partnerships or investments to be positive developments, various disadvantages may also result from the participation of minority shareholders whose interests may not always coincide with ours. Some of these disadvantages may, among other things, result in our inability to implement organisational efficiencies and transfer cash and assets from one subsidiary to another in order to allocate assets most effectively. We may also incur liabilities related to earn-out or put and call agreements we have signed with sellers of acquired businesses.

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

We have recorded a significant amount of goodwill. As of 31 December 2018, our total goodwill, which represents the excess of the cost of acquisitions over our interest in the net fair value of the assets acquired and liabilities and contingent liabilities assumed, amounted to Euro 384.6 million, representing 46.4 per cent. of our total assets. Goodwill is recorded on the date of acquisition and, in accordance with IFRS, is tested for impairment annually and whenever there is any indication of impairment. Impairment may result from, among other things, deterioration in our performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations and a variety of other factors. The amount of any impairment must be expensed immediately as a charge to our income statement. Following the completion of the purchase price allocation relating to each acquisition we may consummate, goodwill will be tested annually for impairment. Any future impairment of goodwill may result in material reductions of our income and equity under IFRS.

**Risks Related to the Group's Financial Condition**

***We are exposed to credit risk related to our customers that may cause us to make larger allowances for doubtful trade receivables or incur write-offs related to impaired debts.***

As of 31 December 2018, we had Euro 9.5 million in trade receivables from customers resulting from sales hot beverage single-use drink pods (mostly coffee), cups and stirrers which we provide to our Office Coffee Services customers and typically invoice our customers at the time of each delivery. Although we review the credit risk related to our customers regularly, such risks may be exacerbated by events or circumstances that are inherently difficult to anticipate or control. While many customers pay their receivables within 30 to 60 days, we have in the past experienced periods when the amount of trade receivables that are overdue by 91 days have increased significantly. Our allowance for impairment was Euro 1.6 million as of 31 December 2018, representing 5.2 per cent. of our gross trade receivables but we cannot guarantee that these provisions will be sufficient. The amount of our provision for bad debts is based on our assessment of historical collection trends, business and economic conditions and other collection indicators. However, we can make no assurance that bad debts associated with delinquent payments or non-payment by our corporate customers will not increase.

If the macroeconomic conditions in Italy, France and Spain continue to deteriorate, we cannot assure you that we will not have to increase our provisions for impaired debts relating to debts owed to us, which could have a material adverse effect on our business, financial condition and results of operations.

***Our significant leverage may make it difficult for us to service our debt, including the Notes, and operate our businesses.***

Upon completion of the Offering, and before the Existing Notes Redemption, our gross leverage will increase significantly and we will have a substantial amount of outstanding debt with significant debt service requirements. At 30 June 2019, on an as adjusted basis after the Offering, assuming a Maximum Offer Amount of Euro 300,000,000 and the related transaction costs (but not adjusted for the Existing Notes Redemption), our consolidated debt would have been Euro 790.7 million.

Our significant leverage could have important consequences for you as a Noteholder, including making it more difficult for the Issuer and the Future Guarantors (once the Future Guarantees have been granted) to satisfy their obligations with respect to the Notes, the Future Guarantees and their other debt and liabilities and requiring the Issuer's operating subsidiaries to dedicate a substantial portion of their cash flow from operations to payments on debt, reducing the availability of cash flow to fund internal growth through capital expenditures and for other general corporate purposes. Under the Terms and Conditions we have undertaken to complete the Existing Notes Redemption on or before the Longstop Date and in such an amount as to result in the redemption of all of the Euro 240,000,000 million aggregate principal amount of the Existing Notes outstanding (including the pro rata share of the Existing Notes held by the Group at the Existing Notes Redemption Date). Following the Existing Notes Redemption we expect to retain a significant amount of indebtedness, including, possibly an unredeemed portion of the Existing Notes in case we do not redeem them, or cause them to be redeemed, in full.

In addition, our compliance with the financial covenants set forth in the Terms and Conditions will be measured for the first time on December 31, 2019, and the results of that measurement will not be reported until 140 days following such date. See "*Terms and Conditions of the Notes—Covenants Financial Covenants*".

***Despite the Group's current significant leverage, we may be able to incur more debt in the future, which could further exacerbate the risks of our leverage. This additional debt may be structurally senior or have a senior security interest with respect to the Notes.***

The Group has incurred significant amounts of debt and may incur more debt in the future. The Terms and Conditions do not prohibit us from incurring additional debt, provided that financial covenants and the negative pledge covenant under the Terms and Conditions are complied with, including by non-Future Guarantors or debt that is secured on assets of the Group, which debt would be satisfied ahead of the Notes and the Future Guarantees (once they have been granted). The incurrence of additional debt would increase the leverage-related risks described in this Prospectus. In addiction, under the IVS Group S.A. Euro 150,000,000 Facility Agreement we are limited to incur any indebtedness unless it is *pari passu* to the finance parties' claims under the IVS Group Euro 150,000,000 Facility Agreement. See "*—Material Financings of the Group—IVS Group S.A. Euro 150,000,000 Facility Agreement*".

***The Group may not have enough cash available to service its debt.***

Our ability to make scheduled payments on the Notes and to meet our other debt service obligations, including the Existing Notes, which mature prior to the Notes, or to refinance our debt depends on our future operating and financial performance, which will be affected by our ability to successfully implement our business strategies as well as general economic, financial, competitive, regulatory, technical and other factors, including the other factors discussed in this "*Risk Factors*" section, that are beyond our control. If we cannot generate sufficient cash to meet our debt service requirements, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing, delay planned capital expenditure or sell material assets. We cannot assure you that we will be able to refinance any of our debt, including the Notes, on commercially reasonable terms, if at all. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt, including the Notes. In that event, borrowings under other debt agreements or instruments that contain cross-default or cross-acceleration provisions may become payable on demand and we may not have sufficient funds to repay all of our debts, including the Notes. See also "*—Risks Related to Our Capital Structure—We are largely dependent on receiving payments from other members of the Group to make payments on the Notes or meet our other obligations. Such other members may not be able to make such payments in some circumstance*".

**Risks related to the nature of the Notes and the Future Guarantees**

***The Notes may not be a suitable investment for all Investors.***

Each potential Investor must determine the suitability of such investment in light of their own circumstances. In particular, each potential Investor should have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus, the Interest Rate and Yield Notice, the Offering Results Notice or any applicable supplement to this Prospectus and should be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.The investment activities of certain Investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers prior to investing in the Notes to determine whether and to what extent (i) the Notes are permitted investments for it, (ii) where relevant, the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Each Investor should also consider the tax consequences of investing in the Notes and consult its own tax advisers with respect to the acquisition, sale and redemption of the Notes in light of its personal situation.

***The Notes will be structurally subordinated to the liabilities of our subsidiaries and, following the granting of the Future Guarantees, to those of our non-Future Guarantor Subsidiaries.***

As of the Issue Date, the Notes will not be guaranteed and, therefore, will be structurally subordinated to the liabilities of our subsidiaries, including the Existing Notes, and will constitute direct, unconditional and unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Following the Existing Notes Redemption (by way of full redemption of the Existing Notes) and the granting of the Future Guarantees, the Notes will remain structurally subordinated to the liabilities of our non-Future Guarantor subsidiaries. For the twelve months ended 30 June 2019, our subsidiaries who will not guarantee the Notes following the Existing Notes Redemption represented approximately 33.0 per cent. of our total revenues and 33.1 per cent. of our EBITDA. As at 30 June 2019, those same subsidiaries represented approximately 20.5 per cent. of our total assets and had approximately Euro 105.6 million of financial indebtedness as well as significant trade payables and other liabilities outstanding.

Our subsidiaries which will not provide a guarantee in respect of the Notes following the Existing Notes Redemption will not have any obligation to pay any amounts due under the Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, non-Future Guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or any Future Guarantor (once the Future Guarantees have been granted), as a direct or indirect shareholder and the creditors of the Issuer (including the Noteholders) and the Future Guarantors (once the Future Guarantees have been granted) will have no right to proceed against the assets of such subsidiary. As such, the Notes and the Future Guarantees (once they have been granted) will be structurally subordinated to creditors (including trade creditors) and any preferred stockholders of our those of our subsidiaries which will not provide a guarantee of the Notes following the Existing Notes Redemption.

***The Notes will not be guaranteed by the Future Guarantors as at the Issue Date, and once the Future Guarantees have been granted they will be significantly limited by applicable laws and are subject to certain limitations and defences.***

As a result of applicable Italian law, the Future Guarantors will not guarantee the Notes as at the Issue Date. Italian law prohibits the Future Guarantors from granting the Future Guarantees before they have realised a corporate benefit from the Notes, and the Future Guarantors will not realise such corporate benefit until the completion of the Existing Notes Redemption. As a result, until the completion of the Existing Notes Redemption, the Notes will remain unguaranteed and the Noteholders will have no direct claim against the Future Guarantors for payment of the obligations thereunder. Furthermore, so long as the Future Guarantees have not been granted, the Notes will remain structurally subordinated to the indebtedness of the Future Guarantors.

The obligations of each Future Guarantor under its Future Guarantee will be limited to an amount which has been determined so as to ensure that amounts payable will not result in violations of laws related to corporate benefit, capitalisation, capital preservation, financial assistance or transactions under value, or otherwise cause the Future Guarantor to be deemed insolvent under applicable law or such Future Guarantee to be deemed void, unenforceable or *ultra vires*, or cause the directors of such Future Guarantee to be held in breach of applicable corporate or commercial law for providing such Future Guarantee.

***The Future Guarantees may be automatically released under certain circumstances.***

The Terms and Conditions permit the Future Guarantees of a given Future Guarantor to be automatically released under certain circumstances. If a the Future Guarantee of a Future Guarantor is released, the Noteholders will lose all claim against such Future Guarantor in respect of its Future Guarantee of the Notes.

***If completion of the Existing Notes Redemption is delayed beyond the Longstop Date or the Future Guarantees are not granted within 30 business days of the Existing Notes Redemption Date, the Issuer will be required to redeem the Notes at par, which means that you may not obtain the return you expect on the Notes.***

The Terms and Conditions provide that, under certain circumstances, the Notes shall be subject to a special mandatory redemption at their principal amount, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of such special mandatory redemption. In the event of such special mandatory redemption of the Notes you may not obtain the return you expect to receive on the Notes and you may not be able to reinvest the proceeds from the redemption in an investment that yields comparable returns. See "*Terms and Conditions of the Notes—Redemption and Repurchase—Special Mandatory Redemption*". Until the Existing Notes Redemption Date, the net proceeds from the Offering will be held exclusively by the Issuer and its subsidiaries and will not be held in an escrow account or benefit from any guarantees or security.

***Your decision to invest in the Notes is made at the time of purchase. Changes in our business or financial condition, or the terms of the Existing Notes redemption, between the closing of this Offering and the date on which the Existing Notes Redemption is completed, will have no effect on your rights as a purchaser of the Notes. Enforcing your rights as a Noteholder or under the Future Guarantees (once they are granted) across multiple jurisdictions may be difficult.***

The Notes will be issued by the Issuer, which is organised under the laws of Luxembourg. Furthermore, we intend that the Notes will be guaranteed by the Future Guarantors, each of which is organised under the laws of Italy. See "*—The Notes will not be guaranteed by the Future Guarantors at issuance, and once the Future Guarantees have been granted they will be significantly limited by applicable laws and are subject to certain limitations and defences*". In the event of any bankruptcy, insolvency or a similar event, proceedings could be initiated in either of these jurisdictions. Your rights under the Notes and the Future Guarantees (once they have been granted) will thus be subject to the laws of Luxembourg and Italy and you may not be able to effectively enforce your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. Fraudulent conveyance and similar laws may adversely affect the validity and enforceability of the Notes and the Future Guarantees.

Although laws differ among various jurisdictions, under fraudulent conveyance laws, a court could void the Notes or the Future Guarantees or subordinate the claims thereunder to other claims against the Issuer or any Future Guarantor (once the Future Guarantees have been granted) under certain circumstances.

The measures of insolvency for the purposes of fraudulent transfer laws vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred.

We cannot be certain as to what standard a court would apply in making a solvency determination or that a court would conclude that the Issuer was solvent immediately after the issue of the Notes or the grant of the Future Guarantee. Regardless of the standard that the court uses, we cannot be sure that the issuance of the Notes (or the grant of the Future Guarantee) would not be voided or subordinated to our other debt.

***The Issuer and the Notes may be delisted.***

The shares of the Issuer are listed on the MTA (automated stock markets) of Borsa Italiana S.p.A. (the Italian Stock Exchange), STAR Segment, the market segment dedicated to midsize companies which meet certain requirements provided by law, including a minimum floting share capital equal to 35%. Under Legislative Decree no. 58 as of February 24, 1998 (the Italian Financial Act), a public tender offer must be made by any person who, by reason of purchases of shares for consideration or increased voting rights, directly or indirectly or acting in concert with other persons, holds more than a certain percentage of the voting share capital or the voting rights of a listed company.

As a listed company, the Issuer is therefore subject to the risk of being delisted, including as a consequence of a public tender offer. Moreover, if our floating share capital falls below 35%, we could be delisted from the STAR segment returning on the MTA.

Furthermore, subject to the Minimum Offer Condition, the Notes will be admitted to listing and trading on the Borsa Italiana's regulated Mercato delle Obligazioni Telematico market (MOT).

Under the Terms and Conditions a delisting of the Issuer or the Notes or a change in the market segment on which the shares of the Issuer are listed would not constitute an event of default. However, should the Notes be delisted, there would no longer be a market on which Noteholders could trade them, which could significantly affect the market price of the Notes. A delisting of the Notes would also exacerbate the liquidity risk described in "—*An active and liquid trading market for the notes may not develop or be maintained*".

***The Notes are subject to a risk of early redemption at the option of the Issuer.***

As set out in the Terms and Conditions, the Issuer has the right to redeem the Notes prior to maturity by paying, under certain circumstances, a premium. The Issuer is also permitted to redeem the Notes if the Issuer or the Future Guarantors are required to pay additional amounts on the Notes for taxation reasons. If the Issuer redeems the Notes prior to maturity, a Noteholder may not obtain the return he expects to receive on the Notes and may only be able to reinvest capital on less favourable conditions as compared to the original investment.

***The Terms and Conditions, including the terms of payment of principal and interest, can be amended by an Extraordinary Resolution (as defined in the Trust Deed) of certain Noteholders and any such Extraordinary Resolution will be binding on all Noteholders.***

Although no obligation to make any payment or render any other performance may be imposed on any Noteholder, the Noteholders may, by Extraordinary Resolution, among other things agree to change the due date for payment of interest and reduce, or cancel interest, change the maturity date of the Notes or reduce the principal amount payable on the Notes, convert the Notes into, or exchange the Notes for, shares or other securities or obligations, change the currency of the Notes or waive or restrict Noteholders' rights to accelerate the Notes.

As a result, a Noteholder is subject to the risk of being outvoted and losing rights against the Issuer or the Future Guarantors under the Notes or the Future Guarantees, as the case may be, against its will in the event that Noteholders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions in accordance with the Terms and Conditions.

***Upon the occurrence of an event of default, the Notes will become due and payable if the Trustee, of its own accord or as directed either by Noteholders holding at least one-fifth in aggregate principal amount of the Notes then outstanding or by an Extraordinary Resolution of the Noteholders, delivers a notice declaring such Notes due and payable.***

The Terms and Conditions provide that, upon the occurrence of an event of default, the Notes will become due and payable if the Trustee, of its own accord or as directed either by Noteholders holding at least one-fifth in aggregate principal amount of the Notes then outstanding or by an Extraordinary Resolution of the Noteholders, delivers a notice declaring such Notes due and payable.

Noteholders should be aware that, as a result, they may not be able to accelerate their Notes upon the occurrence of certain Events of Default, unless the required quorum of Noteholders delivers default notices.

***The Terms and Conditions do not allow Noteholders to require the Issuer to repurchase the Notes upon a change of control of the Issuer.***

There is no provision in the Terms and Conditions allowing the Noteholders to require the Issuer to repurchase the Notes upon a change of control of the Issuer. A new controlling entity or entities may not have experience in the vending sector, or may not make management or financial decisions that would be in the best interest of the Noteholders. Consequently, there can be no assurance that, following a change of control of the Issuer, the Group would be managed in such a way as to allow the Issuer or the Future Guarantors to meet their obligations under the Notes or the Future Guarantees.

***The market value of the Notes could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen.***

If any of the risks regarding the Group described herein materialises, then the Issuer is less likely to be in a position to fully perform all obligations under the Notes when they fall due, and the market value of the Notes will suffer. In addition, even if the Issuer is not actually less likely to be in a position to fully perform all obligations under the Notes when they fall due, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business areas as the Group could adversely change and have resulting effects on the perceptions of our creditworthiness, whether warranted or otherwise.

Furthermore, changes in accounting standards may lead to adjustments in the relevant accounting positions of the Group which could have an adverse effect on our financial condition, which could in turn affect the market value of the Notes.

***The Notes bear specific risks typical for fixed rate notes.***

The Notes are fixed rate notes. Therefore, each Noteholder is particularly exposed to the risk that the price of the Notes may fall as a result of changes in market interest rates. While the nominal interest rate of the Notes as specified in the Terms and Conditions is fixed during the term of the Notes, the current market interest rates typically change on a daily basis. If the market interest rate increases, the price of fixed rate notes typically decreases, until the yield of such notes is approximately equal to the market interest rate of comparable issuers. If the market interest rate decreases, the price of fixed rate notes typically increases, until the yield of such notes is approximately equal to the market interest rate.

**Risks related to the Offering**

***The Offering Period may be extended or amended, and the Offering may be terminated or withdrawn.***

The Issuer together with the Placement Agent has the right to extend or amend the Offering Period and to terminate, postpone or withdraw the Offering for a number of reasons, including a failure to satisfy the Minimum Offer Condition or any extraordinary change in the political, financial, economic, regulatory, currency or market situation of the markets in which the Group operates that could have a materially adverse effect on the conditions of the Group and their business activities. See "*Sale and Offer of the Notes—Offering of the Notes—Offering Period, Early Closure, Extension and Withdrawal*".

***An active and liquid trading market for the Notes may not develop or be maintained.***

The Notes represent a new issues of securities which may not be widely distributed and for which there is currently no established trading market. Although the Issuer has applied for admission of the Notes to trading on the regulated MOT market of Borsa Italiana, there can be no assurance that a market for the Notes will develop or, if it does develop, continue or that it will be liquid, thereby enabling Investors to sell their Notes when desired, or at all, or at prices they find acceptable.

Investors may not be able to sell Notes readily or at prices that will enable Investors to realise their anticipated yield. No Investor should purchase Notes unless the Investor understands and is able to bear the risk that the Notes may not be readily sellable, that the value of the Notes will fluctuate over time and that such fluctuations may be significant.

***The trading market for debt securities may be volatile and may be adversely affected by many events.***

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in the main markets of the Group (Italy, France, Spain and Switzerland) as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the market price of the Notes or that economic and market conditions will not have any other adverse effects. Accordingly, the price at which an Investor will be able to sell the Notes prior to maturity may be discounted, even substantially, from the Issue Price or the purchase price paid by such Investor.

The Terms and Conditions are governed by the laws of England and Wales in effect as at the date of this Prospectus. No assurance can be given as to the effect of any possible judicial decision or change to the laws of England and Wales or administrative practice or the official application or interpretation of English law after the date of this Prospectus.

***The insolvency laws of Luxembourg and Italy may not be as favourable to Noteholders as the laws of another jurisdiction with which you may be familiar.***

The Issuer is incorporated under the laws of Luxembourg but its "centre of main interests" may not be in Luxembourg and may be deemed to be in Italy, and the Future Guarantors are incorporated and are likely to have their centres of main interests in Italy. In accordance with Council Regulation (EC) N° 1346/2000 of 29 May 2000 on insolvency proceedings, as amended, the main insolvency proceedings are opened in the jurisdiction in which the debtor has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). 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 Member States may have differing and conflicting views. The term "centre of main interests" is not a static concept. In the event that the Issuer experiences financial difficulties, it is not possible to predict if Luxembourg would be considered as jurisdiction in which such "centre of main interests" is located and if such proceedings would be opened in Luxembourg. Accordingly, insolvency proceedings with respect to these companies may proceed under, and be governed by, Italian or Luxembourg insolvency law, as the case may be. The insolvency laws of these jurisdictions may not be as favourable to your interests as those of another jurisdiction with which you may be familiar. In the event that the Issuer or any 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. As a consequence, enforcement of rights under the Notes and the Future Guarantees (once they have been granted) in an insolvency situation may be delayed and be complex and costly for creditors.

***The covenants in the Notes, Existing Notes Trust Deed and the instruments governing the Group's other debt may limit the Group's ability to operate its business.***

The Notes, the Existing Notes Trust Deed and the instruments governing the Group's other debt contain affirmative and negative covenants restricting, among other things, the Group's ability to incur additional debt, sell assets, create liens or other encumbrances, make certain payments and dividends and merge or consolidate. See "*Terms and Conditions of the Notes*" and "*Information About the Group— Material Financings of the Group*". Until such time as the Existing Notes and the Group's other debt have been redeemed or repaid in their entirety, such restrictions could affect the ability of the Group to operate its business and may limit its ability to take advantage of potential business opportunities as they arise. In addition, following the Existing Notes Redemption, the Group will remain subject to the financial and other covenants in the Notes, which could limit the Group's ability to operate its business.

If the Group does not comply with the covenants and restrictions in the Notes, Existing Notes Trust Deed and its other debt, it could be in default under those agreements. If the Group defaults under the Existing Notes, the holders of the Existing Notes (subject to restrictions on enforcement rights) could cause all of the outstanding debt obligations thereunder to become due and payable, requiring the Group to apply all of its cash to repay the debt thereunder or prevent it from making debt service payments on its other debt, including the Notes. In addition, any default under the Notes, could lead to an acceleration of debt under other debt instruments that contain cross acceleration or cross default provisions. If the debt under the Notes or other debt instruments is accelerated, we may not have sufficient assets to repay amounts due thereunder. The Group's ability to comply with these provisions of the Existing Notes Trust Deed, and other agreements governing its other debt may be affected by changes in economic or business conditions or other events beyond our control.

***We may be unable to raise the funds necessary to refinance indebtedness maturing prior to the stated maturity of the Notes or to repay the Notes at maturity.***

The Notes offered hereby will mature on 18 October 2026. In addition, some bank loan and finance leases may be terminated or repayable, and, if we are unable to fully redeem them, or cause them to be fully redeemed, the Existing Notes will mature, prior to the maturity of the Notes. As a result, we may not have sufficient cash to repay all amounts owing on the Notes at maturity.

***You may face foreign exchange risks by investing in the Notes.***

The Notes are denominated and payable in euro. If Investors measure their investment returns by reference to a currency other than euro, 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 currency by reference to which Investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which Investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to Investors when the return on the Notes is translated into the currency by reference to which the Investors measure the return on their investments.

***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.***

The Notes will initially only be issued in global form and will be held through Euroclear and Clearstream, Luxembourg and participants in Euroclear and Clearstream, Luxembourg, including Monte Titoli. Interests in the Global Notes will trade in book-entry form only, and Notes in definitive bearer form will be issued in exchange for ownership interests in the Notes (the "**Book-Entry Interests**") only in very limited circumstances. Owners of Book-Entry Interests will not be considered owners or Noteholders. The common safekeeper, or its nominee, for Euroclear and Clearstream, Luxembourg is the sole holder of the Global Notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Notes representing the Notes will be made to The Bank of New York Mellon, London Branch as Principal Paying Agent, which then will make payments to Euroclear and Clearstream, Luxembourg. Thereafter, these payments will be credited to participants' accounts that hold Book-Entry Interests in the Global Notes and credited by such participants to indirect participants. After payment to the Principal Paying Agent, we and the Trustee 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, you must rely on the procedures of Euroclear and Clearstream, Luxembourg, and if you are not a participant in Euroclear and Clearstream, Luxembourg (including Monte Titoli) on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a Noteholder.

Unlike the Noteholders themselves, owners of Book-Entry Interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from Noteholders. 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, Luxembourg. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Terms and Conditions, unless and until Definitive 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, Luxembourg. The procedures to be implemented through Euroclear and Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Notes.

***You generally will not be entitled to a gross up for any Italian withholding taxes, unless the Italian withholding tax is caused by a failure of the Issuer or Future Guarantors to comply with certain procedures.***

The Issuer is organised under the laws of Luxembourg, but the Issuer should be deemed to be resident of Italy for tax purposes on the basis that its "centre of main interests" may be determined to be in Italy for tax purposes and therefore payments of principal and interest on the Notes and, in certain circumstances, any gain on the Notes, should be subject to Italian tax laws and regulations. Further, the actual identification of the specific tax laws and regulation applicable on the Notes may be subject to interpretation.

Neither the Issuer nor the Future Guarantors are liable to pay any additional amounts to Noteholders in relation to any withholding or deduction required pursuant to Italian Decree No. 239 or pursuant to Italian Decree No. 46 (except, in the case of Italian Decree No. 239, where the procedures required under Italian Decree No. 239 in order to benefit from an exemption have not been complied with due to the actions or omissions of the Issuer or the Future Guarantors or their agents). In such circumstances, Noteholders subject to Italian withholding tax or deduction will only receive the net proceeds of their investment in the Notes.

Although we believe that, under current law, Italian withholding tax will not be imposed under Italian Decree No. 239 or Italian Decree No. 461 where a Noteholder is resident for tax purposes in a country that allows for a satisfactory exchange of information with the Italian tax authorities and such Noteholder complies with certain certification requirements, there can be no assurance that this will be the case. The regime provided by Decree No. 239/1996 and in particular the exemption from substitute tax in principle granted to Noteholders resident in countries which allow for a satisfactory exchange of information with the Italian tax authorities applies if certain procedural requirements are met. There can be no assurance that all non-Italian resident Investors can claim the application of the substitute 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.

Investors resident or established in states or territories that do not allow for a satisfactory exchange for information with Italian tax authorities or Investors not satisfying the above-mentioned procedural requirements may only receive the net proceeds of their investment in the Notes.

Moreover, Noteholders will bear the risk of any change in Italian Decree No. 239 after the date hereof, including any change in the list of countries providing for a satisfactory exchange of information with Italian tax authorities.

***We have not obtained a credit rating for any of the Isuser, the Future Guarantors, the Notes or the Future Guarantees.***

None of the Issuer, the Future Guarantors, the Notes or the Future Guarantees has been assigned a credit rating as of the date of this Prospectus, and we do not intend to pursue any such ratings. Not having a credit rating for any of the Issuer, the Future Guarantors, the Notes or the Future Guarantees could make it more difficult to make an investment decision regarding the Notes. A rating of the Issuer is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating organisation.

## USE OF PROCEEDS

We expect the gross proceeds of the Offering will be between Euro 250,000,000 million and Euro 300,000,000 million. We expect to pay between Euro 3.1 million and Euro 3.9 million of fees and expenses (depending on the final size of the Offering), including the Placement Agent's commission and estimated expenses in respect of the Offering.

We intend to use the net proceeds from the Offering to purchase, redeem or cause to be redeemed, all of the Existing Notes outstanding in an amount equal to Euro 240,000,000 million of the aggregate principal amount of the Existing Notes. Under the Existing Notes Trust Deed, starting on 15 November 2019, the Existing Notes may be redeemed at a price of 101.125% of the principal amount plus any accrued and unpaid interest as of, but not including, the Existing Notes Redemption Date. The Company intends to effect the Existing Notes Redemption on or prior to 29 November 2019.

We intend to use any net proceeds from the Offering not used for the purpose of purchase, redeem or cause to be redeemed, all of the Existing Notes outstanding for general corporate purposes.

The Future Guarantees will be granted as soon as possible following the Existing Notes Redemption, and in any case within 30 business days of the Existing Notes Redemption Date. See "*Risk Factors—Risks Related to the nature of the Notes and the Future Guarantees—The Notes will not be guaranteed by the Future Guarantors at issuance, and once the Future Guarantees have been granted they will be significantly limited by applicable laws and are subject to certain limitations and defences*".

The Terms and Conditions provide that if the Issuer shall have failed to: (i) on or prior to the Longstop Date, redeem, or cause to be redeemed all of the Euro 240,000,000 million aggregate principal amount of the Existing Notes outstanding (including the pro rata share of the Existing Notes held by the Group at the Existing Notes Redemption Date) or (ii) within 30 business days of the Existing Notes Redemption Date, procure that each of the Future Guarantors, or their successors, shall grant the Future Guarantees, then all, but not some only, of the Notes shall be subject to a special mandatory redemption at their principal amount, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of such special mandatory redemption.] See "*Terms and Conditions of the Notes—Redemption and Repurchase—Special Mandatory Redemption*" and "*Risk Factors—Risks Related to the Offering, the Notes and the Future Guarantees—If completion of the Existing Notes Redemption is delayed beyond the Longstop Date or the Future Guarantees are not granted within 30 business days of the Existing Notes Redemption Date, the Issuer will be required to redeem the Notes at par, which means that you may not obtain the return you expect on the Notes*".

## INFORMATION ABOUT THE GROUP

### General

#### *The Issuer*

The Issuer is the parent company of the Group. See "*Organisational Structure of the Group*". The Issuer was formed as a public limited liability company (*société anonyme*) under the laws of Luxembourg on 26 August 2010, with a duration until 31 December 2049 (subject to amendments to its by-laws). The Issuer's registered offices are located at 18, Rue de l'Eau, L-1449 Luxembourg, Grand Duchy of Luxembourg and its operational headquarters is at Via dell'Artigianato, 25, Seriate (BG) 24068, Italy and it is registered under number B 155 294 with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*), with Legal Identity Identifier ("**LEI**") 2221001SWMFR4N4VBK57. The Issuer's telephone numbers are + 352 22 55 051 and +39 02 57523000.

The Issuer's share capital is set at Euro 363,558, represented by 38,952,491 Shares, in each case in registered form, without indication of nominal value all subscribed and fully paid-up. The Issuer's Shares are currently listed for trading on the MTA, STAR segment, under ticker symbol "IVS".

Pursuant to Article 4.1 of its articles of association, the corporate purposes of the Issuer is the acquisition, administration, holding, development and/or sale of shareholdings, including majority shareholdings, in industrial, commercial and service companies as well as the acquisition of any assets or interests and rights of any kind and of any other form of investment in entities in either Grand Duchy of Luxembourg or abroad and whether such companies, assets or entities exist or are to be created including by way of subscription, acquisition by purchase, sale or exchange of assets, securities or rights of any kind whatsoever, such as equity instruments, debt instruments, patents and licenses, the strategic guidance and/or commercial, technical, administrative and financial coordination of direct and indirect subsidiaries and the direction of them. According to Article 4.2 of its articles of association, the Issuer may also lend funds and may further grant any form of security in respect of any subsidiary, and, in general, of any entity which forms part of the same group of entities as the Issuer. Furthermore, according to Article 4.3 of its articles of association, the Issuer may carry out all transactions which directly or indirectly serve its purposes, including, *inter alia*, raise funds by issuing any debt or equity securities or instruments. The Issuer may also engage in the trade, management and renting of automatic and semi-automatic vending machines, their spare parts and accessories.

### The Future Guarantors

*IVS Italia*

IVS Italia was incorporated as a private joint stock company (*società per azioni)* under the laws of Italy on 16 June 2006, with a duration until 31 December 2040 (subject to amendments to its by-laws). IVS Italia's registered office is located at Via dell'Artigianato, 25, Seriate (BG) 24068, Italy, and it is registered in the Business Register of Bergamo (*Registro delle Imprese di Bergamo*) under registration number and fiscal code 03320270162, with LEI code 8156004509AE49D26041, and its telephone number is +39 02 57 523 000.

As of the date of this Prospectus, IVS Italia's share capital is set at Euro 65,000,010 represented by 4,333,334 authorised and outstanding shares without indication of nominal value all subscribed and fully paid-up.

Pursuant to Article 3 of its charter (*statuto*), IVS Italia's corporate purpose is to, *inter alia*: manage and supply, in Italy and abroad, vending machines offering food and beverage items; supply as retailer and/or as wholesaler food and beverage items and food and beverages vending machines distribution of equipment and accessories and any part thereof; manufacture, purchase and sell raw materials and products sold through vending machines; repair, maintain and manage vending machines and accessories; manage bars and vending spaces; provide services in the commercial, industrial and administrative areas; and acquire participations on a long term and stable basis, in other companies for investment purposes and related activities such as providing financial resources and exercising coordinating tasks in the companies in which participations are acquired.

*S. Italia*

S. Italia was incorporated as a private joint stock company (*società per azioni)* under the laws of Italy on 18 January 1999, with a duration until 31 December 2050 (subject to amendments to its by-laws). S. Italia's registered office is located at Via dell'Artigianato, 25, Seriate (BG) 24068, Italy, and it is registered in the Business Register of Bergamo (*Registro delle Imprese di Bergamo*) under registration number and fiscal code 12687800156, with LEI code 8156007065A1BC92A370, and its telephone number is +39 02 57 523 000.

As of the date of this Prospectus, S. Italia's share capital is set at Euro 120,000 represented by 120,000authorised and outstanding shares with a nominal value of Euro 1 per share all subscribed and fully paid-up.

Pursuant to Article 3of its charter (*statuto*), S. Italia's corporate purpose is to, *inter alia*: purchase, sell and rent vending machines, purchase, sell and commercialize products distributed through vending machines and carry out services related to a vending machine operator business of food and beverage items.

**History and Overview**

The Group is a pioneer of the vending industry in Italy with over 40 years of experience. We were founded in 1972 by Mr. Cesare Cerea and Mr. Pietro Gualdi, both of whom are still with the Group, as International Vending Services S.p.A. In those early days of the vending machine operator industry, we focused on managing first-generation coin-operated vending machines with a simple selection of products. We continued to grow through the years both organically and through acquisitions, for example, in the 1980s we entered the Spanish market and in the 1990s we entered the French market by establishing IVS France. In 2006, we formed IVS Group Holding through the union of a number of vending machine operators, laying the foundation for our national coverage in Italy. Also in 2006, DAV, our Spanish subsidiary expanded its coverage to Pamplona, Spain. Since 2007, we have focused on building out our network through a series of small and medium-sized acquisitions and streamlining our inventory management, monitoring and payment systems by implementing state-of-the-art programs and processes. In 2011, we acquired our Coin Service Business to help manage the coins from our Vending Business and began actively seeking and winning coin management contracts for banks, large retailers and public transportation companies. In 2012, we entered into a business combination with Italy 1 Investment S.A., a publicly-traded SPAC which further strengthened our management abilities, financial position and capacity to implement an acquisition expansion strategy. See "*—The Merger".* In 2013, we continued our initiative to increase vending machine density through bolt-on acquisitions in Sicily region and the establishment of IVS Sicilia through a reorganisation of our operations in that region as well as the establishment of IVS Group Switzerland in the Italian-speaking canton of Ticino to commence our operations in a fourth country, finalizing in the following years three acquisitions of local business units. Since 2014 to the first half of 2019, we continued the expansion of our local existing operations through the acquisition of entire share capital of Grup Ibervending in Spain, three small acquisitions in France, the award of the tender relating to the installation and management, starting from 2020, of around 1,300 vending machines located in the Paris Metro and in the connected public transport system, as well as others main france public tenders, the acquisition of Liomatic business unit in Central and South of Italy and the entire share capital of SDA-Società Distribuzione Automatica 2000 S.r.l. - active since more than 50 years in Italy and leader in the vending business in Liguria region – and Roma Distribuzione 2003 S.r.l. active in central Italy. In addition, the Group has extended and renewed until December 2024 the exclusive distribution agreement with Nespresso Italiana S.p.A. finalizing immediately afterward several acquisitions, including the Nespresso Professional Lines of Gruppo Argenta, Somed, Pronto Coffee, Chicchecaffè, and Enopanorama, moving the Nespresso Professional Line OCS operations in a sole new controlled company, Wefor S.r.l..

**The Merger**

The Issuer is the result of a merger (the "**Merger**") between IVS Group Holding S.p.A., an Italian company with registered offices in Seriate (Bergamo, Italy) and Italy 1 Investment S.A. ("**Italy1**"). Italy1 was a "Special Purpose Acquisition Company" (or "**SPAC**") formed as a public limited company (*société anonyme*) under Luxembourg law in August 2010 for the purpose of acquiring a company or business with its primary business operations in Italy through a merger or similar transaction (a SPAC is an investment vehicle that is formed for the purpose of carrying out a single transaction with a target company).

On 27 January 2011, Italy1 completed an initial public offering on the Italian Stock Exchange, raising Euro 150.0 million in proceeds for the purposes of entering into a business combination or similar transaction with a company

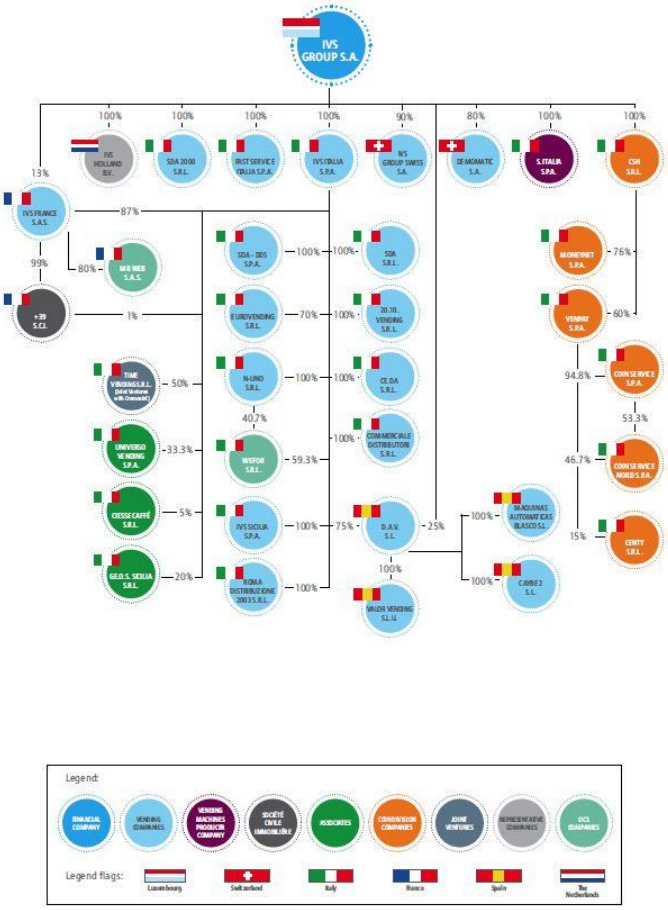
with its primary business operations in Italy. On 2 March 2012, the Merger agreement was signed by Italy1, IVS Group Holding and its principal shareholder, IVS Partecipazioni S.r.l. On 12 April 2012, the Merger was approved by the shareholders of both Italy1 and IVS Group Holding and, on 16 May 2012, the Merger became effective, with Italy as the surviving entity retaining the listing on the Italian Stock Exchange and changing its corporate name to IVS Group S.A.

Starting from April 30, 2019 IVS Group ordinary shares are listed on the STAR Segment of the MTA (automated stock markets) of Borsa Italiana S.p.A. (the Italian Stock Exchange).

**Organisational Structure of the Group**

The Issuer is the parent company of the Group with, 35 subsidiaries and affiliated companies incorporated in Italy, France, Spain and Switzerland. As the parent company of the Group, the Issuer has limited revenue-generating operations of its own and is, therefore, dependent on receiving payments from its subsidiaries in the form of dividends and the making or repaying of loans and advances. See "*Risk Factors—Risks Related to Our Capital Structure*".

The following diagram depicts, in simplified form, Group's corporate structure, as of the date of this Prospectus.




**Business Description of the Issuer and the Group (Including the Future Guarantors)**

*The following is a description of the business activities of the Issuer and the Group (including the Future Guarantors). Since the Issuer, the Future Guarantors and their respective subsidiaries conduct the same business activities, we believe that a presentation of the business as that of the consolidated Group and not of individual Group companies is most representative of the business of the Issuer and the Future Guarantors.*

***General***

We manage a network of approximately 202,000 vending machines and office coffee service machines located at corporate offices, institutions and public places through which we sell a broad range of products, including hot and cold beverages, in-between meals, snacks and confectionary (our "**Vending Business**"). We leverage almost 50 years of experience in the industry to build and maintain relationships with large institutional customers and small-and medium-sized enterprises ("**SMEs**"): our contracts with these customers permit us to place our vending machines in many high-traffic and high-visibility locations throughout Italy and in key locations in France, Spain and the Italian-speaking canton of Ticino Switzerland. For the twelve months ended 30 June 2019, we reported total revenues and Adjusted EBITDA without giving effect to IFRS 16 of Euro 447.8 million and Euro 92.9 million, respectively. In the same twelve month period, we generated 82.7 per cent. of our total revenues in Italy, with the remainder derived from operations in France (6.3 per cent.), Spain (10.3 per cent.) and Switzerland (0.7 per cent.).

Our business model covers the full spectrum of the value chain in the vending machine operator market. Our sales team originates new customer contracts allowing us to place vending machines on customers' premises and we also bid for concessions pursuant to public tenders to place vending machines with governmental entities and semi-public or large corporate entities. We purchase and customise our vending machines with the options and characteristics that our customers require and install them at their premises. Our central purchasing department sources the range of food and beverage products that our vending machines offer. Our customer contracts will typically specify a few products that a customer's vending machine should offer, but with our industry knowledge, we are also able to tailor our product offerings by type of location or region to achieve a superior product offering for consumers. We also provide our customers with restocking, maintenance, coin collection and customer service for the vending machines we operate.

Our vending machines are either automatic or semi-automatic and serve different segments of the food and beverage market. Our automatic machines are generally large, free standing vending machines favoured by corporate or public institutional customers. These machines dispense products from the "Hot" beverage, "Snacks" and "Cold" beverage segments of the food and beverage market. Our semi-automatic machines are generally small pod machines that offer coffee and other hot drinks to SMEs and other corporate customers.

For the twelve months ended 30 June 2019, our Vending Business generated 95.9 per cent. of our revenues from sales and services and 94.2 per cent. of our Adjusted EBITDA without giving effect to IFRS 16. For the year ended 31 December 2018, our Vending Business sold approximately 834.3 million products (or "**vends**") at an average price per vend of 47.5 euro cents. Despite difficult economic conditions in the Italian vending market we have managed to increase our Vending Business revenues from sales and services from Euro 377.4 million in 2017 to Euro 395.9 million in 2018 mainly by increasing average price per vend from 46.9 euro cents to 47.5 euro cents, respectively and by integrating acquisitions. We focus on profitability through exploiting operational synergies from our extensive branch network of distribution and maintenance service operators and seeking to improve vending machine density, which refers to the placement of vending machines in close proximity to one another in order to leverage on our logistical platform.

We have consolidated our Vending Business through organic growth and selective acquisitions within the highly fragmented Italian, French, Spanish and Swiss markets.

We believe we rank first in terms of market share by revenues in Italy, our core market where our management estimates our market share was approximately 15 per cent. in 2018. Our vends are primarily generated in the Northwest, Northeast and Lazio regions. We believe we are the only national operator in Italy that can directly provide nationwide solutions to our customers.

In France and Spain, we believe we are among the market leaders in terms of market share by revenues.

Our vending machines in France are concentrated in Paris and urban areas in the Provence-Alpes-Côte d'Azur province. On March 22, 2019 our French subsidiary IVS France won the tender relating to the installation and management of the vending machines located in the Paris Metro and in the connected public transport system (RER, Tramway and Bus). The positive result of this tender in France followed the award by IVS of the contract relating to the Groupe hospitalier de la Pitié Salpétriere, the largest hospital in Paris.

In Spain, we believe we are among the market leaders in the areas where we are present. Our vending machines in Spain are concentrated in urban areas, specifically the Madrid, Aragon, Navarre, Catalonia and Baleares regions. Our operations in Switzerland focus on the Italian-speaking canton of Ticino.

In addition to our Vending Business, we also operate a coin service business ("**Coin Service Business**") through subsidiary companies that we acquired in March 2011 together with some minority partners. At that time, the Coin Service Business was a new business for IVS Group, principally aimed at serving, at lower costs, the internal needs of coins management related to the vending machines sales (which are mostly made with metal coins). Since then, Coin Service Business almost doubled its size, gaining important new clients (banks, retailers, railways, motorways and local transport and parking companies, other vending companies, etc.) and becoming the Italian leader in coins management. Coin Service Business sales represent 5.2% of IVS Group 2018 consolidated sales; intra group sales (i.e. coins services performed for IVS Group) represent 10.5 per cent. of total Coin Service Business revenues. For the twelve months ended 30 June 2019, our Coin Service Business generated 4.1 per cent. of our revenues from sales and services and 5.8 per cent. of our Adjusted EBITDA without giving effect to IFRS 16.

Despite the increase of digital payments, Coin Service Business sales related to the coin management business constantly grew in the past years, resulting in an increase of Coin Service Business market share. Although the cash payments are expected to decrease as a general trend driven by new consumers generation, banknotes and especially coins use show however a significant resilience, especially for small payments.

Since 2014, in addition to metal coins management business, within other subsidiaries of Coin Service Business division, were also developed some IVS Group proprietary systems and appliances for digital payments applied to the vending sector. The first step was the installation of POS on approximately 6,000 vending machines, that currently are the largest unattended and monotenant POS network existing in Italy. The most significant development is represented by CoffeecApp, a mobile app which allows clients to pay and purchase, with mobile phones, at the vending machines. The mobile wallet of CoffecApp can be credited through both the clients credit cards and with banknotes or coins at the vending machine. CoffecApp and its related telemetry appliances are currently installed only on a portion of IVS Group vending machines (on around 30,000 vending machines, representing less than a quarter of the total network of 130,000 automatic vending machines operated by the Group). As of 30 June 2019, CoffeecApp had been downloaded by around 350,000 clients, of which approximately 60,000 are continuous and stable users. The digitalisation of the payment systems installed and other digital interaction (touch screens) between the clients and the vending machines, allow consumers to personalise the products acquired (i.e. coffee mix and taste) and choose the most preferred payment methods. This process will continue in the future, and CoffecApp will be installed on a larger part of IVS Group network. Digitalisation is also aimed at a better (one to one) direct knowledge of the preferences of final consumers. This knowledge opens to the development of a new CRM-Client Relationship Management approach and more effective direct marketing actions, possibly launched jointly with the food and beverages suppliers, whose products are sold through the vending machines.

On December 2018, the Group made a new step towards the development of digital payments and systems applied to the vending sector. CSH S.r.l. (100% controlled by IVS Group and part of the Coin Service Business) signed the contract for the acquisition of Moneynet S.p.A. ("**Moneynet**"), a payment institution (authorised by the Bank of Italy) owned by Nexi group (one of the leading payment services players in Italy). The closing of the acquisition was completed on 31 July 2019. Moneynet is involved in payment services and in the technical assistance of POS machines managed by other players. The scope of this acquisition is to develop new synergies and business opportunities, through the combination of the Group know-how (, including the IVS Group vending machines network, extended territorial coverage, workforce (refillers) to collect additional volumes of cash left in the vending machines without additional fixed costs and the capacity of the Coin Service Business to manage effectively large amounts of coins. We believe that following the acquisition of the payment institution Moneynet, the group know-how can be better combined and exploited, offering new services to the increasing number of users of CoffecApp, which on their turn still currently represent a small portion of daily IVS consumers at the vending machines (around 2-2,5 million consumers per day).

***The Group's Business***

*Products and Services in Our Vending Business*

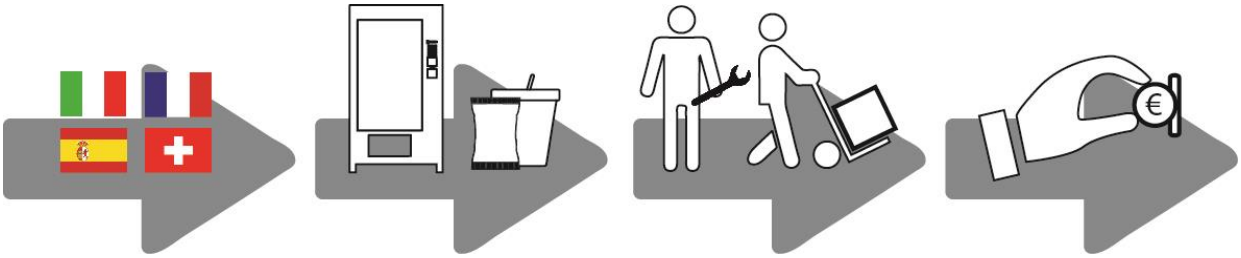
Our Vending Business manages vending machines at a variety of customer locations, dispensing food and beverage products to consumers at work and on the go. The value chain of products and services we provide can be summarised as follows:

- centralised product procurement
- vending machine purchases

- stocking
- vending machine setup; customisation and refurbishment

- distribution and restocking
- customer service
- vending machine maintenance

- customer sites
- consumer purchases (vends)



4 countries | In 20 geographic areas | With 82 branches | Over 84,000 customer sites

- Country level: At the country level of Italy, France, Spain and Switzerland, we procure food and beverage items from our suppliers in the following market categories: "Hot & Cold Beverages", "Snacks" and "Office Coffee Services". We work with both international and national-level brands.

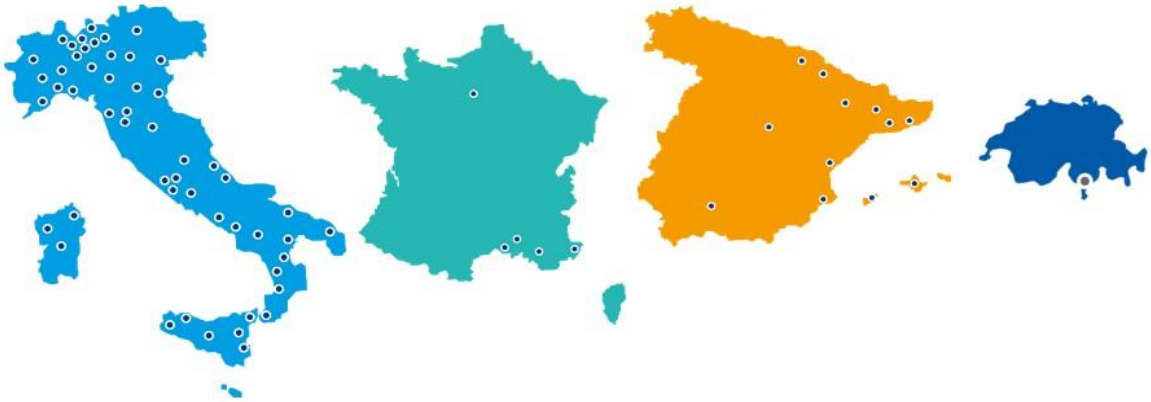
- Geographical areas: Within each country, our operations are further divided into geographic areas corresponding to political or other subdivisions of the countries in which we operate. It is here where we organise the setup and customisation of new vending machines and the refurbishment of existing vending machines, as well as handle the initial stocking.

- Branches: We have 82 branches throughout Italy, France, Spain and Switzerland (including Vending Business branches and Coin Service branches that serve our vending business). Our branch managers supervise the distribution and restocking of products, sales and customer management (including cash collection) and vending machine maintenance, assisted by our centralised customer service call centre and our monitoring systems.

- Customer sites: At over 84,000customer sites as of 30 June 2019, consumers purchase the products they want, where and when they want them.

We believe our Vending Business is one of only three independent pan-European vending machine operators. With our 61 branches in Italy, of which 9 branches related to the Coin Service Business, we believe we are the only Italian vending machine operator to cover the entire Italian domestic market, with a market share in terms of revenues of approximately 15 per cent. for the year ended 31 December 2018. In addition, our operations in France and Spain together accounted for 17.3 per cent. of our total revenues for the year ended 31 December 2018.

The graphic below depicts our branch network in Italy, France, Spain and Switzerland as of the date of this Prospectus.



As of 30 June 2019, we operate approximately 202,000 vending machines of which approximately 130,000 are automatic vending machines and approximately 72,000 are semi-automatic vending machines, serving different segments of the food and beverage market. Our automatic machines are generally larger, free standing vending machines favoured by corporate or public institutional customers. Our semi-automatic machines are generally small pod machines that offer coffee and other hot drinks to SMEs and other corporate customers.

For the year ended 31 December 2018, our Vending Business generated approximately 92.4 per cent. of its revenue from automatic vending machines and 7.6 per cent. of its revenue from semi-automatic vending machines. For the years ended 31 December 2018, 2017 and 2016, our Vending Business had total vends of approximately 834.3 million, 804.8 million and 718.3 million, respectively, at an average selling price of 47.45 euro cents, 46.89 euro cents and 46.41 euro cents, respectively. For the years ended 31 December 2018, 2017 and 2016, our Vending Business generated 3,510, 3,389 and 3,030 vends per working day, respectively.

| | Vending Business | | | | |
|---|---|---|---|---|---|
| Year | Total number of vends (millions) | Average Selling Price per vend (euro cent) | Vends per working day (in thousands) | Gross profit per vend (euro cent) | Adjusted EBITDA per vend (euro cent) |
| 2017..... | 804.8 | 46.9 | 3,389 | 38.6 | 11.3 |
| 2018..... | 834.3 | 47.5 | 3,510 | 39.2 | 11.1 |

*Automatic vending machines*

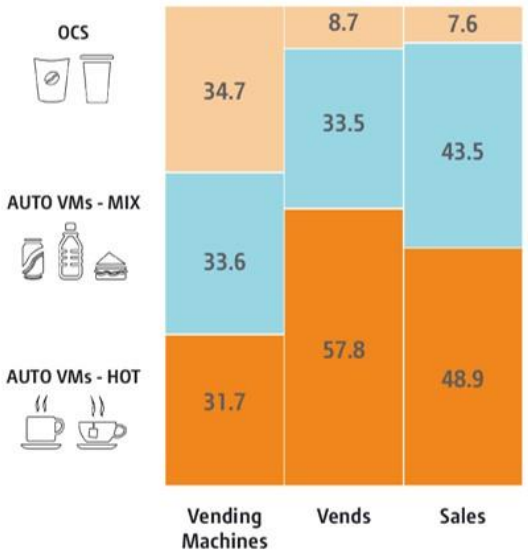
Our automatic machines dispense products from the "Hot" and "Cold" beverages and "Snacks" segments of the food and beverage market and can be categorised as follows: (i) "Hot" machines, which dispense hot beverages, prepared instantly and (ii) "Mix" machines, which provide cold beverages, food, snacks and sandwiches. Our automatic vending machines we operate offer customers and consumers a broad range of products, including coffee and tea, soft drinks as well as in-between meals, snacks and confectionary. We are able to tailor the product offering of each automatic vending machine to the specifications of the customer. Because of the larger size of automatic vending machines, the majority of customers are corporate or public institutions. Larger customers tend to organise periodic tenders for exclusive, multi-year contracts, in some cases for placing vending machines at multiple locations. Our automatic vending machine network spans the length of Italy and has sizeable footprints in France and Spain. As of June 2019, our Hot automatic vending machines had an average age of 4.1 years and our Mix automatic vending machines had an average age of 4.7 years. Our automatic vending machines have a useful life of approximately eight years and the replacement cost of the machine is on average Euro 1,500 to Euro 2,000 (not including any additional installation costs).

*Semi-automatic vending machines*

Semi-automatic vending machines offer coffee and hot beverages vending solutions. These are "Hot" vending machines, primarily focused on the OCS segment of the food and beverage market. These vending machines are typically positioned on a base or a table and are targeted for and located at small to large commercial businesses and

offices. The OCS business is characterised by small customers such as shops and professional firms, with contracts that tend to be less formalised. Typically, the OCS vending machines are linked to a specific coffee brands such as Nespresso or Lavazza. The majority of these machines are not coin operated, rather we bill our customers pursuant to monthly invoices or according to their consumption of cups, stirrers and hot beverage pods, whereas the customer provides the electricity and water for the machine. As of June 2019, our semi-automatic OCS machines had an average age of 4.9 years.

***Italy Vending Business statistics by type of vending machine/product (2018)***




***Italy automatic vending machine statistics by type of location (2018)***

*Customers and Consumers in Our Vending Business*

*Customers*

We serve a highly diversified customer base, comprised of approximately 84,000 customer sites, ranging from small and large corporates to public authorities, such as transportation hubs and service stations. We believe the diversity of our customer base constitutes a strength because we acquire and maintain deep local knowledge of all parts of the vending machine operator sector with respect to private and public companies, corporates and public institutions, thereby maximising our ability to retain and win new customer relationships. This diversity of our customer base is particularly apparent in Italy, where our top 20 customers constituted only approximately 16 per cent. of our revenue for the year ended 31 December 2018 and no one customer accounted for more than approximately 2.1 per cent. of our revenue in the same period. In France, our top 100 customers constituted approximately 47 per cent. of our revenue for the year ended 31 December 2018. In Spain, our top 100 customers are more concentrated reflecting the strong relationships our local subsidiary DAV has built in that market, with our top 100 customers constituting approximately 52 per cent. of our revenue for the year ended 31 December 2018. In Switzerland, where we began operations in the beginning of 2014, all of our revenue for the year ended 31 December 2018 was generated by 700 customers.

We believe that the majority of our contracts have a duration of between two and four years, though certain contracts, in particular with SMEs are of a shorter duration and concessions with public authorities or large corporates such as the Italian railway, certain hospitals and Poste Italiane are of a longer duration, ranging from five years to 15 years.

For large corporate customers, public authorities and semi-public institutions, we generally pay a usage fee ("**redevance cost**") to place our vending machines on their premises. Redevance costs are generally negotiated according to formulas related a fixed amount per vending machine installed or to variable amounts based on sales or number of vends generated. Our long experience in the vending machine operator industry provides us with relevant datasets to help determine competitive yet prudent redevance costs. For SMEs, usage fees are less common and

generally there is no charge to us to place our vending machines on their premises. Our automatic vending machines generally provide for a variety of methods of payment depending on the type of location; for vending machines placed at customers' facilities or offices, we can arrange for prepaid payment cards to accommodate their employees. Our Office Coffee Services semi-automatic machines are generally not coin- or payment- operated, rather, we provide cups, stirrers and hot beverage pods (mostly coffee) and we invoice the customer depending on the consumption of its employees or pursuant to other fixed arrangements.

Our sales team coordinates and monitors the renewal of customer contracts and the public and large corporation tenders in which we participate. We believe our reputation for quality, excellent service, customer care and innovation has enabled us to form strong and lasting customer relationships, in some instances spanning decades, across a broad range of both small and large customers. The table below sets forth our churn rate and acquisition rate for the years ended 31 December 2018 and 2017.

| | Churn Rate | Acquisition Rate |
|---|---|---|
| Year ended 31 December 2018 | 1.22% | 2.19% |
| Year ended 31 December 2017 | 1.31% | 2.07% |

*Consumers*

Food and beverage products offered through our vending machines are purchased by individuals who consume such items during breaks, as in-between meals at the workplace, at recreational or educational facilities, in hospitals or government offices or while on the go on public transportation systems or at highway service stations. Though we contract with both large and small, public and private customers to place our vending machines at their premises, we recognise that our ultimate success is in the hands of individual consumers who patronise our vending machines every day. As a result, we devote significant resources to the user experience through customising and maintaining our vending machines and keeping them well-stocked with international brand-name and local items that appeal to a variety of demographics and palettes. Due to our deep network of vending machines in Italy, France and Spain, we are able to analyse broad volumes of data which benefits us when determining what locations are likely to be high-traffic and which products are likely to appeal to a wide spectrum of consumers. In addition, the state-of-the-art control system that we use to manage our vending machines allows us to monitor in the status of each machine, and optimise the refilling process to tailor our product offerings to consumer preferences.

Consumers can pay through the following means depending on the location: (i) coins and banknotes, (ii) employee cash card (a card which has been pre-loaded with money) and (ii) bank cards and credit cards.

*Sales, management and customer care*

We have organised our sales and commercial activities similar to our distribution and maintenance activities, by geography divided into national, regional and branch level. Typically, one commercial director is responsible for area managers who are in turn responsible for sales representatives. The commercial director is in charge of the overall commercial strategy including the setting of budgets, guidelines and customers relationship management. The area manager coordinates the sales representatives who are categorised either as development (focused on new customers) or management (focused on existing customers) sales representative.

We have developed stringent and clear procedures to achieve efficient and effective customer care. Our business operates with the support of sophisticated and centralised call centres (one of Italy, one in France and two in Spain (for Spanish and Catalan)) which are integrated into our central management business procedures. Our relevant call centres telephone numbers are displayed on every machine allowing customers to directly get in touch with us for a quick resolution of any maintenance or other issues that may need to be addressed.

*Operations and Facilities of Our Vending Business*

We operate our Vending Business with a full service approach focused on quality, reliability and innovation. We provide our customers with one or more vending machines on their premises while taking care of the refilling of products, money collection and the maintenance of the vending machines. Our business model covers the whole value chain of vending machine operation and is comprised of the following key activities: (i) maintenance and distribution,

(ii) product procurement, (iii) purchasing and refurbishment of vending machines, and (iv) customer sales and management. The majority of our operating costs relate to our existing comprehensive distribution and logistical network. Through our extensive network of 82 branches in Italy, France, Spain and Switzerland, we can manage our operations both effectively and efficiently.

An integral factor in our operations management is our highly sophisticated information technology-based control system, which enables us to monitor in the status of each vending machine, allowing us to optimise the product restocking process, maintenance and category management. A component of our control system is the software installed in each of our automatic vending machines that allows us to track the vends that each such machine makes, thereby allowing us to analyse consumption habits, carefully tailor product offering according to demand and optimise the scheduling of maintenance, refilling and coin collection activities. As our software is already configured to record all vends, should relevant tax authorities in the markets where we operate require submission of our sales records for tax certification purposes, we believe the Group would be in a position to do so without significant additional expense. On 11 March 2014 the Italian Parliament passed Law No. 23 which authorises the government to adopt legislative decrees to address, among other matters, tax certification requirements for goods sold via automatic vending machines. On June 30, 2016, the Italian Tax Authority (Agenzia delle Entrate) adopted the technical regulation for automated transmission of revenues data from the vending machines with effects from April [1], 2017. Thise new rule has been a market changer in Italian vending market and subsequently in the others European markets: new rules for vending machines had been included within European's electronic invoice regulation program. Small operators not equipped with data collection IT systems have been forced to change their investment and cash management policies: lot of them are likely disposing of their businesses, favouring further market concentration.

*Maintenance and distribution*

The maintenance and distribution infrastructure of our Vending Business is organised into three geographic levels: national, area and branch. Typically, one operation director on the national level manages area supervisors which in return are responsible for the technicians or logistics personnel that work at the branch level. Our operation directors generally manage and monitor maintenance and distribution strategy centrally, as well as coordinate the activities of our area managers. Area managers are assigned by function, either restocking or technical supervision, and are responsible for the definition and coordination of the respective logistic strategy for their areas. As of 31 December 2018, we employed approximately 1,800 technical and restocking personnel whose duties included the changing of product prices, the restocking of vending machines and the downloading of vending machine transaction data. Some of our restocking efforts are outsourced to a cooperative (comprising approximately 10.3 per cent. of our total workforce as of 31 December 2018). Cash collection is integrated with the restocking operations in order to maximise efficiency, and the coins generated by our Vending Business are processed by our Coin Service Business.

Our control system is central to coordinating maintenance and distribution and deploying our personnel. These tools provide management and supervisors with the ability to pinpoint where maintenance and restocking services are required and provides us with several benefits such as: (i) better customer service with faster response time, (ii) minimisation of lost sales due to empty machines and (iii) optimisation of the restocking process (and minimisation of the associated costs). Our monitoring systems have reduced the number of refill requests we receive from customers by 19.0 per cent. from 2016 to 2017 and by 21.0 per cent. from 2017 to 2018, despite an increase in the size of our network (data from Vending Business (Italy) only). In addition, the number of technical assistance requests performed within eight hours has decreased from 93.4 per cent. in 2016 to 92.9 per cent. in 2017 and increase to 94.1 per cent. in 2018 (data from Vending Business (Italy) only). See also "*Risk Factors—Risks Related to the business activities and industry of the Issuer and the Group (Including the Future Guarantors)—A failure of our key information technology, inventory management and maintenance systems or processes could have a material adverse effect on our ability to conduct our business".*

Product deliveries are accepted and then stored in one of our 82 branches, each of which has its own warehouse space. From there, area managers supervise the distribution and restocking of vending machines under their remit.

*Product procurement*

We manage a centralised purchasing department which is responsible for the entire procurement of products on a global basis. We source a majority of goods from well-known producers including brands such as Coca-Cola, Lavazza, Mars, Nespresso, Algida, Red Bull, Twinings, Loacker, Kraft Foods, San Carlo, Ferrarelle, Nestlé, Beretta,

Yoga, Ferrero, Scotti, Schweppes, Ristora Instant Drinks, Vicenzi Group, Pepsi, Saiwa, Ringo, San Pellegrino, San Benedetto and Santal. We choose all of our suppliers of food and beverages carefully and value maintaining a broad supplier base. For some of the most well-known producers of branded products, we represent their largest distribution channel in the vending machine segment. Together with some of our suppliers, we have developed tailor-made packaging solutions to enhance the sales of their products using our vending machines. In addition, we believe that the vending machine distribution channel is an attractive value proposition for our suppliers because it represents, along with the large fast-moving consumer goods distribution channel (e.g., supermarkets), a method to reach the final consumer directly.

The enactment and national implementation of the Directive 2011/7/EU (the "**EU Late Payments Directive**") generally requires us to settle trade payables between 30 to 60 days, depending on the nature of the transaction. For purchases of certain raw food products, depending on the supplier and legal requirements, we must settle our trade payables within 60 days which created a one-off impact on our working capital in the year ended 31 December 2012.

*Purchasing and refurbishment of vending machines*

We have invested in and developed strong relationships with certain vending machine manufacturers. We continuously evaluate all of our suppliers and maintain preferred business relationships with various suppliers of vending machines. The supply of most of the vending machines is coordinated and managed from our headquarters on a European level. Typically, the base vending machine is delivered to us and is then modified with extra features such as payment systems, filtering systems, telemetry or light-emitting diodes. The functionality of the vending machine is tailored to the specific needs and requests of the customer.

In order to optimise the total lifecycle of the vending machines and to reduce the overall annual investment requirements, since 2009 we have been increasing our refurbishment activities. Today, we operate two refurbishment centres located in Pomezia and Seriate, Italy and our branches in Paris and Nice, France and Barcelona, Spain include refurbishment functions for the relevant geographies. The costs for refurbishment are much lower than a newly purchased vending machine, thanks to our unique know-how among vending machine operators. From 2016 to 2018 the number of refurbished automatic machines increased by approximately 1 per cent. From 2015 to 2018 the number of refurbished automatic machines increased by approximately 11.0 per cent (approximately 23.0 per cent from 2014 to 2018). Nevertheless from 2016 to 2018 the number of purchased automatic vending machines also increased by approximately 33.3 per cent. in order to maximize the benefits arising both from the tax benefit introduced by Decree September 12, 2017, n. 214, started in fiscal year 2017, and to promote new generation of automatic vending machine for which the Group has obtained exclusive supplies for a few years: in this contest, from 2017 to 2018 the number of purchased automatic vending machines decreased by approximately 31.2 per cent.

*Our Coin Service Business*

Building on our specialised expertise in managing the logistics of the large- scale operation of vending machines, on March 31, 2011, we acquired, in conjunction with minority partners, a controlling stake in the subsidiaries that operate our Coin Service Business. Our Coin Service Business manages metallic money in various ways, including the collection, packaging and delivery of coins for customers such as banks, large retailers, vending operators (including our Vending Business), train and highway ticket offices. Our Coin Service Business earns a fixed fee for the number of coins collected and counted, irrespective of the face value of the coin.

The Coins Service Business manages every year approximately 30,000 tons of coins, with a value of around Euro 2.5 billion. The sales of such operating segment represent approximately 5.2% of IVS Group 2018 consolidated sales; intra group sales (i.e. coins services performed for IVS Group) represent 10.5 per cent. of total Coin Service Business revenues.

The Coin Service Business is a regulated activity that requires specific authorisations and permits.

Our Coin Service Business operates only in Italy from seven coin handling facilities. Each facility contains state-of-the-art coin processing and packaging machines which can count up and package coins. An advanced video surveillance and security system protects our facilities and we track the locations of our vehicles by satellite.

***Environment and Sustainability***

We are committed to operating our business while respecting the environment and other social considerations. As a company, we are increasingly aware of nutritional, environmental and sustainability issues and we recognise that many of our customers and consumers have similar concerns. Transparency in the Company's management of such issues forms the basis of drafting, since 2017, of the IVS Group sustainability report (the "**Substainability Report**"). The Sustainability Report's objective is to describe not only the Group's performances, but also the way in which the Group manages the most important aspects, in terms of principles, values, risks, policies and management systems.

For example, the Group is active in the planning, implementation and monitoring of numerous projects targeted at savings in pollutioncausing energy, the reduction of all emissions and, more generally, the responsible management of resources. Some of the solutions adopted to protect consumption are: choice of vending machines with highly refined techniques and equipped with special "energysaving" functions", monitoring and evaluation for the reduction of consumption of electricity, water, gas, vehicles and machines and increase in efficiency of the lighting system in the branches where the traditional system needs to be replaced.

We have also developed a number of eco-projects under our "Vending Made Responsible" brand which we have implemented in Italy, France and Spain, through which the Group communicates all projects in favour of: environmental sustainability, healthy and natural diet, constant improvement of the working environment and development of fair trade.Finally, we take care to customise and design vending machines that take into account the needs of disabled users.In Italy, we have achieved ISO 14000 environmental certification which is a family of standards related to environmental management focused on the development of processes to proactively monitor and reduce activities that could negatively affect the environment and seek to achieve continual improvements thereof. As a result of this commitment, we only use ISO 14000-certified suppliers.

***Employees***

As of 31 December 2018, our Group employed 2,799 workers (of which approximately 1,862 were dedicated to restocking, providing technical assistance and customer care). Restocking and related logistics represents the function with the highest number of employees, followed by technicians, hardware logistics, sales and finance.

The following table shows a breakdown of our Group companies' employees by category as of the periods indicated.

| | As of 31 December | |
|---|---|---|
| | 2017 | 2018 |
| | (number of employees) | |
| Executives | 3 | 3 |
| Managers | 43 | 38 |
| Employees | 668 | 652 |
| Workers | 2,067 | 2,008 |
| Trainees | 18 | 5 |
| **Total** | 2,799 | 2,706 |

***Property and Equipment***

We conduct our Vending Business and Coin Service Business primarily through the leasing of property and also the ownership of machines (vending machines in the case of Vending Business and coin counting machines in the case of the Coin Service Business). We lease 82 properties in Italy, France, Spain and Switzerland and we have also rented an office in Luxembourg, where the Issuer is incorporated. Our properties are typically leased for fixed period of years. In general, our lease agreements are terminable at our option prior to the maturity date, in certain cases with a penalty. In certain instances, our leases are structured as finance leases, granting us the option to purchase the property at the maturity of the lease for a set sum, plus any taxes payable. We believe that our facilities, which are of varying ages and types of construction, are in good condition, are suitable for our operations and generally provide sufficient capacity to meet our requirements for the foreseeable future.

With respect to other fixed assets, we own approximately 202,000 vending machines as part of our Vending Business and a fleet of vehicles dedicated to restocking our vending business. For our Coin Service Business, we own and lease machines and other equipment relating to our Coin Service Business with a total value of Euro 2.8 million and Euro 0.2 million, respectively, and as of 31 December 2018. We believe our equipment is in good condition, suitable for our operations and their uses within the Group.

***Intellectual Property***

We reply on a combination of trademarks, licences agreements, non-disclosure agreements and proprietary know-how to protect our proprietary rights. We do not believe that any individual item of our intellectual property portfolio is material to our business. We employ various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants to protect our trade secrets and know-how. We are the holder of various national and European Community trademarks for our various brand names in the markets in which we operate. To date, no third party has brought legal or administrative proceedings challenging the validity of our trademarks.

***Research and Development***

Our research and development efforts are focused on three areas: (i) vending machine technologies, customisation and refurbishment, (ii) product innovation, and (iii) customers and consumers. In the area of vending machine technologies, customisation and refurbishment, we focus on developing new POS payment systems involving digital and credit card payments, research into new methods of monitoring product stock and machine status and refurbishment techniques to extend the useful life of our vending machines. Our efforts also include improvement of datalinks with our central network to accurately transmit sales information and maintenance issues so that such information can be utilised. In the area of product innovation, we work with our food and beverage suppliers to design or modify their packaging with a view to maintaining an appropriate temperature, preserving taste and flavour and catching the consumer's eye. In the area of customers and consumers, we analyse and interpret data we receive from our vending machines to determine the right product offering for diverse demographics and locations. We also solicit regular feedback from our customers in an effort to continually improve our products and services.

Our research and development is concentrated at our headquarters in Seriate, Italy.

***Regulation and Quality Control***

*Vending Business*

We operate in a regulated environment and are subject to various laws and regulations administered by local, national and other government entities and agencies in Italy, France and Spain and at the European Union level, regarding food hygiene and food labelling requirements, environmental protection, public tenders, worker and public health and safety, among others matters. Our regulators include the European Food Safety Authority, the Italian National Committee for Food Safety (*Comitato nazionale per la sicurezza alimentare*), the French Agency for Food, Environment and Occupational Health and Safety (*Agence nationale de sécurité sanitaire de l'alimentation, de l'environnement et du travail*) and the Spanish Food Safety and Nutrition Agency (*Agencia española de seguridad alimentaria y nutrición*).

European-level regulations which affect our business include, but are not limited to, EU Regulation 852/2004 of 29 April 2004 on the hygiene of foodstuffs and EU Regulation 853/2004 of 29 April 2004 laying down specific hygiene rules for the hygiene of foodstuffs (together, the "**Foodstuffs Hygiene Regulations**"), EU Regulation 1169/2011 of 25 October 2011 on the provision of food information to consumers (the "**Food Information Regulation**") and the European Parliament legislative resolution of 27 March 2019 on the proposal for a directive of the European Parliament and of the Council on the reduction of the impact of certain plastic products on the environment TA/2019/0305. The Foodstuffs Hygiene Regulations require, among other things, that we obtain and maintain hazard analysis and critical control points certification, including instructing our employees in this regard. We are also required to undertake certain information reporting to the competent public health authorities regarding our business practices and, in some cases, to consult with such authorities before we make material changes to our distribution network. In addition, the Foodstuffs Hygiene Regulations include more stringent requirements for food products of animal origin which we may sell in our vending machines, for example, sandwiches containing cooked and cured meats, patés,

smoked or cured fish, sausage or cured meat snacks, soft cheeses or pastries made with eggs or cheese. European legislation regulates the temperature settings at which these products must be kept (below 8° Celsius) as well as the length of time they can be displayed. Vending machine operators are not required to furnish food information pursuant to the Food Information Regulation and the provisions regarding allergen labelling in hot beverages do apply to Office Coffee Services business. Though vending machine operators are exempt from some regulations because we are not categorised as food producers, we must still comply with European regulations that are relevant to certain of our products and be able to make assessments according to each situation.

With respect to food safety and hygiene, we have adopted a company hygiene practices manual which: (i) includes regular training for our existing employees and new hires, (ii) requires preventive and regular maintenance and cleaning of the vending machines, and (iii) mandates the use of products that have been specifically tested for the food sector. We are also subject to provisions of Italian Legislative Decree 152/2006 (Environmental Code) regulating, *inter alia*, emissions in the air, water and waste disposal.

In recent years, national and local authorities have begun introducing regulations and requirements motivated by concerns regarding nutrition and environmental sustainability. These measures have included, among other things, greater emphasis on food labelling and disclosure of nutritional content, requirements to utilise recyclable packaging materials, and additional taxes on food and beverage items with high sugar content. For example, since 2005, France only allows vending machines in schools to stock products such as edible seeds, unsalted nuts and fruit and vegetables. No confectionery, chocolates or crisps are allowed and the only permissible beverages are water, pure fruit juices, yoghurt and milk drinks, low-calorie hot chocolate, tea and coffee. See "*Risk Factors—Legal, Taxation and Regulatory Risks—The food and beverage industry is highly regulated and our business could be materially adversely affected by changes in governmental regulation and legislation or by associated compliance costs. Moreover, failure to comply with governmental regulations could result in the imposition of fines or restrictions on operations and remedial liabilities*" and "*Risk Factors—Risks Related to the Business of the Issuer and the Group (Including the Future Guarantors)—Perishable food product losses could materially impact our results".*

In addition, as operators of equipment, we are also required to operate our vending machines according to national and European Union level standards regarding energy consumption and, in some cases, standards regarding the use of certain compounds related to refrigeration.

Moreover, when we compete for public administration contracts, for example, tenders to supply vending machines or provide coin management services to transportation authorities, we must comply with applicable national regulations regarding public tenders. According to Italian law, supply, works and services contracts between contracting authorities and contractors, suppliers, or service providers such as ourselves, are governed by, *inter alia*, Italian Legislative Decree 12 April 2006, No. 163 and Italian Presidential Decree 5 October 2010, No. 207, though contracting authorities may, under certain conditions, derogate from certain provisions thereunder. Such regulations require that contracts with public authorities are generally not automatically renewable and must be put to public tender through a transparent bidding process.

Our quality, hygiene, safety and environment integrated quality control system has been ISO 9001-2008 and ISO 14001:2004 certified and this is our main tool to comply with the applicable Italian and European trade regulations in the field of quality assurance.

We believe our Vending Business is in material compliance with all laws and regulations with respect to food safety, hygiene and safety and work matters (or administrative orders relating to alleged prior violations thereof) applicable in markets in which we operate.

*Coin Service Business*

Our coin handling machinery is designed to detect counterfeit or unfit coins that come into our possession as required pursuant to European legislation implemented in Italy pursuant to Italian Law Decree 350/2001 of 26 September 2001, as amended. Counterfeit or unfit coins are handed over to the competent authorities. Our Coin Service Business is also subject to the provisions of Italian Royal Decree No. 773 of 18 June 1931 regarding coin handling. We are also subject to regulation with respect to our security arrangements at our facilities under applicable Italian law. We believe our Coin Service Business is in material compliance with all laws and regulations related to anti-counterfeiting and public safety.

***Insurance***

We maintain insurance coverage under various liability and property insurance policies for, among other things, damages in the areas of operations, environmental liabilities and business interruption. Our vending machines are insured against third party claims and they carry certain insurance protection against damage or vandalism. Our other fixed assets, such as technical equipment used in distribution, restocking and vending machine refurbishment, information technology and office equipment, are protected by a bundled industrial insurance policy (damages from fire, catastrophes, theft, flood and severe weather) that includes a business interruption insurance when business interruption is caused by an insured property damage. Moreover, since December 2018, we have adopted a specifc insurance coverange against cyber risks, including in case of corruption, loss and theft of IT data and denial-of-service cyber attacks to the IT system. We also maintain various legal services, transportation, accident and motor vehicle insurance policies as well as a directors' and officers' liability insurance. We believe that the level of insurance which we maintain is appropriate for the risks of our business and is comparable, in each case, to that maintained by other companies in our markets operating in the same business lines.

We do not have insurance coverage for all interruptions as a result of operational risks because in our view, these risks cannot be insured or can only be insured on unreasonable terms. See "*Risk Factors—Risks Related to the Business of the Issuer and the Group (Including the Future Guarantors)—We are exposed to credit risk related to our customers which may cause us to make larger allowances for doubtful trade receivables or incur write-offs related to impaired debts*".

***Legal Proceedings***

*The Issuer*

The Issuer is party to various legal proceedings (including tax audits) involving routine claims that are incidental to its business. In most cases the Issuer's legal and financial liabilities with respect to such proceedings cannot be estimated with certainty. Except as disclosed herein, there have been no governmental (including tax audit), legal or arbitration proceedings (including any such proceedings which are pending or threated of which the Issuer is aware), during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability. See "*Risk Factors—Legal, Taxation and Regulatory Risks—We are subject to risks related to litigation and other legal proceedings in the normal course of our business and otherwise*" and "*Risk Factors—Legal, Taxation and Regulatory Risks—We are from time to time involved in various tax audits and investigations and we may face tax liabilities in the future*".

*The Future Guarantors*

*IVS Italia*

IVS Italia is party to various legal proceedings (including tax audits) involving routine claims that are incidental to its business. In most cases IVS Italia's legal and financial liabilities with respect to such proceedings cannot be estimated with certainty. Except as disclosed herein, there have not been any governmental (including tax audit), legal or arbitration proceedings (including any such proceedings which are pending or threated of which IVS Italia is aware), during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on IVS Italia's financial position or profitability. See "*Risk Factors—Legal, Taxation and Regulatory Risks—We are subject to risks related to litigation and other legal proceedings in the normal course of our business and otherwise*" and "*Risk Factors—Legal, Taxation and Regulatory Risks—We are from time to time involved in various tax audits and investigations and we may face tax liabilities in the future*".

*Italian Antitrust Authority Investigation*

On 17 July 2014, the Italian Antitrust Authority (the "**IAA**") began an investigation into possible agreements between 14 companies (including IVS Italia) aimed at restricting competition in the Italian vending machine market. On 25 February 2015, the IAA expanded its investigation to include three additional companies and to encompass a broader range of possible anti-competitive arrangements between the companies. On 23 July 2015, the IAA made the documents seized from the investigation targets public available. On 4 March 2016 IVS Italia S.p.A. was notified with the result of the investigation of the IAA. In the opinion of the IAA officials in charge of the preliminary investigation,

13 out of the 14 companies concerned as well as the Italian national vending machines association (Confida) would have effectively entered into such an agreement. On 14 June 2016 the IAA has decided that 13 (including our subsidiary IVS Italia S.p.A.) out of the 14 parties involved in the investigation started in 2014 have put in place, in the period from 2011 to 2014, agreements aimed at restricting competition in the Italian vending sector, consisting in the coordination of commercial policies aimed at restricting competition on prices, on geographical areas and on clients. According to the decision of the IAA, IVS Italia S.p.A. has been fined for an amount of EUR 31,918 thousand (equivalent to the maximum fine of 10% of the turnover of the parties involved, as provided in art.15 of Law 287/90). On 12 September 2016 IVS Italia S.p.A. has appealed the IAA decision challenging the ground for the alleged agreement to the criteria used for calculation of the fine, in front of the Regional Administrative Court (Tribunale Amministrativo Regionale-TAR). Meanwhile IVS Italia S.p.A. has applied for the payment of the fine by instalments: on 29 September 2016 the IAA authorized IVS Italia S.p.A. to pay the fine in 30 instalments starting on October 2016. As regards IVS Italia, on 28 July 2017 the TAR confirmed the fine of EUR 31,918 thousand and offset the legal expenses of either parties. To date, all instalments have been paid by IVS Italia. Against the TAR decision on 27 November 2017 IVS Italia S.p.A. filed an appeal in front of the State Council (Consiglio di Stato). On 2 September, 2019, the Council of State (Consiglio di Stato) granted the appeal of IVS Italia S.p.A. solely as regards the calculation the penalty imposed (EUR 31,918 thousand, which has been fully allocated and already paid). The Council of State, which rejected the other reasons for the appeal, ordered the IAA to re-determine the fine imposed on IVS Italia S.p.A.. As of the date of this Prospectus, IVS Italia S.p.A. is evaluating whether tofurther appeal the decision of the Council of State. See "*Risk Factors—Legal, Taxation and Regulatory Risks—We are susceptible to claims of anti-competitive practices*" and "*Risk Factors—Legal, Taxation and Regulatory Risks—We are subject to risks related to litigation and other legal proceedings in the normal course of our business and otherwise*".

*Audit Proceedings*

On October 24, 2018 the Italian Financial Police (Guardia di Finanza) ended a general tax inspection on IVS Group SA, IVS Italia S.p.A. and IVS F S.p.A. (merged into CSH S.r.l. in 2016), notifying some findings through a *processo verbale di constatazione* (PVC) related to direct and indirect taxes with reference to fiscal years 2013, 2014, 2015 and 2016. The report on findings has been forwarded by the Italian Financial Police to the Italian Tax Office (*Agenzia delle Entrate*) for evaluation and potential issuance of a deed of assessment to the Companies. The management, with the support of its tax and legal advisor, believes that there are solid arguments in favour of the Companies to challenge the findings reported by the Guardia di Finanza to the Italian Tax Office. As of the date of this Prospectus, the Italian Tax Office has not confirmed the findings of the Italian Financial Police in a deed of assessment. If the findings of the Italian Financial Police are confirmed by the Italian Tax Office in a deed of assessment, the Companies may consider initiating legal proceedings to challenge their findings. S. Italia

S. Italia is party to a tax litigation relating to a tax payment demand (*Cartella di pagamento*) issued by the Italian Tax Office with respect to an alleged undue offset of the VAT credit accrued for fiscal year 2011 and claiming the repayment of the VAT offset plus penalties and interest. S. Italia filed an appeal against the payment demand before the Provincial Court (first degree tax Court) that judged in favour of the company by stating that no payment for VAT, penalties or interest was due by S.Italia. The Italian Tax Office filed an appeal before the Regional Court (second degree tax Court) that has confirmed the decision of the Provincial Court as to the fact that no repayment of VAT and interest is due by S.Italia whilst it has stated that penalties applicable and due by S.Italia. As a result of this judgement, S.Italia has paid the amount of the penalties claimed and equal to Euro 153,893. S.Italia appealed the judgement of the Regional Court before the Supreme Court (Corte di Cassazione) which is called to decide whether or not the penalties shall be paid from S.Italia. The tax litigation is currently pending. S. Italia's potential liability with respect to such proceeding should not exceed the amount of the penalties claimed and already paid during the litigation. There have not been any other governmental (including tax audit), legal or arbitration proceedings (including any such proceedings which are pending or threated of which S. Italia is aware), during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on S. Italia's financial position or profitability. See "*Risk Factors—Legal, Taxation and Regulatory Risks—We are subject to risks related to litigation and other legal proceedings in the normal course of our business and otherwise*" and "*Risk Factors—Legal, Taxation and Regulatory Risks—We are from time to time involved in various tax audits and investigations and we may face tax liabilities in the future*".

**Investments**

The Group's investments primarily concern the acquisition of new business units and the acquisition of new equipment, including vending machines, coin/token dispensers, payment systems and their accessories, vehicles and transport vehicles. The Group acquires new equipment with the aim of serving its increasing customer base and to improve the service offered to customers.

Since the Issuer, the Future Guarantors and their respective subsidiaries operate the same consolidated business, investments are typically considered at the Group level and, therefore, have been presented here on a consolidated basis and not by individual Group company.

In the year ended 31 December 2018, the Group's investments totalled Euro 67.0 million, including Euro 16.4 million for the acquisition of new business units and Euro 40.1 million for the acquisition of new equipment.

For the six months ended 30 June 2019, the Group's investments totalled Euro 69.6 million, including Euro 42.8 million for the acquisition of new business units and Euro 26.8 million for the acquisition of new equipment.

The Group expects that investments in the second half of 2019 will be lower than those of the first half of 2019, and that, on the whole, investments for 2019 will be slightly lower than 2018 levels, that is the year in which we made additional investments functional to the exploit of the benefit introduced by Decree September 12, 2017, n. 214 . The Group intends to use cash from generated from its operations and available credit facilities, if necessary, to fund future investments.

**Material Financings of the Group**

***IVS Group's Euro 240,000,000 4.5 per cent. Senior Unsecured Notes due 2022***

On November 15, 2015, IVS Group issued Euro 240,000,000 million aggregate principal amount of its 4.5 per cent. Senior Unecured Notes due 2022 (the "**Existing Notes**"). As of the date of this Prospectus, all of the original Euro 240,000,000 million of the Existing Notes remains outstanding. The Existing Notes were issued pursuant to the Existing Notes Trust Deed. The Existing Notes are senior unsecured obligations of IVS Group and rank pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer. Interest on the Existing Notes accrues at the rate of 4.5 per cent. per annum and is payable annually in arrear on November 15 in each year.

Subject to certain limitations, the Existing Notes are guaranteed by each of IVS Italia and S. Italia. In particular, the guarantee is generally limited to the payment of the principal and any premium in respect of, and interest on, the Existing Notes and of any other amounts payable by the Issuer under the Existing Notes Trust Deed, that will result in the obligations of each of IVS Italia and S. Italia not constituting a violation of any applicable capital maintenance laws or regulations applicable to each guarantor or, in each case, any similar laws or regulations affecting the rights of creditors generally under any applicable law or regulation. In addition, the maximum principal amount of the guarantee of S. Italia S.p.A. in relation of the Existing Notes is limited to Euro 20 million.

The Existing Notes Trust Deed restricts, among other things, the ability of the Issuer and its restricted subsidiaries (which means any of its subsidiaries where the Issuer holds or controls a majority of the voting rights or has the right to appoint or remove a majority of the board of directors) to: (i) create or have outstanding mortgage, charge, lien, pledge or other security interest other than certain permitted security interest, unless all amounts payable under the Existing Notes are secured by such security interest or such security interest is approved by an extraordinary resolution of the holders of the Existing Notes; (ii) sell, lease or make other disposition of certain assets, including stock of restricted subsidiaries, except if certain conditions are met and (iii) breach at any measurement date (which means December 31 of each year) certain financial covenants in terms of Consolidated Net Leverage Ratio and Fixed Charge Coverage Ratio.

The trustee of the Existing Notes (the "**Existing Notes Trustee**") at its discretion may, and if so requested by the holders of at least one-fifth in principal amount of the Existing Notes then outstanding or if so directed by an extraordinary resolution of the holders of the Existing Notes (the "**Existing Noteholders**") shall give notice to the Issuer

of the Existing Notes (the "**Existing Notes Issuer**") and, if applicable, to IVS Italia and S. Italia that the Existing Notes are immediately due and repayable.

At any time on or after November 15, 2018, the Existing Notes Issuer may redeem the Existing Notes, in whole or in part and from time to time, at certain redemption prices (expressed as a percentage of the principal amount on the redemption date), plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date.

***IVS Group S.A. Euro 150,000,000 Facility Agreement***

We are party to the IVS Group S.A. Euro 150,000,000 Facility Agreement in the amount of Euro 150,000,000 dated as of December 21, 2018, by and between the Issuer, as borrower, Banca Monte dei Paschi di Siena S.p.A., Banca Nazionale del Lavoro S.p.A. and Coöperatieve Rabobank U.A., Milan Branch, as lenders, and BNP Paribas Italian Branch as agent. Please note that a portion of Banca Nazionale del Lavoro S.p.A.'s commitment under the IVS Group Euro 150,000,000 Facility Agreement is guaranteed by SACE S.p.A..

The facility comprised the following outstanding tranches as of December 31, 2018: (i) a term loan facility in aggregate amount equal to Euro 20,000,000 (Facility A1); (ii) a term loan facility in aggregate amount equal to Euro 30,000,000 (Facility A2); and (iii) a term loan facility in aggregate amount equal to Euro 100,000,000 (Facility B), with an availability period ending on June 21, 2020. As of June 30, 2019, there was Euro 20,000,000 outstanding under the Facility A1, Euro 30,000,000 outstanding under the Facility A2 and Euro 20,000,000 outstanding under the Facility B. The IVS Group Euro 150,000,000 Facility Agreement will remain outstanding following the Offering.

The IVS Group Euro 150,000,000 Facility Agreement matures on October 15, 2022. All outstanding amounts under the IVS Group Euro 150,000,000 Facility Agreement must be repaid in full on or prior to the maturity date.

*Governing law*. The IVS Group Euro 150,000,000 Facility Agreement is governed by English law.

*Interest Rate.* Interest is set a rate per annum equal to three months or six months EURIBOR, as the case may be, plus a margin, payable quarterly or semi-annually, as the case may be. The margin is set at 1.45 per cent. for the first year, 1.65 per cent. for the second year, 1.85 per cent. for the third year and, thereafter, 2.05 per cent. until the termination date. An additional margin of 1.00 per cent. is charged on defaulted interest payments.

*Mandatory Prepayment.* The IVS Group Euro 150,000,000 Facility Agreement contains mandatory prepayment provisions, including in the event that IVS Group undergoes a change of control; such change of control shall constitute an event of mandatory prepayment of any outstanding amounts under the IVS Group Euro 150,000,000 Facility Agreement.

*Representations and Warranties.* The IVS Group Euro 150,000,000 Facility Agreement contains customary representations and warranties regarding, *inter alia*, IVS Group's due incorporation, power and authority, compliance with applicable laws and good title to its assets.

*Guarantee.* The IVS Group Euro 150,000,000 Facility Agreement is guaranteed on an unsecured basis by certain subsidiaries of the Issuer.

*Security*. The IVS Group Euro 150,000,000 Facility Agreement is unsecured.

*Financial Covenants.* The IVS Group Euro 150,000,000 Facility Agreement contains financial maintenance covenants (*i.e.*, the consolidated net leverage ratio shall not exceed 3.85:1.00 at any time).

*Undertakings.* The IVS Group Euro 150,000,000 Facility Agreement contains customary undertakings, including the following undertakings in which IVS Group pledges, *inter alia*, not to undertake the following actions, subject to the exceptions set forth in the IVS Group Euro 150,000,000 Facility Agreement: (i) create or permit to subsist any security over any of its assets, (ii) sell, lease, transfer or otherwise dispose of any asset, (iii) enter into any amalgamation, demerger, merger or corporate reconstruction, (iv) grant guarantees in favour of third parties; and (v) incur any indebtedness unless it is *pari passu* to the finance parties' claims under the IVS Group Euro 150,000,000 Facility Agreement and, in any case, the aggregate outstanding principal amount of which does not exceed Euro 500,000,000 (the "**Basket**"). On 9 August 2019, IVS Group sent to BNP Paribas Italian Branch, acting as agent under

the IVS Group Euro 150,000,000 Facility Agreement, a consent and waiver request in relation to the incurrence of additional refinancing debt in view of the issuance of the Notes (the "**Request**"). In particular, IVS Group requested to the lenders under the IVS Group Euro 150,000,000 Facility Agreement to not consider, when determining whether the Basket is exceeded, the additional financial indebtedness relating to the issuance of the Notes, considering that the relevant financial indebtedness will be incurred by IVS Group prior to the repayment of the Existing Notes but the financial indebtedness incurred through the issuance of the Notes will be aimed at – *inter alia* - repaying the Existing Notes and, as such, does not constitute an overall increase of the debt exposure of the Group. On 10 September 2019, BNP Paribas Italian Branch informed IVS Group that the majority of the lenders under the IVS Group Euro 150,000,000 Facility Agreement consented to the Request.

In addition, the IVS Group Euro 150,000,000 Facility Agreement and related documentation contain affirmative covenants in which IVS Group pledges, *inter alia*, to: (i) pay all taxes, except those which are contested in good faith; and (ii) grant to the arrangers right of first offer and right to match with respect to any hedging contracts related to the IVS Group Euro 150,000,000 Facility Agreement. The IVS Group Euro 150,000,000 Facility Agreement also contains additional customary information reporting covenants.

*Events of Default.* Certain events, including the following, constitute events of default under the IVS Group Euro 150,000,000 Facility Agreement and permit BNP, as agent thereunder for the other lenders, to accelerate and demand prepayment thereunder: (i) missed interest or principal payment under the IVS Group Euro 150,000,000 Facility Agreement, except due to technical or administrative error and unless otherwise cured within 3 business days following the missed payment date; (ii) IVS Group or any of its subsidiaries qualifying as obligor is unable to fulfil its obligations under the IVS Group Euro 150,000,000 Facility Agreement and such a failure is not cured within 20 business days; (iii) IVS Group or any of its subsidiaries qualifying as material company is declared insolvent, commences liquidation proceedings or winding-up; (iv) IVS Group or any of its subsidiaries is involved in litigations which may have a material adverse effect under the IVS Group Euro 150,000,000 Facility Agreement; and (v) any representation and warranty given by IVS Group or any of its subsidiaries qualifying as obligor was untrue at the moment it was made and not cured within 20 business days.

***IVS Group S.A. and Banca Nazionale del Lavoro S.p.A. Euro 45,000,000 Financing Agreement***

IVS Group S.A., as borrower, is party of a medium-term financing agreement dated as of December 7, 2017 entered into with IVS Italia S.p.A., as guarantor, and Banca Nazionale del Lavoro S.p.A. ("**BNL**"), as lender, in a maximum amount of Euro 45,000,000. The facility comprised the following three tranches: (i) a credit line in a maximum amount of Euro 25,000,000 with credit availability until September 2018 and original maturity in November 30, 2023 ("**Tranche A**"), (ii) a credit line in a maximum amount of Euro 10,000,000 with credit availability until January 2018 and original maturity in October 15, 2022 ("**Tranche B1**") and (iii) a credit line in a maximum amount of Euro 10,000,000 with credit availability until January 2018 and original maturity in November 30, 2020 ("**Tranche B2**"). As of June 30, 2019, there was Euro 10 million outstanding under the Tranche B1 and Euro 10 million outstanding under the Tranche B2; during the first quarter of 2019 IVS Group early repaied Euro 25 million under the Tranche A.

The IVS Group S.A. Financing Agreement is governed by Italian law.

*Interest Rate.* Interest is a set a rate per annum equal to three month EURIBOR plus an initial margin equal to 1.6% for Tranche A, 1.5% for Tranche B1 and 1.0% for Tranche B2, subject to subsequent adjustments.

*Financial Covenants.* The IVS Group S.A. Financing Agreement contains financial covenants aligned with the Existing Notesw with reference to the Consolidated Net Leverage Ratio and the Fixed Charge Coverage Ratio.

*Events of Default.* The following events constitute events of default under the IVS Group S.A. Financing Agreement and permit BNL to demand prepayment: (i) missed interest or principal payment under the IVS Group S.A. Financing Agreement, except due to technical or administrative error and unless otherwise cured within 5 working days following the missed payment date; (ii) IVS Group S.A. is unable to fulfil its obligations under the IVS Group S.A. Financing Agreement and such a failure is not cured within 10 or 15 working days.

*Representations and Warranties.* The IVS Group S.A. Financing Agreement contains customary representations and warranties regarding, *inter alia*, IVS Group S.A.'s and IVS Italia S.p.A.'s due incorporation, share

capital, non-existence of bankruptcy proceedings, compliance with applicable laws and existence of powers and authorisations in relation to the financial documents.

*Guarantee.* IVS Group S.A. Financing Agreement is guaranteed by IVS Italia S.p.A..

*Undertakings.* The IVS Group S.A. Financing Agreement contains, *inter alia*, the following undertakings: (i) to provide the financial documentation relating to the guarantor; (ii) not to reduce the corporate share capital, except in the presence of legal obligations and after prior notification to the financing bank; (iii) prohibition to engage in voluntary bankruptcy proceedings with respect to both IVS Group S.A. and IVS Italia S.p.A; (iv) to provide certain information obligations relating to breaches, legal proceedings, extraordinary corporate transactions, extraordinary acquisitions and significant events; (v) to comply with applicable laws; (vi) to keep within the territory of Italy the main centre of interests; (vii) prohibition of substantial changes to the group's core business; (viii) prohibition to carry out certain extraordinary transactions without the prior written consent of BNL; (ix) prohibition to create dedicated assets or financing for a specific business transaction; (x) negative pledge, unless expressly permitted under the IVS Group S.A. Financing Agreement; (xi) prohibition to distribute dividends in case of relevant event.

*Loss of the benefit of term for payment (decadenza dal beneficio del termine*). Upon the occurrence of, *inter alia*, the following events, BNL is entitled to demand prepayment: (i) insolvency, liquidation and dissolution, (ii) significant negative changes, (iii) cross default events, when the repayment of a loan for an amount equal to or greater than Euro 5 million is requested before the due date and following the loss of the benefit of term for payment (*decadenza dal beneficio del termine*), withdrawal of the creditor or in the presence of a declaration of the occurrence of a termination event, (iv) enforcement proceedings, (v) tax measures, (vi) failure to comply with financial covenants, (vii) nullity or ineffectiveness of the guarantee issued by IVS Italia S.p.A..

*Early redemption*. The IVS Group S.A. Financing Agreement contains, *inter alia*, the following events of early redemption: (i) de-listing: in the event that IVS Group S.A. is no longer listed or is suspended from listing on the Italian Stock Exchange (*Borsa Italiana*), IVS Group S.A. undertakes to immediately repay the outstanding financing in full within the term of 30 days from such de-listing or suspension; (ii) early redemption of the Existing Notes; (iii) termination of the office of certain executive directors.

***IVS Italia S.p.A. and Banco Popolare Società Cooperativa S.p.A. Euro 10,000,000 Financing Agreement***

IVS Italia S.p.A. is party, as borrower, of a financing agreement dated as of May 2, 2016 entered into with Banco Popolare Società Cooperativa S.p.A., as lender, ("**BP**") in an amount equal to Euro 10,000,000 and with maturity on December 15, 2020 (the "**BP Financing Agreement**"). The BP Financing Agreement is granted within the framework of the agreement between the European Investment Bank (EIB) and BP for the granting of certain loans in Italy to certain medium-sized and mid-cap companies.

The BP Financing Agreement is governed by Italian law.

*Interest Rate.* Interest is a floating rate established through a calculation mechanism that takes into account different factors, as the reference period of the calculation and the EURIBOR.

*Undertakings.* The BP Financing Agreement contains, *inter alia*, the following undertakings: (i) maintenance of the bank account for the entire duration of the loan; (ii) to provide certain information and documentation upon request of BP; (iii) not to receive any further funds from EIB; (iii) not to rent or introduce third parties in the use of the business or in any individual business unit and to maintain the disclosed main activity; (iv) to inform BP of any allegations, claim or information of criminal nature relating to the project connected to the financing; (v) to inform BP of any circumstance or fact likely to affect, and bring about substantial change in, the conditions for the implementation or execution of the project connected to the financing; (vi) to promptly inform BP with registered letter of any changes or events of a technical, administrative or legal nature, as well as any other event, however prejudicial, that may determine a change in IVS Italia S.p.A.'s assets; (vii) to promptly notify BP of any change in IVS Italia S.p.A.'s legal form, change in the share capital, issue of bonds, change of owners, directors and statutory auditors, and sending a copy of the relevant resolutions; (viii) to promptly notify any other new financing requested to other banks.

*Termination.* The BP Financing Agreement provides that if the loan is not disbursed, granted or maintained to BP, BP is entitled to terminate the agreement and, in case of events attributable to IVS Italia S.p.A., the latter shall pay a penalty equal to 3% of the remaining debt.

*Loss of the benefit of term for payment (decadenza dal beneficio del termine*). Upon the occurrence of, *inter alia*, the following events, BP is entitled to demand prepayment: (i) judicial proceedings, conservative and executive proceedings, seizure of assets, registration of mortgages, submission to bankruptcy proceedings; (ii) any event that may adversely affect the financial, corporate or economic position of IVS Italia S.p.A.; (iii) missed or late principal payment; (iv) failure to comply with certain obligations under the BP Financing Agreement.

*Guarantee*. The BP Financing Agreement does not contain any guarantee.

***IVS Italia S.p.A. and Banco BPM S.p.A Euro 10,000,000 Financing Agreement***

IVS Italia S.p.A. is party, as borrower, of a financing agreement dated as of July 4, 2017 entered into with Banco BPM S.p.A., as lender, ("**Banco BPM**") in an amount equal to Euro 10,000,000 and with maturity on September 30, 2022 (the "**Banco BPM Financing Agreement**").

*Interest Rate.* Interest is a floating rate established through a calculation mechanism that takes into account different factors, as the reference period of the calculation and the three-months EURIBOR.

*Termination.* Banco BPM is entitled to terminate the agreement at any time.

*Loss of the benefit of term for payment (decadenza dal beneficio del termine*). Upon the occurrence of, *inter alia*, the following events, Banco BPM is entitled to demand prepayment: (i) judicial proceedings, conservative and executive proceedings, seizure of assets, registration of mortgages, submission to bankruptcy proceedings; (ii) any event that may adversely affect the financial, corporate or economic position of IVS Italia S.p.A..

*Events of Default.* The following events, *inter alia*, constitute events of default under the Banco BPM Financing Agreement and permit Banco BPM to demand prepayment: (i) missed interest or principal payment under the Banco BPM Financing Agreement; (ii) unreliability of the documentation and information provided.

***IVS Italia S.p.A. and Monte dei Paschi di Siena S.p.A Euro 9,250,000 Financing Agreement***

IVS Italia S.p.A. is party, as borrower, of a financing agreement dated as of March 27, 2018 entered into with Monte dei Paschi di Siena S.p.A., as lender, ("**MPS**") in an amount equal to Euro 9,250,000 and with maturity on December 31, 2021 (the "**MPS Financing Agreement**").

The MPS Financing Agreement is governed by Italian law.

*Interest Rate.* Interest is equal to 1.3% plus a variable rate linked to six-months EURIBOR.

*Commercial Covenants*. The MPS Financing Agreement contains a commitment to canalize towards MPS an amount of business not lower than Euro 30,000,000.

*Financial Covenants*. The MPS Financing Agreement contains the following financial covenants: (i) the Consolidated Net Leverage Ratio shall not be higher than 3,85 and (ii) the Fixed Charge Coverage Ratio shall not be higher than 3.

*Undertakings*. The MPS Financing Agreement contains, *inter alia*, the following undertakings: (i) negative pledge, unless expressly permitted under the MPS Financing Agreement and with MPS' prior consent; (ii) to provide certain financial documents and information.

*Events of default*. Upon the occurrence of, *inter alia*, the following events, MPS is entitled to demand prepayment: (i) cross default for the failure to pay a debt of IVS S.p.A. or IVS Group S.A. higher than Euro 10,000,000; (ii) missed principal payment under the MPS Financing Agreement.

*Loss of the benefit of term for payment (decadenza dal beneficio del termine*). In the event of, *inter alia*, the failure to provide MPS with certain information relating to claims, complaints, injunctive measures and any other material or legal event likely to affect the financial position and the economic condition, MPS is entitled to demand prepayment.

*Early redemption*. Upon the occurrence of, *inter alia*, the following events, IVS Italia S.p.A. has an obligation to early redeem the MPS Financing Agreement: (i) delisting of IVS Group S.A.'s shares from the Italian Stock Exchange (*Borsa Italiana*); (ii) early redemption of the IVS Group S.A.'s shareholders loan equal to Euro 234,000,000; (iii) early redemption of the Existing Notes.

***IVS Italia S.p.A. and Banco Desio di Brianza S.p.A. Euro 2,500,000 Financing Agreement***

IVS Italia S.p.A. is a party, as borrower, of a financing agreement dated as of November 11, 2017 entered into with Banco Desio di Brianza S.p.A., as lender, ("**Banco Desio**") in an amount equal to Euro 2,500,000 and with maturity on December 10, 2022 (the "**Banco Desio Financing Agreement**").

The Banco Desio Financing Agreement is governed by Italian law.

*Interest Rate*. Interest is a floating rate established through a calculation mechanism that takes into account an annual nominal rate equal to 1.25%, restated monthly on the basis of the six-months EURIBOR increased by the spread.

*Events of default and loss of the benefit of term for payment (decadenza dal beneficio del termine*). Upon the occurrence of, *inter alia,* the following events, Banco Desio is entitled to demand prepayment: (i) IVS Italia S.p.A.'s insolvency, worsening of the financial and economic conditions such as to potentially compromise the capacity to comply with the Banco Desio Financing Agreement, bankruptcy proceedings and reduction in general guarantees; (ii) missed one or two principal payments under the Banco Desio Financing Agreement; (iii) the document and the information provided to Banco Desio are not accurate.

***Leases***

The Group is party to a number of leases related to the leasing of our main country offices, warehouses, branch offices, cars, and other minor goods.

At 31 December 2018, leases classified as finance leases under IAS 17 were recorded on our balance sheet as a liability of Euro 9.9 million.

Since 1 January 2019 it's effective the new accounting standard "IFRS 16 – Leases", that sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The lease liabilities as at 1 January 2019, restated by applying IFRS 16, is equal to Euro 63.0 million.

At 30 June 2019 the Group recorded a lease liability of Euro 70.6 million, of which Euro 9.2 million, related to leases entered into by our non-Future Guarantor subsidiaries as detailed below. The following descriptions summarise our material leases. Our leases are subject to customary conditions, including, *inter alia*, conditions regarding our beneficial occupancy of the relevant sites, prompt payment of interest and amortisation instalment, payment of taxes and municipal charges, maintenance of the property and maintenance of insurance coverage.

*France*

A subsidiary of IVS France S.a.S. ("**+39 SCI** ") is party to a finance lease agreement in the amount of approximately Euro 8.3 million dated as of 13 July 2010 by and between IVS France S.a.S., +39 SCI , Sogébail and Finamur, two French mortgage credit institutions, concerning the construction and eventual rent of a new site in Argenteuil (Val-d'Oise) outside Paris. As part of the finance lease agreement, Sogébail and Finamur pre-funded construction expenses for the new site. +39 SCI commenced paying rent on the new premises on 1 November 2011.

The duration of the finance lease agreement is until 31 October 2026. At maturity of the lease, +39 SCI will have the option to acquire the site from Sogébail and Finamur for the amount of Euro 1.2 million. The interest rate on the amounts disbursed by Sogébail and Finamur is set at three month EURIBOR plus a margin.

*Spain*

Our subsidiary DAV is party to a finance lease agreement in the amount of approximately Euro 4.6 million dated as of 29 July 2011, by and between DAV and Banco de Sabadell, S.A. concerning the construction and lease of a new site in Espluges de Llobregat, outside Barcelona. As part of the finance lease agreement, Banco de Sabadell, S.A. pre-funded construction expenses for the new site. Furthermore, on 29 July 2012, the finance lease agreement was amended to include a further disbursement by Banco de Sabadell in the amount of Euro 3.5 million for expansion of the facility. The duration of the finance lease agreement is until 29 July 2031. At maturity of the lease, DAV will have the option to acquire the site from Banco de Sabadell, S.A. for the amount of Euro 19,700. The interest rate on the amounts disbursed by Banco de Sabadell, S.A. was initially set at a fixed interest rate and then reset at three month EURIBOR plus a margin.

*Italy*

Our subsidiary SDA-DDS S.p.A. ("**DDS**") is party to a finance lease agreement in the amount of approximately Euro 2.7 million dated as of 3 December 2010, by and between DDS and UniCredit Leasing S.p.A. concerning the purchase and remodelling of a new site in Pontedassio (Imperia) in the Liguria region of Italy. As part of the finance lease agreement, UniCredit Leasing S.p.A. pre-funded the purchase price of the site and certain remodelling costs. The duration of the finance lease agreement is until December 2028. The interest rate on the amounts disbursed by UniCredit Leasing S.p.A. was set at three month EURIBOR plus a margin. At maturity of the lease, DDS will have the option to acquire the site from UniCredit Leasing S.p.A. for the amount of approximately Euro 540,000 plus any taxes due.

**Material Contracts of the Group**

Other than the financing contracts described above in "—*Material Financings*", the Group has not entered into material contracts outside the ordinary course of its business, which could result in any group member being under an obligation or entitlement that is material to the Group's ability to meet its obligations to the Noteholders.

**Our Industry and Market Position**

Although we have activities in France, Spain and Switzerland, Italy remains our primary reference market (82.7 per cent. of our sales for the twelve months ended 30 June 2019 were generated in Italy). As estimated by the Italian vending machine association Confida, the Italian vending machine operator market was worth approximately Euro 3.9 billion in revenue in 2018 (+4.7 per cent. growth versus 2017). Confida estimates that approximately 12.1 billion vends were executed in the Italian market in 2018 (as compared to approximately 11.6 billion vends in 2017), of which 85.4 per cent. were from hot beverage and OCS machines. According to Confida, as of 2018, there were approximately 2.2 million vending machines in Italy, which we believe to be one of the largest vending machine bases in Europe.

***Vending Business***

The European vending machine operator market is characterised by significant fragmentation and intense competition. We are one of the few vending machine operators competing on a European level. According to management estimates from automatic vending machine revenue data reported by Confida, we had an Italian market share of 15.3 per cent. in 2018 (12.5 per cent. including OCS revenue) and we believe we were the clear leader in the fragmented Italian vending machine operator market. We are the second largest vending machine operator in Europe (excluding Coca Cola and Alois Dallmayr KG which operate but are also active in other businesses). On a European level, our chief competitor is Selecta which compete in multiple geographies in Europe, including France and Spain, and from 2018, with the acquisition of Gruppo Argenta, is present in Italy too. We also compete with medium-sized players such as D.E. Master Blenders 1753 (formerly known as Sara Lee), Café+Co and Alois Dallmayr KG and Daltys. In addition, we confront myriad small players that operate a few vending machines each in discrete locations as each of our principle markets has a fragmented competitive landscape. See "*Risk Factors—Risks Related to the business activities of the Issuer and the Group (Including the Future Guarantors)—We operate in highly competitive industries,*

*and if we do not compete effectively, we may lose market share or be unable to maintain or increase prices for our services*" and "*Risk Factors—Legal, Taxation and Regulatory Risks—We are susceptible to claims of anti-competitive practices".*

Due to the nature of the products we offer in the food and beverages sector, specifically in-between meals, snacks and confectionary for consumers on the go, we also compete with different service providers, notably fast food and take-away chains, cafés and bars, kiosks and sandwich shops. Many of our vending machines are located in close proximity to such establishments and consumers may make their in-between meal, snack or coffee selection based on a variety of factors and taking into account, among other things, the consumer's available time, the different providers' product offerings and price.

***Coin Service Business***

Our Coin Service Business competes certain large security and cash handling/secured transportation companies that offer, among other security and surveillance services, coin management. We also compete with smaller coin management companies that operate at a regional level, whereas our Coin Service Business has a nationwide reach and we believe it is the only nationwide operator solely focused on coin management.

***Alternative Performance Measures***

This Prospectus contains, or incorporates by reference, certain financial measures and alternative performance indicators that the Issuer considers to constitute alternative performance measures ("**APMs**") for the purposes of the ESMA (European Securities Markets Authority) Guidelines on Alternative Performance Measures (the "**Guidelines**"). While IVS Group's management believes that the APMs herein are useful in evaluating IVS Group's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. Therefore, these measures should not be viewed alone but together with the Consolidated Financial Statements prepared in accordance with IFRS as of and for the years ended 31 December 2018 and 2017, and as of and for six month period ended 30 June 2019.

For a correct understanding of these APMs, note the following:

(i) the APMs are based exclusively on the IVS Group historical data and are not indicative of the future performance;

(ii) the APMs are not derived from the IFRS and, as they are derived from the Consolidated Financial Statements prepared in conformity with these principles, they are not subject to audit;

(iii) the APMs are not derived from IFRS and therefore the definitions used in connections with might not be standardized and comparable with those adopted by other companies/groups;

(iv) the APMs and definitions used herein are consistent and standardized for all the periods for which financial information is included.

**Selected Financial and Operational Information of the Issuer**

***Consolidated Income Statement:***

| | For the year ended 31 December (audited) | | For the six months ended 30 June (unaudited) | | For the twelve months ended 30 June (unaudited) |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (in thousands of ) | | | | |
| Revenues from sales and services | 393,677 | 412,584 | 209,406 | 220,062 | 423,240 |
| Other revenues and income | 15,430 | 21,773 | 9,269 | 12,083 | 24,587 |
| **Total revenues** | **409,107** | **434,357** | **218,675** | **232,145** | **447,827** |

| | | | | | |
|---|---|---|---|---|---|
| Cost of raw materials, supplies and consumables | (98,439) | (103,697) | (52,203) | (55,410) | (106,904) |
| Cost of services | (45,353) | (44,208) | (21,752) | (20,804) | (43,260) |
| Personnel costs | (110,050) | (115,995) | (58,266) | (62,626) | (120,355) |
| Other operating income/(expenses), net | (71,325) | (78,361) | (37,453) | (38,886) | (79,794) |
| Gains/(losses) from disposal of fixed assets, net | (822) | (1,020) | (339) | (379) | (1,060) |
| Depreciation and amortisation | (43,428) | (46,129) | (22,052) | (28,815) | (52,892) |
| **Operating profit/(loss)** | **39,690** | **44,947** | **26,610** | **25,225** | **43,562** |
| Financial expenses | (13,952) | (13,592) | (6,699) | (8,478) | (15,371) |
| Financial income | 3,317 | 350 | 39 | 29 | 340 |
| Foreign exchange differences and variations in derivatives fair value, net | 21 | 305 | (31) | 16 | 352 |
| Results of companies valued at net equity | (6) | 314 | 253 | 582 | 643 |
| **Profit/(loss) before tax** | **29,070** | **32,324** | **20,172** | **17,374** | **29,526** |
| Income taxes | (8,201) | (7,692) | (5,178) | (4,400) | (6,914) |
| **Net profit/(loss) for the period:** | **20,869** | **24,632** | **14,994** | **12,974** | **22,612** |
| Net profit/(loss) attributable to: | | | | | |
| Non-controlling interests | 1,363 | 1,400 | 727 | 711 | 1,384 |
| Owners of the Parent | 19,506 | 23,232 | 14,267 | 12,263 | 21,228 |

***Summary Consolidated Statement of Financial Position:***

| | As of 31 December (audited) | | As of 30 June (unaudited) |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| **Assets** | | | |
| Total non-current assets | 624,023 | 641,036 | 747,686 |
| Total current assets | 164,870 | 188,504 | 223,626 |
| **Total assets** | **788,893** | **829,540** | **971,312** |
| **Liabilities** | | | |
| Total non-current liabilities | 308,522 | 314,215 | 435,847 |
| Total current liabilities | 177,285 | 198,194 | 215,822 |
| **Total liabilities** | **485,807** | **512,409** | 651,669 |
| Equity attributable to owners of the parent | 294,527 | 307,387 | 309,218 |
| Equity attributable to non-controlling interests | 8,559 | 9,744 | 10,425 |
| **Total equity** | **303,086** | **317,131** | 319,643 |
| **Total equity and liabilities** | **788,893** | **829,540** | **971,312** |

***Summary Consolidated Cash Flow Statements:***

| | For the year ended 31 December (audited) | | For the six months, ended 30 June (unaudited) | | For the twelve months ended 30 June (unaudited) |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (thousands of €) | | | | |
| Net cash provided by operating activities | 61,049 | 49,061 | 50,327 | 66,855 | 65,589 |
| Net cash used in investing activities | (79,832) | (66,224) | (41,463) | (49,320) | (74,081) |
| Net cash provided by/(used in) financing activities | (20,556) | 34,979 | 28,948 | 17,341 | 23,372 |
| Exchange rate differences and other changes | (172) | 22 | 47 | (1) | (26) |
| Cash and cash equivalents at the beginning of the period | 118,601 | 79,090 | 79,090 | 96,928 | 116,949 |
| Cash and cash equivalents at the end of the period | 79,090 | 96,928 | 116,949 | 131,803 | 131,803 |
| Net change in cash and cash equivalents | (39,511) | 17,838 | 37,859 | 34,875 | 14,854 |

***Segment Information of the Issuer:***

| Revenues from sales and services segments | For the year ended 31 December (audited) | | For the six months, ended 30 June (unaudited) | | For the twelve months ended 30 June (unaudited) |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (thousands of €) | | | | |
| Vending Business (Italy) | 303,750 | 321,239 | 162,754 | 173,635 | 332,120 |
| Vending Business (France) | 25,602 | 25,672 | 12,750 | 13,660 | 26,582 |
| Vending Business (Spain) | 44,977 | 45,697 | 23,994 | 22,392 | 44,095 |
| Vending Business (Switzerland) | 3,062 | 3,243 | 1,664 | 1,630 | 3,209 |
| Coin Service Business | 16,286 | 16,733 | 8,244 | 8,745 | 17,234 |
| **Total revenues from sales and services** | **393,677** | **412,584** | **209,406** | **220,062** | **423,240** |

***Other Financial Information of the Issuer:***

| | For the year ended 31 December | | As of and for the six months ended 30 June | | As of and for the twelve months ended 30 June (unaudited) |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (thousands of €, except percentages) | | | | |
| Adjusted EBITDA[(1)] | 91,232 | 93,369 | 50,008 | 55,120 | 98,481 |
| Adjusted EBITDA without giving effect to IFRS 16 [(1)] | 91,232 | 93,369 | 50,008 | 49,572 | 92,933 |
| Adjusted EBITDA margin[(2)] | 22.3% | 21.5% | 23.0% | 23.7% | 22.0% |
| Total Net Revenues[(3)] | 359,414 | 376,901 | 191,092 | 203,717 | 389,526 |
| Adjusted EBITDA margin on Total Net Revenues[(4)] | 25.4% | 24.8% | 26.2% | 27.1% | 25.3% |
| Cash provided by operating activities without giving effect to changes in working capital[(5)] | 59,698 | 59,762 | 41,835 | 50,076 | 68,003 |
| Capital expenditures for vending machines and related equipment[(6)] | 38,074 | 40,144 | 20,271 | 20,406 | 40,279 |

| | As of 31 December (audited) | | As of 30 June (unaudited) |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| Net Financial position[(7)] | (254,067) | (285,453) | (361,328) |

***Summary Other Financial and Operational Data:***

| | For the year ended 31 December | | For the six months ended 30 June | | For the twelve months ended 30 June |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| Sales from vends (in thousands of euro)[(8)] | 377,391 | 395,851 | 201,162 | 211,317 | 406,006 |
| Number of vends (in millions)[(9)] | 804.8 | 834.3 | 428.7 | 444.4 | 850.0 |
| Working days[(10)] | 237.5 | 237.7 | 122.4 | 121.3 | 236.6 |
| Sales per working days (in thousands)[(11)] | 1,589 | 1,665 | 1,644 | 1,742 | 1,716 |
| Vends per working day (in thousands)[(12)] | 3,389 | 3,510 | 3,503 | 3,665 | 3,593 |
| Average Sale Price ("ASP") of sales from vends (in euro cent)[(13)] | 46.89 | 47.45 | 46.92 | 47.55 | 47.77 |

(1) "Adjusted EBITDA" is defined as operating profit plus depreciation and amortisation adjusted for costs and expenses considered by our management to be non-recurring and exceptional in nature. Adjusted EBITDA is not a measurement of performance under IFRS and you should not consider Adjusted EBITDA as an alternative to operating income or consolidated profits as a measure of our operating performance, cash flows from operating, investing and financing activities, as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Adjusted EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results.

**Reconciliation from operating profit/(loss) to Adjusted EBITDA:**

| | For the year ended 31 December | | For the six months ended 30 June | | For the twelve months ended 30 June |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (thousands of €) | | | | |
| **Net profit/(loss) for the year/period** | **20,869** | **24,632** | **14,994** | **12,974** | **22,612** |
| Income taxes | 8,201 | 7,692 | 5,178 | 4,400 | 6,914 |
| Result of companies valued at net equity | 6 | (314) | (253) | (582) | (643) |
| Foreign exchange differences and variations in derivatives fair value, net | (21) | (305) | 31 | (16) | (352) |
| Financial income/(expenses), net | 10,635 | 13,242 | 6,660 | 8,449 | 15,031 |
| **Operating profit/(loss)** | **39,690** | **44,947** | **26,610** | **25,225** | **43,562** |
| Depreciation and amortisation | 43,428 | 46,129 | 22,052 | 28,815 | 52,892 |
| Other non-recurring items[(a)] | 4,771 | 2,293 | 1,346 | 1,080 | 2,027 |
| Adjustment accrual of provision for risk and charges related to Italian Antitrust Authority investigation | 3,343 | - | | - | - |
| **Adjusted EBITDA** | **91,232** | **93,369** | **50,008** | **55,120** | **98,481** |
| Effect of IFRS 16 | - | - | - | (5,548) | (5,548) |
| **Adjusted EBITDA without giving effect to IFRS 16** | **91,232** | **93,369** | **50,008** | **49,572** | **92,933** |

(a) Other non-recurring items consist of certain other income, costs and expenses considered by our management to be non-recurring and exceptional in nature. Such items included benefits paid to terminated employees, taxes and registration and notary fees related to acquisitions completed during the year and price adjustments related to acquisistions completed in previous years.

(2) "Adjusted EBITDA margin" is defined as Adjusted EBITDA divided by total revenues.

(3) "Total Net Revenues" is defined as Total Revenues less Redevances:

| | For the year ended 31 December | | For the six months ended 30 June | | For the twelve months ended 30 June |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (thousands of €) | | | | |
| Total Revenues | 409,107 | 434,357 | 218,675 | 232,145 | 447,827 |
| Income/(expenses) non-recurr. and except. in nature. | (16) | - | - | (25) | (25) |
| Redevances | (49,677) | (57,456) | (27,583) | (28,403) | (58,276) |
| **Total Net Revenues** | **359,414** | **376,901** | **191,092** | **203,717** | **389,526** |

(4) "Adjusted EBITDA margin on Total Net Revenues" is defined as Adjusted EBITDA divided by Total Net Revenues[(14)].

(5) The following table sets forth a reconciliation of cash provided by operating activities without giving effect to changes in working capital from cash provided by operating activities:

| | For the year ended 31 December | | For the six months ended 30 June | | For the twelve months ended 30 June |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 | 2019 |
| | (thousands of €) | | | | |
| Cash provided by operating activities | 61,049 | 49,061 | 50,327 | 66,855 | 65,589 |
| Changes in working capital | (1,351) | 10,701 | (8,492) | (16,779) | 2,414 |
| **Cash provided by operating activities without giving effect to changes in working capital** | **59,698** | **59,762** | **41,835** | **50,076** | **68,003** |

(6) "Capital expenditures for vending machines and related equipment" includes capital expenditures which management believes relate to machines and related equipment purchased and capital expenditures for machines refurbished. For 2018 and 2017, the capital expenditures for vending machines and related equipment relates to the purchase of automatic vending machines and other related equipment.

(7) Net financial position and Net financial indebtedness are not a measurement of performance under IFRS and you should not consider Net financial indebtedness and Net financial position as an alternative to measure under generally accepted accounting principles. We believe that Net financial position and Net financial indebtedness are relevant measures for assessing for the overall level of our debit, the capital solidity and the capacity to repay the debt.

**Reconciliation of Net Financial Position**

| | As of 31 December | | As of 30 June |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| Current Securities | 1,440 | 129 | 357 |
| Cash and cash equivalents | 79,090 | 96,928 | 131,803 |
| **Cash and current financial assets** | **80,530** | **97,057** | **132,160** |
| Short-term loans payable | (61,537) | (101,617) | (88,557) |
| Liabilities towards bond holders | (647) | (612) | (6,025) |
| Derivatives | - | - | (1,763) |
| **Current financial debt** | **(62,184)** | **(102,229)** | **(96,345)** |
| Medium/long term loans payable | (37,958) | (43,736) | (160,249) |
| Liabilities towards bond holders | (236,937) | (237,675) | (237,995) |
| **Non-current financial debt** | **(274,895)** | **(281,411)** | **(398,244)** |
| **Net financial indebtedness** | **(256,549)** | **(286,583)** | **(362,429)** |
| Other investments – fixed income | 607 | 544 | 544 |
| Non-current loans (financing) | 1,488 | 179 | 156 |
| Other non-current assets (financing) | 387 | 407 | 401 |
| **Net financial position** | **(254,067)** | **(285,453)** | **(361,328)** |

(8) "Sales from vends" is defined as the income from the products sold by the vending machines installed by us on customer premises.

(9) "Number of vends" is defined as the number of products sold by our vending machines at customer premises.

(10) "Working days" is defined as the total number of working days in Italy comprised in each calendar year.

(11) "Sales per working day" is defined as the number of sales divided by the number of working days.

(12) "Vends per working day" is defined as the number of vends divided by the number working days.

(13) "Average Sales Price" is defined as sales from vends divided by the number of vends.

## Selected Financial Information of the Future Guarantors

### *IVS Italia*

*Income Statement:*

| | For the year ended 31 December (audited) | | For the six months ended 30 June (unaudited) | |
|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 |
| | (in thousands of €) | | | |
| Revenues from sales and services | 269,821 | 282,131 | 144,768 | 140,222 |
| Other revenues and income | 22,641 | 29,572 | 12,579 | 19,558 |
| **Total revenues** | **292,462** | **311,703** | **157,347** | **159,780** |
| Cost of raw materials, supplies and consumables | (73,138) | (80,218) | (39,150) | (41,466) |
| Cost of services | (64,228) | (67,034) | (33,793) | (29,644) |
| Personnel costs | (67,842) | (70,500) | (36,104) | (36,192) |
| Other operating income/(expenses), net | (55,677) | (57,844) | (27,738) | (29,938) |
| Gains/(losses) from disposal of fixed assets, net | (51) | 164 | 61 | 27 |
| Depreciation and amortisation | (8,169) | (8,779) | (4,031) | (5,955) |
| **Operating profit/(loss)** | **23,357** | **27,492** | **16,592** | **16,612** |
| Financial expenses | (12,317) | (11,967) | (6,096) | (6,436) |
| Financial income | 1,412 | 2,905 | 925 | 514 |
| Foreign exchange differences and variations in derivatives fair value, net | 0 | (1) | (1) | 2 |
| Results of companies valued at net equity | 0 | 0 | 0 | 130 |
| **Profit/(loss) before tax** | **12,452** | **18,429** | **11,420** | **10,822** |
| Income taxes | (5,237) | (5,352) | (3,375) | (3,377) |
| **Net profit/(loss) for the period:** | **7,215** | **13,077** | **8,045** | **7,445** |

*Summary Statement of Financial Position:*

| | As of 31 December (audited) | | As of 30 June (unaudited) |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| **Assets** | | | |
| Total non-current assets | 406,402 | 414,001 | 447,807 |
| Total current assets | 79,263 | 91,636 | 94,209 |
| **Total assets** | **485,665** | **505,637** | **542,016** |
| **Liabilities** | | | |
| Total non-current liabilities | 271,226 | 262,303 | 305,548 |
| Total current liabilities | 127,075 | 143,115 | 128,745 |
| **Total liabilities** | **398,301** | **405,418** | 434,293 |
| **Equity** | **87,364** | **100,219** | **107,723** |
| **Total equity and liabilities** | **485,665** | **505,637** | **542,016** |

*Summary Cash Flow Statements:*

| | For the year ended 31 December (audited) | |
|---|---|---|
| | 2017 | 2018 |
| | (thousands of €) | |
| Net cash provided by operating activities | (1,497) | 17,768 |
| Net cash used in investing activities | (29,720) | (23,546) |
| Net cash provided by/(used in) financing activities | (3,057) | 4,226 |

| | | |
|---|---|---|
| Cash and cash equivalents at the beginning of the period | 54,200 | 19,926 |
| Cash and cash equivalents at the end of the period | 19,926 | 18,374 |
| Net change in cash and cash equivalents | (34,274) | (1,552) |

***S. Italia***

*Income Statement:*

| | For the year ended 31 December (audited) | | For the six months ended 30 June (unaudited) | |
|---|---|---|---|---|
| | 2017 | 2018 | 2018 | 2019 |
| | (in thousands of €) | | | |
| Revenues from sales and services | 28,903 | 30,261 | 14,698 | 16,790 |
| Other revenues and income | 11,984 | 11,791 | 6,071 | 6,495 |
| **Total revenues** | **40,887** | **42,052** | **20,769** | **23,285** |
| Cost of raw materials, supplies and consumables | (24,389) | (26,515) | (14,532) | (12,491) |
| Cost of services | (3,357) | (3,393) | (1,690) | (1,820) |
| Personnel costs | (4,471) | (4,601) | (2,360) | (2,488) |
| Other operating income/(expenses), net | (5,462) | (6,883) | (1,269) | (4,916) |
| Gains/(losses) from disposal of fixed assets, net | 1 | 0 | - | - |
| Depreciation and amortisation | (44) | (57) | (26) | (300) |
| **Operating profit/(loss)** | **3,165** | **603** | **892** | **1,270** |
| Financial expenses | (4) | (4) | (2) | (106) |
| Financial income | 75 | 66 | 39 | 59 |
| Foreign exchange differences and variations in derivatives fair value, net | - | - | - | - |
| Results of companies valued at net equity | - | - | - | - |
| **Profit/(loss) before tax** | **3,236** | **665** | **929** | **1,223** |
| Income taxes | (897) | (161) | (241) | (363) |
| **Net profit/(loss) for the period:** | **2,339** | **504** | **688** | **860** |

*Summary Statement of Financial Position:*

| | As of 31 December (audited) | | As of 30 June (unaudited) |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | (thousands of €) | | |
| **Assets** | | | |
| Total non-current assets | 264 | 364 | 5,414 |
| Total current assets | 24,354 | 29,792 | 30,536 |
| **Total assets** | **24,618** | **30,156** | **35,950** |
| **Liabilities** | | | |
| Total non-current liabilities | 431 | 428 | 5,093 |
| Total current liabilities | 16,319 | 21,351 | 21,627 |
| **Total liabilities** | **16,750** | **21,779** | **26,720** |
| **Equity** | 7,868 | 8,377 | 9,230 |
| **Total equity and liabilities** | **24,618** | **30,156** | **35,950** |

*Summary Cash Flow Statements:*

| | For the year ended 31 December (audited) | |
|---|---|---|
| | 2017 | 2018 |
| | (thousands of €) | |
| Net cash provided by operating activities | 10,798 | 3,249 |
| Net cash used in investing activities | (10,347) | (3,249) |

| | | |
|---|---|---|
| Net cash provided by/(used in) financing activities | (452) | - |
| Cash and cash equivalents at the beginning of the period | 4 | 3 |
| Cash and cash equivalents at the end of the period | 3 | 3 |
| Net change in cash and cash equivalents | (1) | - |

**Financial Information**

***The Issuer's Assets and Liabilities, Financial Position and Profits and Losses***

The audited IFRS consolidated financial statements prepared by the Group for the year ended 31 December 2017 contained in the IVS Group Annual Report 2017, the audited IFRS consolidated financial statements prepared by the Group for the year ended 31 December 2018 contained in the IVS Group Annual Report 2018 and the unaudited condensed interim consolidated financial statements prepared by the Group for the six months ended 30 June 2019 contained in the IVS Group Half-year Report 2019 are incorporated by reference into this Prospectus. See "*Incorporation by Reference*".

***The Future Guarantors' Assets and Liabilities, Financial Position and Profits and Losses***

*IVS Italia*

The audited stand-alone IFRS financial statements prepared by IVS Italia as of and for the year ended 31 December 2017 and the audited stand-alone IFRS financial statements prepared by IVS Italia as of and for the year ended 31 December 2018 are incorporated by reference into this Prospectus. See "*Incorporation by Reference*". The unaudited interim stand-alone financial statements prepared by IVS Italia as of and for the six months ended 30 June 2019 are included in this Prospectus. See "*Future Guarantors' Financial Information—IVS Italia Unaudited Interim Stand-alone Financial Statements and Explanatory Notes as of and for the Six Months Ended 30 June 2019*". The unaudited interim stand-alone financial information for IVS Italia as of and for the six months ended 30 June 2019 presented herein has been taken from reports prepared by IVS Italia, which were prepared exclusively for the purpose of presenting such information in this Prospectus. IVS Italia has no legal obligation to prepare interim stand-alone financial statements. Therefore, the financial information of IVS Italia as of and for the six months ended 30 June 2019 presented herein has not been subject to any kind of audit or review by its independent auditors.

*S. Italia*

The audited stand-alone IFRS financial statements prepared by S. Italia as of and for the year ended 31 December 2017 and the audited stand-alone IFRS financial statements prepared by S. Italia as of and for the year ended 31 December 2018 are incorporated by reference into this Prospectus. See "*Incorporation by Reference*". The unaudited interim stand-alone financial statements prepared by S. Italia as of and for the six months ended 30 June 2019 are included in this Prospectus. See "*Future Guarantors' Financial Information—S. Italia Unaudited Interim Stand-alone Financial Statements and Explanatory Notes as of and for the Six Months Ended 30 June 2019*". The unaudited interim stand-alone financial information for S. Italia as of and for the six months ended 30 June 2019 presented herein has been taken from reports prepared by S. Italia, which were prepared exclusively for the purpose of presenting such information in this Prospectus. S. Italia has no legal obligation to prepare interim stand-alone financial statements. Therefore, the financial information of S. Italia as of and for the six months ended 30 June 2019 presented herein has not been subject to any kind of audit or review by its independent auditors.

**Trend Information, Recent Activity and Significant Changes in Financial or Trading Position**

***The Issuer***

There has been no material adverse change in the prospects of the Issuer since 31 December 2018. Except as set forth below, there have not been any recent significant changes in the financial or trading position of the Issuer since 30 June 2019.

In December 2018 IVS Group S.A. signed, throught its fully controlled subsidiary CSH S.r.l., an agreement for the acquisition of 76% of the share capital of Moneynet S.p.A., a company specialised in e-money and payment services. The remaining share capital of Moneynet S.p.A. was purchased by 8 natural persons, including certain

members of the Issuer's board of directors (Antonio Tartaro, Vito Alfonso Gamberale and Massimo Paravisi). Moneynet is an "hybrid" Payment Institution (IP), managing two separate activities: (i) payment services, and (ii) services related to assistance on the field for installation and maintenance of POS networks, carried out by specialized technicians (Field business). The transaction was subject to the authorization of Bank of Italy. The closing of the transaction occurred on July 31, 2019. The equity value of the entire share capital was equal to Euro 100,000 with a positive Net Financial Position of Euro 3,050,000.

On August 7, 2019 the outstanding Facility B under the IVS Group S.A. Euro 150,000,000 Facility Agreement (described above) increased of Euro 10 million due to a new utilisation request sent on August 2, 2019.

***The Future Guarantors***

There has been no material adverse change in the prospects of the Future Guarantors since 31 December 2018. Except as set forth below, there have not been any recent significant changes in the financial or trading position of the Future Guarantors since 30 June 2019.

*IVS Italia*

On July 17, 2019 IVS Italia finalised the acquisition of a portion of the share capital of its subsidiary SDA-DDS S.p.A. (formerly D.D.S. S.p.A.). Following such acquisition, IVS Italia owns the entire share capital of SDA-DDS S.p.A.

On August 1, 2019 IVS Italia S.p.A. signed an agreement relating to the acquisition of the vending business of Gioservice S.r.l., a company active in the vending sector in Lazio and Toscana regions. The business acquired generates annual vends of around 2.7 million and was valued (provisional price) around Euro 1,520 thousand.

**Independent Auditors**

***The Issuer***

The Issuer's independent auditor is Ernst & Young S.A. ("**EY**"). EY is registered as a corporate body within the official table of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Auditors (*l'Institut des Réviseurs d'Entreprises*) and is approved by the CSSF in the context of the law of 18 December 2009 relating to the audit profession.

***IVS Italia***

IVS Italia's independent auditor is EY S.p.A. ("**EY**") . EY is authorized and regulated by the Italian Ministry of Economy and Finance (the "**MEF**") and registered on the special register of auditing firms held by the MEF. The registered office of EY is Via Po, 32 00198 Rome, Italy.

***S. Italia***

S. Italia's independent auditor is EY. EY is authorized and regulated by the MEF and registered on the special register of auditing firms held by the MEF. The registered office of EY is Via Po, 32 00198 Rome, Italy.

**Management**

***The Issuer***

The Issuer is the parent company of the Group. See "*Organisational Structure of the Group*". The Issuer was formed as a public limited liability company (*société anonyme*) under the laws of Luxembourg on 26 August 2010, with a duration until 31 December 2049 (subject to amendments to its by-laws). The Issuer's registered offices are located at 18, Rue de l'Eau, L-1449 Luxembourg, Grand Duchy of Luxembourg and its operational headquarters is at Via dell'Artigianato, 25, Seriate (BG) 24068, Italy and it is registered under number B 155 294 with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*). The Issuer's telephone numbers are + 352 22 55 051and +39 02 57523111.

*Board of Directors*

Pursuant to the articles of association of the Issuer, the Issuer is managed by the Board of Directors composed of at least three members, who need not be shareholders of the Issuer. The general meeting of shareholders appoints the directors and determines their number, remuneration and the term of their office. Directors cannot be appointed for more than six years and are re-eligible. Directors may be removed at any time (with or without cause) by a resolution of the general meeting of shareholders.

All powers not expressly reserved to the shareholders by the law of Luxembourg of 10 August 1915, on commercial companies, as amended (the "**Commercial Companies Law**") or the article of association fall within the competence of the Board of Directors, which has all powers to carry and approve all acts and operations consistent with the corporate object.

The Board of Directors may establish one or several internal committees and shall determine their power and composition (see "—*Corporate Governance*").

Pursuant to the articles of association of the Issuer, the Board of Directors can validly deliberate and act only if is present or represented a majority of its members. The resolutions of the Board of Directors are validly taken by a majority of the votes of directors present or represented. The chairman has a casting vote in the event of tie. Any director having an interest conflicting with that of the Issuer in a transaction carried out otherwise than under normal conditions in the ordinary course of business, must advise the Board of Directors thereof and cause a record of his statement to be mentioned in the minutes of the meeting. The director concerned may not take part in these deliberations. A special report on the relevant transactions is submitted to the shareholders before any vote, at the next General Meeting.

The persons set forth below are the current members of the Board of Directors of the Issuer.

The Board of Directors of the Issuer manages the business activities of the Issuer.

The Directors of the Issuer are all domiciled for the carrying out of their duties at the Issuer's operational headquarters.

| Name | Age | Position |
|---|---|---|
| Mr. Paolo Covre | 72 | Chairman |
| Mr. Massimo Paravisi | 51 | Co-Chief Executive Officer |
| Mr. Antonio Tartaro | 53 | Co-Chief Executive Officer |
| Mr. Vito Alfonso Gamberale | 75 | Vice Chairman |
| Ms. Adriana Cerea | 73 | Director |
| Ms. Monica Cerea | 44 | Director |
| Mr. Luigi De Puppi | 77 | Independent Non-Executive Director |
| Mr. Raffaele Agrusti | 62 | Independent Non-Executive Director |
| Mr. Carlo Salvatori | 78 | Independent Non-Executive Director |
| Mr. Maurizio Traglio | 64 | Non-Executive Director |
| Ms. Mariella Trapletti | 67 | Non-Executive Director |

*Paolo Covre* - Chairman of the Issuer. In 1970 started his working experience in Zanussi. In 1981 he was a chartered account and in 1995 founded, with other professionals and certified auditors, the advisory firm CP & PARTNERS Srl. In 1999 he founded STUDIO ASSOCIATO CP & PARTNERS, with over 40 professionals. Paolo Covre served as Chairman in SISVEL S.p.A. and SIGMA S.p.A.; he was Deputy Chairman in SIM2 MULTIMEDIA S.p.A.; director in Goriziane Group S.p.A. and sole director of EUROFINIM S.r.l.

*Massimo Paravisi* - Co-CEO of IVS Group, has spent his entire career in IVS Group in different functions with growing responsibilities, up to the role of Co-CEO responsibile for font-office activities (sales, marketing, quality, etc.).

*Antonio Tartaro* - In IVS Group since 2008 as CFO and Chief Information Officer, appointed Co-CEO in 2014 with the responsibility of back-office activities (finance and administration, procurement, HR, IT, technical services). Formerly CFO and Chief Information Officer at Bianchi Vending S.p.A. (vending machines manufacturer). From 1994 to 1999 project manager at S.E.F. – Servizi Economici e Finanziari S.r.l. Started his career at Studio Associato Tartaro (certified accountants).

*Vito Alfonso Gamberale* - Chairman and executive director of Italy 1 Investment SA. Promoter and CEO of Fondi Italiani per le Infrastrutture SGR S.p.A, the management company of F2i, Italian infrastructures fund. Director of the non-profit association AIL - Associazione Italiana Leucemia. Formerly CEO of Autostrade S.p.A. (today Atlantia S.p.A.); deputy chairman of 21 Investimenti, private equity fund controlled by Benetton family; CEO at SIP (today Telecom Italia S.p.A.), CEO of Tim (Telecom Italia Mobile). From1984 to 1991 he was chairman and CEO of several subsidiaries of ENI group. Started his career in corporate finance, M&A, startup, restructuring and privatisations at IMI and GEPI.

*Adriana Cerea* - Managing director at IVS Italia S.p.A. Formerly head of HR and trade unions relations, of administration at Bergamo Distributori SpA, Elledi S.r.l., Gestioni Servizi Automatici S.r.l. before their merger into IVS Italia S.p.A. in 2006. From 2006 to 2018 he was head of HR at IVS Italia S.p.A.

*Monica Cerea* - From 1999 to 2004 worked in LD S.r.l., with responsibility on administration and accounting. In 2005 worked at Studio Tributario di Romano di Lombardia (tax and work advisory). Monica Cerea works in the IVS Group since 2008 in IVS Italia S.p.A. in human resources area.

*Luigi De Puppi* – Since 1973 in Olivetti as assistant to the president of Olivetti Corporation America and responsibile for finance, administrations and control of Olivetti Argentina S.A. In 1983 responsible for planning and control at Raggruppamento Chimica Fine of Montedison group. In 1984 responsibile finance and control at Industrie Zanussi S.p.A, where he became general manager in 1990. From 1996 CEO at Electrolux Zanussi S.p.A. In 2001, CEO at Benetton Group S.p.A. From 2003 to 2006 he was CEO and general manager at Banca Popolare FriulAdria S.p.A. (today Crédit Agricole Italia). From Oct 2006 to May 2011 he was Chairman and CEO at Toro Assicurazioni S.p.A.

*Raffaele Agrusti* - From 1983 to 2012 various roles with increasing responsibility in Generali Assicurazioni Group: Assicurazioni Generali S.p.A.: Country manager Italy, CEO Generali Italia S.p.A., General Manager Assicurazioni Generali S.p.A., CFO, Deputy General manager, head of group tax advisory- Jan 2014 - March 2016, strategic advisory in insurance and finance sector.. 2016/2017 CFO at RAI-Radio Televisione Italiana S.p.A. in charge of administration, finance, control, branches coordination, real estate, general services. From 2016 to 2019, Chairman of RAI WAY S.p.a. Since June 2017 General manager of ITAS MUTUA e ITAS VITA.

*Carlo Salvatori* - Started his career at BNL Banca Nazionale del Lavoro with growing responsibilities in Italy and abroad. From 1980 to 1987 he was Deputy General Manager Banca and Cassa di Risparmio di Parma. From 1987 to 1989 he served as Direttore Centrale at BNL. From 1990 to 1996 he worked as General manager and CEO of Banco Ambrosiano Veneto. From 1996 to1998 Carlo Salvatori was General Manager and director at Cariplo. From January 1998 to November 2000 he was CEO at Banca Intesa. 2002-2006 Deputy Chairman at Mediobanca and Chairman of Gruppo UniCredito Italiano. 2006-2010 CEO at Unipol Gruppo Finanziario. Deputy Chairman of Banca Commerciale Italiana (1999/2000), Cariplo (1996/2000), Banco Ambrosiano Veneto (1998-2000), Cassa di Risparmio di Parma e Piacenza (1998-2000), Chairman of the Supervisory Board of Bank-Austria Creditanstalt Vienna (Nov 2005- July 2006) – Membrer of the Supervisory Board of Bayerische Hypound Vereinsbank AG Monaco (Nov 2005- July 2006), Membrer of the Board of RAS (Apr 2003- Aug 2006), Aurora Assicurazioni (Apr 2007 – Jan 2009). He was formerly Chairman of Allianz SpA., and Lazard S.r.l., Chiesi Farmaceutici as well as Member of the Consiglio di Sovrintendenza of the IOR. He is currently member of the Board of Università Cattolica del Sacro Cuore, Ospedale Pediatrico Bambino Gesù and Riso Gallo SpA.

*Maurizio Traglio* – From 1982 to 1984, CEO of Coca Cola FAMIB S.p.A. From 1984 to1995, Chairman of S.I.B.E.C. S.p.A. From 1987 to 2007, Chairman of TECNOSYSTEMS S.r.l.. Chairman of Coca Cola SIBEB S.p.A. from 1993 to1995. From1995 Chairman and Managing Director of SIPAL S.p.A., real estate and holding company. From 1995 to 2007, Chairman of INTERCAR S.r.l., a company operating in the automotive sector. From 1998 to 2001, Chairman of COFFEE BREAK S.p.A., from 2001 to 2007 Chairman of CANTEL Refresh S.p.A., both in the vending sector. Since 2003 Managing Partner of MIND POWER THE ARTS, s.s.. Since 2003 Chairman and Managing Director of AURA Holding S.p.A. Since 2005 CEO of VHERNIER S.p.A., Jewellery, and Chairman of TECNOSPORT S.p.A.,

automotive. From 2009 to 2015, Director of ALITALIA S.p.A.. From 2009 to 2012, Director of G.B.M. Holding S.p.A. and Deputy Chairman of BANCA FEDERICIANA S.p.A. Since 2010 Chairman of COMO VENTURE S.r.l., and since 2012 member of the board of PIANOFORTE HOLDING S.p.A. From 2010 to 2012, CEO of DE VECCHI MILANO 1935 S.r.l.. Since 2012 CEO at VHERNIER Suisse S.A. From 2012 to 2016 director of WHYSOL INVESTMENTS I S.p.A., in renewable energy sector. Since 2019 Member of the Board of YACHT CLUB COSTA SMERALDA, yachting services.

*Mariella Trapletti* - From 1972 to 1979 director at Chiorda Sud S.p.a., Chiorda Nord S.p.a. and Silm Italiana S.p.a., companies active in bikes and bike components manufacturing. From 1979 to 1991 head of administration at Fiv. Edoardo Bianchi, bikes production. From 1991 to 2008, board member and head of administration at Bianchi Vending S.p.a., vending machines manufacturer.

The following table indicates the corporations or partnerships in which the members of the Board of Directors of the Issuer participate as members of the administrative, management or supervisory bodies, or as shareholders, members or partners, as of the date of this Prospectus.

| Name | Offices | Company |
|---|---|---|
| Mr. Paolo Covre ..... | Director | Goriziane Group S.p.A. |
| | Director and Chairman | P.L.I Professional Lighting Internationl A.p.S. |
| | Director and Chairman | Eurofinim S.r.l. |
| | Director and Chairman | SGM Finance A.p.S. |
| | Director and Chairman | SGM Light A/S |
| | Director and Chairman | SGM Lighting Inc. |
| | Director and Chairman | CP & Partners S.r.l. |
| Mr. Massimo Paravisi ..... | Sole director | Astro S.r.l. |
| | Director | Consorzio Internazionale del Vending |
| | Shareholder | Astro S.r.l. |
| Mr. Antonio Tartaro ..... | Chairman | Breuil 3 S.r.l. |
| | Director | Cellulose Converting Solutions S.p.A. |
| | Liquidator | Mel Real Estate S.p.A. (in liquidation) |
| | Director | Consorzio Internazionale del Vending |
| | Director | West Fund Management Company S.a.r.l. |
| | Shareholder | Breuil 3 S.r.l. |
| Mr. Vito Alfonso Gamberale ..... | Director and Chairman | Iterchimica S.r.l. |
| | Sole Director | VMG Partecipazioni S.r.l. |
| | Director and Chairman | Storage Solution Provider S.r.l. |
| | Director | Ail - Sezione Romail Vanessa Verdecchia Onlus |
| | Shareholder | Iterchimica S.r.l. |
| | Shareholder | "Fine Foods & Pharmaceuticals N.T.M. S.p.A." |

| | | |
|---|---|---|
| | Shareholder | VMG Partecipazioni S.r.l. |
| Ms. Adriana Cerea ..... | Director and Chairman | Lo.Gi.Ca. Cooperativa Sociale Onlus |
| | Shareholder | Astro S.r.l. |
| Ms. Monica Cerea ..... | Sole Director | Astrid Immobiliare S.r.l. |
| | Director | Crimo S.r.l. |
| | Shareholder | Astrid Immobiliare S.r.l. |
| | Shareholder | Crimo S.r.l. |
| Mr. Luigi De Puppi ..... | Director | Pietro Rosa T.B.M. S.r.l. |
| | Director | Ferriere Nord S.p.A. |
| | Managing Partner | Società Agricola Luigi De Puppi di Luigi De Puppi De Puppi e C. S.s. |
| | Director | Propensione S.p.A. |
| | Chief executive officer | Maschio Gaspardo S.p.A. |
| | Statutory Auditor | Matal World S.p.A. |
| | Director | Compagnia Siderurgica Italiana S.r.l. |
| | Shareholder | Stella S.r.l. |
| | Shareholder | Ferrari Marcellino S.r.l. |
| Mr. Raffaele Agrusti ..... | CEO | Nuova ITAS VITA S.p.A. |
| | CEO | ITAS Istituto Trentino Alto Adige per Assicurazioni Società di Mutua di Assicurazioni |
| | CEO | ITAS Vita S.p.A. |
| | Shareholder | Propensione S.p.A. |
| Carlo Salvatori ..... | Director and Chairman | Lazard S.r.l. |
| | Managing Partner | Smarano Società Semplice |
| | Managing Partner | Antini Società Semplice |
| | Managing Partner | Sora Società Semplice |
| | Director | Riso Gallo S.p.A. |
| | Director | Ospedale Pediatrico Bambino Gesù Città del Vaticano |
| | Chairman | Operation Smile ONLUS |
| Mr. Maurizio Traglio ..... | Managing Director and Chairman | Tecnosport S.p.A. |
| | Managing Director and Chairman | Sipal S.r.l. |
| | Managing Partner | Mind Power the Arts Partnership |
| | Director and Chairman | Como Venture S.r.l. |
| | Managing Director | Vhernier S.p.A. |
| | Managing Director and Chairman | Aura Holding S.p.A. |

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|---|---|---|
| | Director | Pianoforte Holding S.p.A. |
| | Director | Vhernier Suisse S.A. |
| | Managing Partner | SCI Faubourg 74 – Paris |
| | Director | Ekalape Corp. – New York |
| | Director | Servizi Yachting S.r.l. |
| | Shareholder | Aura Holding S.p.A. |
| Ms. Mariella Trapletti | Sole administrator | Immobiliare Della Torre S.r.l. |
| | Director | Trapper's Company S.r.l. |
| | Director | Immobiliare Vending S.r.l. |
| | Director | A3 S.r.l. |
| | Director | Immobiliare 2000 S.r.l. |
| | Director | Bianchi Industry S.p.A. |
| | Managing Director | Brasilia Italia S.r.l. |
| | Director | Bianchi Industry After Sales S.r.l. |
| | Sole Director | Immobiliare Mirto S.r.l. |
| | Shareholder | Immobiliare Mirto S.r.l. |
| | Shareholder | Immobiliare Della Torre S.r.l. |

*Conflicts of Interest*

The table below sets forth the shareholdings in the Issuer of certain of the members of the Issuer's Board of Directors, and the nature thereof as of the date of this Prospectus. Other than their shareholdings in the Issuer, members of the Issuer's Board of Directors do not have potential conflicts of interests between any duties to the Group and their private interests or other duties, as of the date of this Prospectus.

| Name of beneficial owner | Nature of Ownership | Number of Shares | % ownership of the Issuer |
|---|---|---|---|
| Paolo Covre | Indirect through IVS Partecipazioni | 516,719 | 1.3% |
| Massimo Paravisi | Indirect through IVS Partecipazioni | 588,697 | 1.5% |
| Antonio Tartaro | Direct | 1,240 | 0.0% |
| Vito Alfonso Gamberale | Indirect through VMG Partecipazioni | 198,374 | 0.5% |
| Adriana Cerea | Indirect through IVS Partecipazioni | 79,294 | 0.2% |
| Monica Cerea | Indirect through IVS Partecipazioni | 2,452,869 | 6.3% |
| Maurizio Traglio | Indirect through IVS Partecipazioni | 111,345 | 0.3% |
| Mariella Trapletti | Indirect through IVS Partecipazioni | 344,055 | 0.9% |

*Annual General Meeting*

The resolutions of the shareholders are adopted at the General Meetings. The General Meeting has the broadest powers to adopt and ratify all acts and operations consistent with the corporate object.

The annual general meeting of shareholders shall be held in Luxembourg within six (6) months from the end of the previous financial year at the Company's registered office or at any other place in the Grand Duchy of Luxembourg, as finally determined by the Board of Directors and indicated in the convening notice. Other general meetings of shareholders are held at such places and times as may be specified in the respective notices of meeting.The

resolutions of the General Meeting are passed by a simple majority of the votes cast, regardless of the proportion of the share capital represented unless otherwise provided for in the Commercial Companies Law or in the articles of association of the Issuer.

The extraordinary General Meeting may amend the articles of association of the Issuer only if at least one half of the share capital is represented and the agenda indicates the proposed amendments to the articles of association as well as the text of any proposed amendments to the object or form of the Issuer. If this quorum is not reached, a second General Meeting may be convened and it deliberates validly regardless of the proportion of the capital represented. Whether on first or second call resolutions of the extraordinary General Meeting must be adopted by at least two-thirds of the votes cast.

*Pursuant to the Commercial Companies Law, any increase of a shareholder's commitment in the Issuer requires the unanimous consent of the shareholders.Executive Officers*

Set forth below is certain information concerning the individuals serving as the executive officers of the Issuer.

The Executive Officers of the Issuer are domiciled for the carrying out of their duties at the Issuer's operational headquarters.

| Name | Age | Position |
|---|---|---|
| Mr. Paolo Covre | 72 | Chairman |
| Mr. Massimo Paravisi | 51 | Co-Chief Executive Officer |
| Mr. Antonio Tartaro | 53 | Co-Chief Executive Officer |
| Mr. Alessandro Moro | 44 | Chief Financial Officer |
| Ms. Adriana Cerea | 73 | Head of Human Resources |
| Ms. Monica Cerea | 44 | Head of Compensation and Benefits, IVS Italia |
| Mr. Adriano Fabbrica | 58 | Chief Human Resources Officer |

*Alessandro Moro* – Alessandro Moro first entered IVS in 2010 as Finance Manager and was appointed CFO in 2014. He started his career as an auditor at Arthur Andersen and then Deloitte until 2007. From 2007 to 2010 he was Finance Manager at GTS Group, Italian leader in the professional cosmetics sector.

*Adriano Fabbrica* – Adriano Fabbrica joined Ivs Group in 2007 as Head of Human Resorces. Before joining the Group, Adriano Fabbrica worked in Eurosei S.p.A. Group and in the multinational company Cwc Boco. Following such professional experience, Adriano joined the multinational company Elis, leader in the European market for rental and maintenance of textile articles and in the market of personal hygiene products, where he specialized in HR management.

*Paolo Covre* – for biographic information concerning Mr. Covre see "*—The Issuer—Board of Directors*" above.

*Massimo Paravisi* – for biographic information concerning Mr. Paravisi see "*—The Issuer—Board of Directors*" above.

*Antonio Tartaro* – for biographic information concerning Mr. Tartaro see "*—The Issuer—Board of Directors*" above.

*Adriana Cerea* – for biographic information concerning Mrs. Cerea see "*—The Issuer—Board of Directors*" above.

*Monica Cerea* – for biographic information concerning Mrs. Cerea see "*—The Issuer—Board of Directors*" above.

*Corporate Governance*

The Issuer has adopted the Corporate Governance Code (*Codice Autodisciplina*) issued by Borsa Italiana that constitutes best practices in the Italian market. The Corporate Governance Code is available to the public on the Borsa Italiana website (www.borsaitaliana.it) (the "**Borsa Italiana Website**").

As of the date of this Prospectus, the Board of Directors has established two committees: the nomination and compensation committee ("**Nomination and Compensation Committee**") and the internal audit and risk committee ("**Internal Audit and Risk Committee**").

*Independent Directors*

As a company whose shares are publicly-traded on the *Mercato Telematico Azionario* of the Borsa Italiana, the Issuer is required, pursuant to Article 3 of the Corporate Governance Code to appoint certain non-executive independent directors. Currently the following directors are independent directors within the meaning of Italian provisions above: Mr. Luigi De Puppi, Mr Carlo Salvatori and Mr. Raffaele Agrusti.

The independence of directors classified as independent directors is periodically assessed by the Issuer's Board of Directors to determine and verify that such directors do not have, nor have recently had, directly or indirectly, any business relationships with the Group or parties affiliated with us, of such a significance as to influence their independent judgment.

*Supervisory Board for Decree 231*

The Issuer's Board of Directors has established a Supervisory Board, which consists of: Elena Soldani (Chairman), Paolo Cerutti,Francesco Ferrari. The Supervisory Board has independent powers of initiative and control whose duty is to supervise the functioning of and compliance with the OMC model and to ensure its updating.

*Nomination and Compensation Committee*

The Issuer's Board of Directors has established a Nomination and Compensation Committee, which consists of: Messrs. Luigi De Puppi (Chairman), Raffaele Agrusti and Carlo Salvatori. The Nomination and Compensation Committee proposed, and the Issuer's Board of Directors adopted, a general compensation policy for executive directors and directors entrusted with specific offices and managers with strategic responsibilities.

*Internal Audit and Risk Committee*

The Issuer's Board of Directors has established an Internal Control Committee, which consists of: Messrs. Luigi De Puppi (Chairman), Raffaele Agrusti and Carlo Salvatori. The Internal Audit and Risk Committee formulates, implements and monitors the adequacy and efficacy of the Issuer's functions. It also provides recommendations to the Issuer's Board of Directors in the areas of corporate governance, internal audit and internal policies and transactions with external auditors.

*Management Incentive Plan*

On November 15, 2018, the Board of Directors of IVS Group approved, with the favourable opinion of the Nomination and Compensation Committee, the proposal to submit to the shareholders' meeting, in accordance with Article 114-*bis* of Legislative Decree no. 58 as of February 24, 1998, as amended and supplemented, the adoption of a share-based incentive plan for the period 2019-2021. On December 28, 2018, the extraordinary shareholders' meeting of IVS Group S.A. approved the plan (the "**Incentive Plan**"). On March 19, 2019, the Board of Directors of IVS Group S.A., upon the non-binding opinion of the Nomination and Compensation Committee, further amended and integrated the Incentive Plan.

In particular, the Incentive Plan, as approved on December 28, 2018, provided for the assignment to the executive directors and key managers of the IVS Group of the option right (the "**Option**") to purchase a total of n.350 thousand shares of the Company. On March 19, 2019 the Incentive Plan was amended in order to increase to n.355 thousand the number of shares allocated to the Incentive Plan, in order to include some additional key managers among the beneficiaries of the plan.

We believe that the Incentive Plan is an effective way to strengthen loyalty of key and strategic persons for the Group growth. The main purposes of the adoption of the Incentive Plan are set as follows: (i) align the interests of the beneficiaries with the achievement of the priority goal of creating value for the shareholders of the Group in the medium-long term; (ii) focus the attention of the beneficiaries on strategic factors, among which the stock market performance of IVS shares and the underlying drivers; (iii) encourage the loyalty and the engagement of the beneficiaries and their permanence in the Group.

The Incentive Plan is addressed to: (i) the Co-CEOs of IVS Group, (ii) the Country CEO Spain, (iii) the Group chief financial officer (CFO), (iv) the Group's human resources manager, (v) the Heads of Area (including some directors of controlled companies), and (vi) the vending machine's processing manager. Moreover, the Incentive Plan is also addressed to the employees and to the collaborators of the Group as identified by the Board of Directors among those who hold strategic roles and/or are in charge of strategic functions in the Group (or for the Group) and whose retention can be an important enabler of value creation.

In order to be eligible as beneficiary of the Incentive Plan, the following conditions must be met: (i) to have a work relationship in place with IVS Group and/or with one of its subsidiaries; (ii) not to be recipients of a dismissal or withdrawal from the Company or from one of its subsidiaries, or termination of the work relationship; (iii) to have not agreed to a mutual termination of the work relationship.

In order for the Options to be exercisable, the Incentive Plan provides specific performance measures which must be matched: (i) Stock market performance of IVS shares; (ii) Adjusted EBITDA for fiscal year 2021; (iii) Ebitda – Capex Adjusted for fiscal year 2021; Net Profit of the Group after deductions for fiscal year 2021.

The Options can be exercised even in case one of the objectives above is not fully achieved. In such event the following mechanism shall apply upon fulfilment of each objective: (i) target 100: 100%; (ii) target 70 ≤ 100%: 70%; (iii) target < 70%: 0%.

The achievement of each individual target above will entitle to the exercise of 25% of the Options.

***The Future Guarantors***

*IVS Italia*

IVS Italia was incorporated as a private joint stock company (*società per azioni)* under the laws of Italy on June 16, 2006 with a duration until December 31, 2040 (subject to amendments to its by-laws). IVS Italia's registered office are loctaed at Via dell'Artigianato, 25, Seriate (BG) 24068, Italy and it is registered in the Business Register of Bergamo (*Registro delle Imprese di Bergamo*) under registration number and fiscal code 03320270162, and its telephone number is +39 02 57 523 000.

*Board of Directors*

Management of IVS Italia is the exclusive responsibility of the administrative body, who shall carry out all the acts, legal transactions and the actions necessary to pursue the company's object.

Pursuant to the articles of association of IVS Italia, IVS Italia is managed alternatively by a sole director or by the Board of Directors composed of a minimum of 9 to a maximum of 13 members, appointed by the General Meeting, who need not be shareholders of the IVS Italia.

Directors shall be appointed for a period established at the time of appointment, which may in no event be greater than three fiscal years, and they are eligible for re-election.

Directors may be removed at any time (with or without just cause) by a resolution of the General Meeting of shareholders. In the event of revocation resolved without just cause, the director is not entitled to any compensation for damage.

Pursuant to the articles of association of IVS Italia, the Board of Directors can validly deliberate only if is present a majority of its members. The resolutions of the Board of Directors are validly taken by a majority of the votes of directors present. In case of a tie the vote of the person chairing the meeting shall prevail.

The persons set forth below are the current members of the Board of Directors of IVS Italia.

The Board of Directors of IVS Italia manages the business activities of IVS Italia.

The Directors of IVS Italia are all domiciled for the carrying out of their duties at IVS Italia's registered office.

| Name | Age | Position |
|---|---|---|
| Mr. Paolo Covre | 72 | Chairman |
| Mr. Massimo Paravisi | 51 | Director |
| Ms. Adriana Cerea | 73 | Director |
| Mr. Maurizio Cesaracciu | 59 | Director |
| Mr. Mario Tessaro | 70 | Director |
| Mr. Stefano Baccelloni | 63 | Director |
| Mr. Antonio Tartaro | 53 | Director |
| Mr. Angelo Bonacina | 79 | Vice Chairman |
| Mr. Giorgio Grappasonni | 50 | Director |
| Mr. Paolo Gionfriddo | 51 | Director |

*Maurizio Cesaracciu* serves on the IVS Italia Board of Directors. From 1982 to 1995, he was the sole director of Eladatis S.r.l. From 1983 to 1989, he served as a regular auditor of Canteen Italiana S.p.A. From 1995 to 2001, he was a general partner of Cantel S.a.s. From 2001 to 2002, he served as a director of Barmatic S.r.l. From 2002 to 2006, he was a director of D.A. Caffè Service S.r.l. Since 2007, he has served as a director of IVS Italia.

*Mario Tessaro* serves on the IVS Italia Board of Directors. From 1973 to 1979, he worked as an operating partner of DAR, a company which operates in the vending business, and then for GEDIL (a company which operates in the vending machines business). From 1979 to 2007, he served as managing director, with operations management responsibilities, of GSA S.r.l. (a company which operates in the vending machines business). Since 2007, following the merger of GSA S.r.l. into IVS Italia S.p.A., he has served as the managing director and executive operations manager of IVS Italia for the Lazio region.

*Stefano Baccelloni* serves on the IVS Italia Board of Directors. From 1973 to 1979, he worked for DAL and then for GEDIL (a company which operates in the vending machines business). From 1979 to 2007, he served as the managing director, with sales management responsibilities, of GSA S.r.l. (a company which operates in the vending machines business), which was merged into IVS Italia S.p.A in 2007. Since 2007, he has served as managing director and executive sales manager of IVS Italia for the Lazio region.

*Angelo Bonacina* - serves on the IVS Italia Board of Directors. From 1961 to 1963, he worked as an operating partner of IMD (Italiane Macchine Distributrici), a company which operates in the technical assistance of vending machines; from 1963 to 1977 managed as shareholder, with operations management responsibilities (in joint with Cesare Sala) the Bo.Sa. S.r.l. (a company which operates in the vending machines business). In 1977 Bo.Sa. S.r.l. merged into Bergamo Distributori (a Cesare Cerea vending business company) and since 2007, following the merger of Bergamo Distributori into IVS Italia S.p.A., he served the company as commercial and managing director in Lombardia region.

*Giorgio Grappasonni* - serves on the IVS Italia Board of Directors and he is CCO. From 1998 to 2003, he worked for GSA (a company which operates in the vending machines business). From 2003 to 2007, he served as the managing director, with sales management responsibilities, of Italia Ristoro S.r.l. (a company which operates in the vending machines business), which was merged into IVS Italia S.p.A in 2007. From 2007 to 2014 he has executive sales manager of IVS Italia for the Tuscany region. Since 2014 he has served as Chief Commercial Officer of IVS Group.

*Paolo Gionfriddo* – serves as CEO of SDA 2000 S.r.l. (formely named Co.LI.DA Compagnia Ligure Distributori Automatici) since 1986. From 1990 to 2003 Paolo Gionfroddo was director of DAS Distributori Automatici Siracusa and, from 1999 to 2008, he was founder and director of Sicil Vending. Paolo was also director of various companies operating in the vending sector, such as Teknovend, Genova Caffè, Ligurmatk, Automatica Settentrionale. Paolo was appointed as director of IVS Italia following the acquisition of SDA 2000 S.r.l. from IVS Group.

*Paolo Covre* - for biographic information concerning Mr. Covre see "*—The Issuer—Board of Directors*" above.

*Massimo Paravisi* - for biographic information concerning Mr. Paravisi see "*—The Issuer—Board of Directors*" above.

*Adriana Cerea* - for biographic information concerning Ms. Cerea see "*—The Issuer—Board of Directors*" above.

Antonio Tartaro - for biographic information concerning Mr. Tartaro see "*—The Issuer—Board of Directors*" above.

The following table indicates the corporations or partnerships in which the members of the Board of Directors of IVS Italia participate as members of the administrative, management or supervisory bodies, or as shareholders, members or partners, as of the date of this Prospectus.

| Name | Offices | Company |
|---|---|---|
| Mr. Maurizio Cesaracciu..... | Partner | MC AG – S.a.S. Di Maurizio Cesaracciu & C. |
| | Director | Ciesse Caffè S.r.l. |
| Mr. Mario Tessaro..... | Director/Shareholder | Immobiliare Vending S.r.l. |
| | Sole Director/Shareholder | Uniongea S.r.l. |
| Mr. Stefano Baccelloni..... | Sole Director/Shareholder | Turais S.r.l. |
| Mr. Angelo Bonacina ..... | Sole Director/Shareholder | MI.A S.r.l. |
| Mr. Paolo Gionfriddo ..... | Sole Director/Shareholder | San Raffaele S.p.A. |

*Conflicts of Interest*

The table below sets forth the shareholdings in the Issuer of certain of the members of IVS Italia's Board of Directors, and the nature thereof as of the date of this Prospectus. Other than their shareholdings in the Issuer, the members of IVS Italia's Board of Directors do not have potential conflicts of interests between any duties to the Group and their private interests or other duties, as of the date of this Prospectus.

| Name of beneficial owner | Nature of Ownership | Number of Shares | % ownership of the Issuer |
|---|---|---|---|
| Maurizio Cessaracciu..... | Indirect through IVS Partecipazioni | 11,735 | 0.0% |
| Mario Tessaro ..... | Indirect through IVS Partecipazioni | 539,653 | 1.4% |
| Stefano Baccelloni ..... | Indirect through IVS Partecipazioni | 330,361 | 0.8% |
| Angelo Bonacina ..... | Indirect through IVS Partecipazioni | 378,861 | 1.0% |
| Paolo Gionfriddo ..... | Direct | 234,206 | 0.6% |

*Annual General Meeting*

The ordinary shareholders' meeting may discuss and resolve upon all matters falling within its legal powers and the articles of association. The extraordinary shareholders' meeting may discuss and resolve upon all matters falling within its legal powers that are not delegated by the articles of association to the exclusive jurisdiction of the administrative body and on matters reserved to it by the same articles of association.

The annual general meeting of shareholders shall be held in Italy, at the registered office of the Issuer or at such other place provided that in Italy. An ordinary shareholders' meeting must be convened at least once a year, to approve the financial statements, within one hundred twenty days of the close of IVS Italia's fiscal year, or within one hundred eighty days when the IVS Italia is obligated to prepare consolidated financial statements or, in any event, when required by particular needs related to IVS Italia's structure and purpose.

Other general meetings of shareholders are held at such places and times as may be specified in the respective notices of meeting.

The ordinary shareholders' meeting, in first and second calling, shall be deemed validly constituted with the presence of shareholders representing at least one half plus one of the share capital and resolves with an absolute majority of the share capital represented at the shareholders' meeting. The extraordinary shareholders' meeting, in first and second calling, resolves with the presence of shareholders representing more than half of the share capital.

*Executive Officers*

Set forth below is certain information concerning the individuals serving as the executive officers of IVS Italia.

The Executive Officers of IVS Italia are domiciled for the carrying out of their duties at IVS Italia's registered office.

| Name | Age | Position |
|---|---|---|
| Mr. Paolo Covre | 72 | Chairman |
| Mr. Massimo Paravisi | 51 | Co-Chief Executive Officer |
| Mr. Antonio Tartaro | 53 | Co-Chief Executive Officer |

For biographic information concerning the executive officers of IVS Italia, see "*—The Issuer—Board of Directors*".

*Board of Statutory Auditors*

The Board of Statutory Auditors supervises compliance with the law and the articles of association, respect for the principles of correct administration and in particular on the adequacy of the organisational, administrative and accounting arrangement adopted by the company and on its proper functioning.

Pursuant to Article 20 of the by-laws of IVS Italia, the Board of Statutory Auditors is composed of three regular auditors and two alternate auditors. The current Board of Statutory Auditors of the Company was appointed at the ordinary shareholders' meeting on April 28, 2017 for a period of three fiscal years. The responsibilities, duties and term of office of the statutory auditors are those established by law. The Board of Statutory Auditors of the Company is composed of the necessary number of independent members as required by law.

| Name | Age | Position |
|---|---|---|
| Mr. Paolo Cerutti | 59 | Chairman of the Board of Statutory Auditors |
| Mr. Giuseppe Nicastro | 74 | Acting auditor |
| Mr. Fabrizio Testa | 54 | Acting auditor |
| Ms. Tiziana Colussi | 44 | Substitute auditor |
| Ms. Maria Cristina Pituello | 40 | Substitute auditor |

The business address of each member of the Board of Statutory Auditors of IVS Italia is Via dell'Artigianato, 25, Seriate (BG) 24068, Italy.

Set out below are brief biographies of the members of the Board of Statutory Auditors of IVS Italia.

*Paolo Cerutti* graduated with a degree in economics and commerce in 1984. In 1986, he qualified as chartered accountant and he enrolled in the professional accounting body (*Ordine dei Dottori Commercialisti)* of Udine. In 1995, he enrolled in the independent advisors professional body. In 1989, he started a professional association in Udine. In 1995, he founded the advisory firm CP & Partners. He has served as the Chairman of the Board of Directors of Amga Azienda Multiservizi S.p.A., the main multi-utility company of Udine, as well as the Chairman of the Board of Statutory Auditors of Seleco and Brionvega. He also is a founder partner of the cultural Association "Vicino Lontano", where he holds the office of Chairman. He currently holds the office of Statutory Auditor and Director in many companies.

*Giuseppe Nicastro* graduated with a degree in economics and commerce in 1968. In 1971, he qualified as a chartered accountant and enrolled in the professional accounting body (*Ordine dei Dottori Commercialisti)* of Bergamo. In 1995, he enrolled in the independent advisors' professional body. From 1994 to 2000, he held the office of Tax Court Judge in the provincial tax commission of Bergamo. He also worked as an independent auditor for local authorities. His practice involves providing corporate, administrative, accounting and tax-related advice to real-estate companies. He currently holds the office of Statutory Auditor in many companies.

*Fabrizio Testa* qualified as a chartered accountant in 1994. He performs his business-related advisory activities in reference, in particular, to ordinary and extraordinary corporate, administrative, accounting and tax-related activities, and to the preparation of appraisals and debt restructuring and rebalancing plans. He is a member of the company law commission of the professional accounting body (Ordine dei Dottori Commercialisti) of Udine. He currently holds the office of statutory auditor in many companies which operate in the financial sector and are subject to the supervision of Bank of Italy, as well as of director in many other companies.

*Tiziana Colussi* graduated in economics and commerce at the University of Udine in 2000. From 2000 to 2005 she worked as a Senior Auditor at Reconta Ernst & Young S.p.A. of Treviso. Since 2005 she has worked at the firm CP & Partners. Since 2007, she has been a member of the professional accounting body (Albo dei Dottori Commercialisti) of Pordenone. Her practice involves, in particular, advising small and medium-sized business on extraordinary business activities in reference, in particular, to tax-related, legal and corporate issues, re-organisations or restructurings and certain extraordinary transactions such as mergers, demergers, transformations. She also prepares corporate appraisals and provides advice in the context of the preparation of balance sheets and accounting and risk management systems. She currently also serves as a regular statutory auditor in business corporations.

*Maria Cristina Pituello* graduated in economics and commerce in 2002. Since 2002, she has been working as a trainee and then as an accountant and independent auditor for the professional association CP & Partners" In 2006, she qualified as a chartered accountant and independent auditor at the University "Ca Foscari" of Venice. Her practice involves, in particular, advising clients with respect to ordinary and extraordinary contractual, corporate, financial and tax-related areas in favour of both companies and group of companies, as well as with respect to reorganisation and restructuring activities of companies and groups of companies, as well as with respect to the preparation of extra-judicial corporate restructuring plans and insolvency proceedings and appraisals of companies and company branches.

The following table indicates the corporations or partnerships in which the members of the Board of Statutory Auditors of IVS Italia participate as members of the administrative, management or supervisory bodies, or as shareholders, members or partners, as of the date of this Prospectus.

| Name | Offices | Company |
|---|---|---|

| | | |
|---|---|---|
| Mr. Paolo Cerutti..... | Chairman of the Board of Statutory Auditors | Grandi Alberghi Grado S.p.A. |
| | Acting Auditor | Mestieri & Mestieri—Società Cooperativa |
| | Director | Università degli Studi di Udine |
| | Director | Maf2 S.r.l. |
| | Sole Administrator | Itaca S.r.l. |
| | Vice Chairman | CP & Partners S.r.l. |
| | Shareholder | Itaca S.r.l. |
| | Shareholder | CP & Partners S.r.l. |
| | Shareholder | I.T.S. S.r.l. |
| Mr. Giuseppe Nicastro ..... | Chairman of the Board of Statutory Auditors | Edilferri S.p.A. |
| | Sole Administrator | Imbos S.r.l. |
| | Acting Auditor | Dicomi S.r.l. |
| Mr. Fabrizio Testa..... | Acting Auditor | Centro Servizi Doganali S.p.A. |
| | Statuary Auditor | Unicar S.r.l. |
| | Acting Auditor | CIM S.p.A. |
| | Acting Auditor | Qbell S.p.A. (in liquidation) |
| | Chairman of the Board of | Framon S.p.A. |
| | Acting Auditor | Gielle S.p.A. |
| | Acting Auditor | Chiesa & Tirelli Rotograf S.p.A. |
| | Acting Auditor | Zanni Holding S.p.A. |
| | Acting Auditor | A&B Prosciutti S.p.A. |
| | Director | Picaron S.r.l. |
| | Substitute Auditor | Colorprint S.p.A. |
| | Director | CP & Partners S.r.l |
| | Acting Auditor | DEM S.p.A. |
| | Acting Auditor | Geo. Coil S.r.l. |
| | Director | I.T.S. S.r.l. |
| | Chairman of the Board of Statutory Auditors | Qbell Technology S.p.A. |
| | Acting Auditor | Fornaci di Manzano S.p.A. |
| | Liquidator | Forum Iulii Immobiliare S.r.l. (in liquidation( |
| | Liquidator | Sviluppo Sabina S.r.l. (in liquidation) |
| | Sole Administrator | Easy Component S.r.l. |
| | Acting Auditor | Autonord Fioretto S.p.A. |
| | Chairman of the Board of Statutory Auditors | Carini Srl |
| | Shareholder | Picaron S.r.l. |
| | Shareholder | CP & Partners S.r.l. |
| | Acting Auditor | Tre Emme S.p.A. |
| | Shareholder | I.T.S. Srl |

| | | |
|---|---|---|
| | Shareholder | Forum Iulii Immobiliare S.r.l. (in liquidation) |
| Ms. Tiziana Colussi..... | Acting Auditor | C.D.A. – Società Cooperativa Distributori Automatici |
| Ms. Maria Cristina Pituello ..... | Acting Auditor | Goriziane Group S.p.A. |
| | Acting Auditor | C.D.A. – Società Cooperativa Didtributori Automatici |
| | Substitute Auditor | S.I.SV.EL. S.p.A. Senza Vincoli di Rappresentazione Grafica |
| | Substitute Auditor | Eurotel S.p.A. |
| | Acting Auditor | Immobiliare Delfino S.r.l. |
| | Acting Auditor | Jolanda de Colò S.p.A. |
| | Acting Auditor | Railoc S.r.l. |

*Conflicts of Interest*

As of the date of this Prospectus, the above mentioned members of the Board of Statutory Auditors of IVS Italia do not have potential conflicts of interests between any duties to IVS Italia and their private interests or other duties.

*S. Italia*

S. Italia was incorporated as a private joint stock company (*società per azioni)* under the laws of Italy on 18 January 1999, with a duration until 31 December 2050 (subject to amendments to its by-laws). S. Italia's registered office is located at Via dell'Artigianato, 25, Seriate (BG) 24068, Italy, and it is registered in the Business Register of Bergamo (*Registro delle Imprese di Bergamo*) under registration number and fiscal code 12687800156, and its telephone number is +39 02 57 523 000.

*Board of Directors*

Management of the S. Italia is the exclusive responsibility of the administrative body, who shall carry out all the acts, legal transactions and the actions necessary to pursue the company's object.

Pursuant to the articles of association of S. Italia, S. Italia is managed alternatively by a sole director or by the Board of Directors composed of a minimum of 3 to a maximum of 13 members, appointed by the General Meeting, who need not be shareholders of the S. Italia.

Directors shall be appointed for a period established at the time of appointment, which may in no event be greater than three fiscal years, and they are eligible for re-election.

Directors may be removed at any time (with or without just cause) by a resolution of the General Meeting of shareholders. In the event of revocation resolved without just cause, the director is not entitled to any compensation for damage.

Pursuant to the articles of association of S. Italia, the Board of Directors can validly deliberate only if is present a majority of its members. The resolutions of the Board of Directors are validly taken by a majority of the votes of directors present. In case of a tie the vote of the person chairing the meeting shall prevail.

The persons set forth below are the current members of the Board of Directors of S. Italia.

The Board of Directors of S. Italia manages the business activities of S. Italia.

The Directors of S. Italia are all domiciled for the carrying out of their duties at S. Italia's registered office.

| Name | Age | Position |
|---|---|---|

| | | |
|---|---|---|
| Mr. Massimo Paravisi ..... | 51 | Director |
| Mr. Antonio Tartaro ..... | 53 | Director |
| Mr. Alessandro Stefanelli..... | 46 | Director |

*Massimo Paravisi* for biographic information concerning Mr. Paravisi see "*—The Issuer—Board of Directors*" above.

*Antonio Tartaro* for biographic information concerning Mr. Tartaro see "*—The Issuer—Board of Directors*" above.

*Alessandro Stefanelli* has worked for the IVS Group since 1994. His first experiences in the IVS group were in Bergamo Distributors, Elledi, IVS Italia and IVS Group, before joining S. Italia and, since 2016, member of the board of directors. He deals directly with all the Hardware logistics of the IVS group.

For information on the corporations or partnerships in which the members of the Board of Directors of S. Italia participate as of the date of this Prospectus, please see "*—The Issuer—Board of Directors*" above.

*Conflicts of Interest*

For information on the potential conflicts of interests of the members of S. Italia's Board of Directors, please see "*—The Issuer—Board of Directors—Conflicts of Interest*". Other than their shareholdings in the Issuer, the members of S. Italia's Board of Directors do not have potential conflicts of interests between any duties to the Group and their private interests or other duties, as of the date of this Prospectus.

*Annual General Meeting*

The ordinary shareholders' meeting may discuss and resolve upon all matters falling within its legal powers and the articles of association. The extraordinary shareholders' meeting may discuss and resolve upon all matters falling within its legal powers that are not delegated by the articles of association to the exclusive jurisdiction of the administrative body and on matters reserved to it by the same articles of association.

The annual general meeting of shareholders shall be held in Italy, at the registered office of the Issuer or at such other place provided that in Italy. An ordinary shareholders' Meeting must be convened at least once a year, to approve the financial statements, within one hundred twenty days of the close of S. Italia's fiscal year, or within one hundred eighty days when S. Italia is obligated to prepare consolidated financial statements or, in any event, when required by particular needs related to S. Italia's structure and purpose.

Other general meetings of shareholders are held at such places and times as may be specified in the respective notices of meeting.

The ordinary shareholders' meeting, in first and second calling, shall be deemed validly constituted with the presence of shareholders representing at least one half plus one of the share capital and resolves with an absolute majority of the share capital represented at the shareholders' meeting. The extraordinary shareholders' meeting, in first and second calling, resolves with the presence of shareholders representing more than half of the share capital.

*Executive Officers*

Set forth below is certain information concerning the individuals serving as the executive officers of S. Italia.

The Executive Officers of the S. Italia are domiciled for the carrying out of their duties at S. Italia's registered office.

| Name | Age | Position |
|---|---|---|
| Mr. Massimo Paravisi ..... | 51 | Co-Chief Executive Officer |
| Mr. Antonio Tartaro ..... | 53 | Co-Chief Executive Officer |

For biographic information concerning the executive officers of S. Italia, see "*—The Issuer—Board of Directors*".

*Board of Statutory Auditors*

The Board of Statutory Auditors supervises compliance with the law and the articles of association, respect for the principles of correct administration and in particular on the adequacy of the organisational, administrative and accounting arrangement adopted by the company and on its proper functioning.

Pursuant to Article 20 of the by-laws of S. Italia, the Board of Statutory Auditors is composed of three regular auditors and two alternate auditors. The current Board of Statutory Auditors of S. Italia was appointed at the ordinary shareholders' meeting on April 29, 2019 for a period of three fiscal years. The responsibilities, duties and term of office of the statutory auditors are those established by law. The Board of Statutory Auditors of S. Italia is composed of the necessary number of independent members as required by law.

| Name | Age | Position |
|---|---|---|
| Mr. Massimo Troppina..... | 52 | Chairman of the Board of Statutory Auditors |
| Ms. Maria Cristina Pituello ..... | 40 | Acting auditor |
| Mr. Valentino Mauro ..... | 56 | Acting auditor |
| Mr. Massimo Bassi..... | 45 | Substitute auditor |
| Ms. Monia Pividori ..... | 42 | Substitute auditor |

The business address of each member of the Board of Statutory Auditors of S. Italia is Via dell'Artigianato, 25, Seriate (BG) 24068, Italy.

Set out below are brief biographies of the members of the Board of Statutory Auditors of S. Italia.

*Massimo Troppina* graduated in economics and commerce at the University of Trieste in 1993. In 1995, he qualified as a chartered accountant, and then as an independent auditor. He started a professional association in Udine (Italy) and, in 1997, he founded the advisory firm CP & Partners. He currently serves both as a statutory auditor and a director in many other companies. He is a member of the experts and technical advisors panel of the Court of Udine, and has worked in the context of several non-contentious proceedings upon appointment by the President of the Court of Udine. He performs his business-related advisory and sale activities in reference, to the contractual, corporate, financial and tax-related areas of business— including in insolvency proceedings, in favour of companies or groups of companies. He also assists in the reorganisation and restructuring of companies and/or groups of companies, as well as extraordinary financing transactions and the transfer of block of shares and acquisitions.

*Maria Cristina Pituello* see "*—IVS Italia—Board of Statutory Auditors*".

*Mauro Valentino* graduated in economics and commerce at the Catholic University of the Sacred Heart of Milan in 1989 and qualified as a chartered accountant and auditor. He is currently a statutory auditor in many companies, a tax, legal and corporate consultant, specializing in extraordinary operations and in the sale and purchase of companies, particularly in the valuation of economic capital. It carries out its prevalent activity between Lombardy and Calabria.

*Massimo Bassi* graduated in economics and commerce from the University of Udine in 2000. In 2004, he worked as a lecturer in business accounting course at the Istituto Ricerche Economiche e Sociali of Friuli Venezia Giulia. From 2001 to 2005, he worked at the firm CP & Partners. Since 2007, he has served as a member of the professional accounting body (Albo dei Dottori Commercialisti) of Udine and he works as an accountant and independent auditor at the firm CP & Partners. His practice involves, in particular, advising on tax, legal, corporate and labour law matters as well as on operations related to the financial and economic planning of management, corporate reorganization and formalisation of internal procedures and independent auditing. In particular, he is in charge of providing advice in the context of the preparation of balance sheets, bankruptcy and debt restructuring plans as well as of commercial and non-commercial leases, or transfers of companies or company branches, and company wind-ups.

*Monia Pividori* graduated in economics and commerce at the University of Udine in 2002. From 2001 to 2007, she worked at the firm CP & Partners. Since 2007, she has been a member of the professional accounting body (*Albo*

*dei Dottori Commercialisti)* of Udine and works as an accountant and independent auditor at CP & Partners. Her practice involves, in particular, advising small and medium-size enterprises in the tax-related, legal and corporate issues as well as in international corporate tax-related matters, as well as in certain extraordinary transactions such as mergers, demergers, transformations, management and family buy-outs. She also prepares corporate appraisals. She currently serves as a regular statutory auditor in business corporations and as an independent auditor for local authorities.

The following table indicates the corporations or partnerships in which the members of the Board of Statutory Auditors of S. Italia participate as members of the administrative, management or supervisory bodies, or as shareholders, members or partners, as of the date of this Prospectus. For the relevant information concerning Maria Cristina Pituello see "*—IVS Italia—Board of Statutory Auditors*" above.

| Name | Offices | Company |
|---|---|---|
| Mr. Massimo Troppina..... | Director | CP & Partners S.r.l. |
| | Director | I.T.S. Srl |
| | Partner | Arcadia Srl |
| | Acting Auditor | Jolanda de Colò S.p.A. |
| | Substitute Auditor | Verardo S.p.A. |
| | Substitute Auditor | Chiesa & Tirelli Rotograf S.p.A. |
| | Shareholder | CP & Partners S.r.l. |
| | Shareholder | I.T.S. Srl |
| Mr. Valentino Mauro ..... | Acting Auditor | IVS Sicilia S.p.A. |
| | Acting Auditor | Fast Service Italia S.p.A. |
| | Chairman of the Board of Statutory Auditors | SDA-DDS S.p.A. |
| | Judicial Liquidator | Coffee and break S.r.l. |
| | Acting Auditor | S.D.A. 2000 società di distribuzione automatica S.r.l. |
| | Acting Auditor | Gruppo Gimoka S.r.l. |
| | Shareholder | Elettro Sistem S.r.l. |
| Mr. Massimo Bassi..... | Substitute Auditor | Framon S.p.A. |
| | Substitute Auditor | Telecomunicazioni Industrialia S.p.A. (in liquidation) |
| | Substitute Auditor | C.D.A. – Società Cooperativa Didtributori Automatici |
| | Substitute Auditor | Framon S.p.A. |
| | Acting Auditor | Zanini Holding S.p.A. |
| | Acting Auditor | DEM S.p.A. |
| | Substitute Auditor | Eurotel S.p.A. |
| | Acting Auditor | Qbell Technology S.p.A. |
| | Substitute Auditor | Aquileia Capital Srvices S.r.l. |
| | Acting Auditor | S.I.SV.EL. S.p.A. |
| | Substitute Auditor | Fornaci di Manzano S.p.A. |
| | Acting Auditor | Centro per le Arti Visive |
| Ms. Monia Pividori ..... | Chairman of the Board of Statutory Auditors | C.D.A. – Società Cooperativa Didtributori Automatici |
| | Substitute auditor | Framon S.p.A. |
| | Substitute auditor | A. & B. Prosciutti S.p.A. |
| | Substitute auditor | DEM S.p.A. |
| | Substitute auditor | Prosciuttificio DOK Dall'Ava S.p.A. |

*Conflicts of Interest*

As of the date of this Prospectus, the above mentioned members of the Board of Statutory Auditors of S. Italia do not have potential conflicts of interests between any duties to S. Italia and their private interests or other duties.

## Principal Shareholders

### *The Issuer*

*Share Capital and Principal Shareholders*

As of the date of this Prospectus, the Issuer had a share capital of Euro 363,558 comprised of 38,952,491 authorised Shares (of which 1,895,818 Shares are treasury shares), in each case without indication of nominal value and with equal dividend rights and one vote per share (excluding the treasury shares for which the voting right is suspended). Our Shares are listed for trading on the *Mercato Telematico Azionario*, STAR segment, of the Borsa Italiana under ticker symbol "IVS".

The table below sets forth the beneficial ownership of the Issuer according to the most recent information available to the Issuer as of the date of this Prospectus.

| | Shares[(1)] | | Voting Power |
|---|---|---|---|
| **Name of beneficial owner** | **Amount** | **%** | **%** |
| IVS Partecipazioni[(2)] | 23,068,739 | 62.3% | 62.3% |
| Amber Coffee Investment | 2,518,853 | 6.8% | 6.8% |
| Amber Active Investors Limited | 2,133,291 | 5.8% | 5.8% |
| Other free float on Borsa Italiana | 9,355,790 | 25.2% | 25.2% |
| **Total** | **37,056,673** | **100.0%** | **100.0%** |

(1) The Issuer holds 1,895,818 Shares (treasury shares), representing 4.87 per cent. of total Shares, which do not vote.

(2) IVS Partecipazioni is the vehicle which is beneficially owned by former IVS Group Holding S.p.A. shareholders including certain members of the Issuer's Board of Directors and senior management, including Messrs. Massimo Paravisi and Antonio Tartaro.

Previously, our share capital comprised Class A Shares together with Class B2 and B3 Shares owned by certain founding shareholders of Italy1. On July 21, 2017 IVS Group S.A acquired all the B2 and B3 Shares for a total consideration of EUR 23 thousand. Following such acquisition, the Extraordinary Shareholders' meeting held on December 13, 2017 resolved to reduce the share capital of the Issuer from EUR 386,892 to EUR 363,558 by cancellation of nr. 1,250,000 B2 shares and nr. 1,250,000 B3 shares.

*Issuer Controlling Shareholder*

Our controlling shareholder is IVS Partecipazioni which is a private joint stock company (*società per azioni)* organised under the laws of Italy. IVS Partecipazioni is a vehicle owned by a group of entrepreneurs who largely comprise previous owners of IVS Group Holding. Mrs. Monica Cerea, Cristina Cerea and Graziella Adami are the largest shareholders of IVS Partecipazioni, controlling votes equivalent to a 32.5 per cent. stake (aggregating their directly owned stake with that of Crimo S.r.l.). Other shareholders of IVS Partecipazioni include current managers and former owners of certain companies that our Vending Business has acquired in previous years.

### *The Future Guarantors*

*IVS Italia*

*Share Capital and Principal Shareholders*

As of the date of this Prospectus, IVS Italia's share capital is set at Euro 65,000,010 represented by 4,333,334 authorised and outstanding shares without indication of nominal value all subscribed and fully paid-up.

As of the date of this Prospectus, the Issuer holds 100 per cent. of the share capital of IVS Italia.

*IVS Italia Controlling Shareholder*

IVS Italia is a direct, wholly-owned subsidiary of the Issuer.

*S. Italia*

*Share capital and principal shareholders*

As of the date of this Prospectus, S. Italia's share capital is set at Euro 120,000 represented by 120,000 authorised and outstanding shares with a nominal value of Euro 1 per share all subscribed and fully paid-up.

As of the date of this Prospectus, the Issuer holds 100 per cent. of the share capital of S. Italia.

*S. Italia Controlling Shareholder*

S. Italia is a direct, wholly-owned subsidiary of the Issuer.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Terms and Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued)*:

The [ ● ] per cent. senior unsecured notes due 2026 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Notes) of IVS Group S.A. (the "**Issuer**") are constituted by, are subject to, and have the benefit of, a Trust Deed dated as of the Issue Date (the "**Trust Deed**") made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include its successor(s)) as trustee for the holders of the Notes (the "**Noteholders**") and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**" respectively).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the agency agreement dated as of the Issue Date (the "**Agency Agreement**") made between the Issuer and The Bank of New York Mellon, London Branch as principal paying agent (the "**Principal Paying Agent**" and, together with any other paying agent appointed from time to time under the Agency Agreement, the "**Paying Agents**") and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the registered office for the time being of the Trustee, being at the date of issue of the Notes at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, at the specified office of each of the Paying Agents and, in accordance with Luxembourg law, on the Issuer's website (www.ivsgroup.lu) (the "**Issuer's Website**") and at the Issuer's registered office, at18, Rue de l'Eau, L-1449 Luxembourg, Grand Duchy of Luxembourg. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

Application has been made to the Italian Stock Exchange ("**Borsa Italiana**") for the Notes to be admitted to listing and trading on Borsa Italiana's *Mercato Telematico delle Obbligazioni* ("**MOT**"). The MOT is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments ("MIFID"). Borsa Italiana admitted the Notes to listing on the MOT with order n. LOL-004127 dated 13 September 2019. The date of the beginning of trading of the Notes shall be resolved upon by Borsa Italiana in accordance with Rule 2.4.3 of the rules of Borsa Italiana and communicated to the public through a separate notice.

The Notes will be held in book-entry form through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium ("**Euroclear**") and Clearstream Banking S.A., 42 Avenue JF Kennedy L-1855 Luxembourg ("**Clearstream, Luxembourg**"), and ownership interests in the Notes will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests in the Notes through participants in Euroclear and/or Clearstream, Luxembourg, including Monte Titoli. Payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg.

Subject to and as set forth in Condition 8.1(f) (*Taxation-Payment without Withholdin*g), 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) where the Notes are held by a Person or entity resident or established in a country that does not allow for satisfactory exchange of information with the Italian tax authorities and otherwise in the circumstance described in Condition 8.1 (*Taxation-Payment without Withholding*).

### 1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, issued in compliance with TEFRA D, serially numbered, in the denomination of €1,000 each. The Notes will initially be represented by the Temporary Global Note. From the date that is forty (40) days after the issue date of the Notes (for these purposes, the "**Exchange Date**"), interests in the Temporary Global Note will be exchangeable (free of charge) for interests in a Permanent Global Note without Coupons attached against certification of non-U.S. beneficial ownership in compliance with TEFRA D.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer, any Future Guarantor (as defined below), any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein), shall not be required to obtain any proof thereof or as to the identity of such bearer and no Person shall be liable for so treating such Noteholder. No Person shall have any right to enforce any Condition or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

## 2. STATUS OF THE NOTES

The Notes and the Coupons constitute direct, unconditional and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

## 3. FUTURE GUARANTEES

3.1 Future Guarantees

Following the date on which the Issuer redeems or causes to be redeemed (the "**Existing Notes Redemption**") the outstanding 4.5% Senior Unsecured Notes due 2022 issued by IVS Group S.A. (the "**Existing Notes**") in full, provided that such date occurs on or prior to 29 November 2019 (such date, the "**Existing Notes Redemption Date**"), the Issuer shall procure, within 30 Business Days of the Existing Notes Redemption Date, that each of its wholly-owned Subsidiaries IVS Italia S.p.A. and S. Italia S.p.A. or their successors (each a "**Future Guarantor**" and together, the Future Guarantors) shall enter into a deed supplemental to the Trust Deed in form and substance similar to the form of supplemental trust deed annexed to the Trust Deed (the "**Supplemental Trust Deed**") pursuant to which the Future Guarantors shall, subject to Condition 3.2 (*Limitation on Guarantor Liability*), unconditionally and irrevocably guarantee the due and punctual payment of the principal and any premium in respect of, and interest on, the Notes and of any other amounts payable by the Issuer under the Trust Deed (the "**Future Guarantee**").

3.2 Limitation on Guarantor Liability

Any Future Guarantee will be limited to the payment of the principal and any premium in respect of, and interest on, the Notes and of any other amounts payable by the Issuer under the Trust Deed (the "**Maximum Amount**") (as may be set forth in the Supplemental Trust Deed to the extent reasonably determined by the Issuer) that will, after giving effect to such Maximum Amount and all other contingent and fixed liabilities of such Future Guarantor that are relevant under applicable laws and after giving effect to any collections from, rights to receive contribution from, or payments made by or on behalf of, any other Future Guarantor in respect of the obligations of such other Future Guarantor under the Conditions, result in the obligations of such Future Guarantor under the Future Guarantee not constituting either a fraudulent transfer or conveyance or voidable preference, financial assistance or improper corporate benefit, or violating the corporate purpose of the relevant Future Guarantor or any applicable capital maintenance laws or regulations applicable to such Future Guarantor or, in each case, any similar laws or regulations affecting the rights of creditors generally under any applicable law or regulation. In addition, the Maximum Amount of the Future Guarantee by S. Italia S.p.A. shall be limited to €20 million multiplied by the percentage of the Existing Notes redeemed on the Existing Notes Redemption Date.

3.3 Status of the Future Guarantee

The obligations of the Future Guarantors under the Future Guarantee shall constitute direct, unconditional and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Future Guarantors and

(subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Future Guarantors, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3.4 Release of Future Guarantees

The Future Guarantee of a Future Guarantor will be released:

(i) in connection with any sale or other disposition of all or substantially all of the assets of the Future Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Issuer or any Subsidiary, if the sale or other disposition does not violate Condition 4.2 (*Asset Sales*);

(ii) in connection with any sale or other disposition of capital stock of the Future Guarantor to a Person that is not (either before or after giving effect to such transaction) the Issuer or any Subsidiary, if the sale or other disposition does not violate Condition 4.2 (*Asset Sales*) and that Future Guarantor ceases to be a Subsidiary as a result of the sale or other disposition;

(iii) in accordance with and as may be provided pursuant to a meeting of Noteholders as provided by Condition 14.1 (*Meetings of Noteholders*) or Condition 14.2 (*Modification, Waiver, Authorisation and Determination*);

(iv) upon repayment in full of all obligations of the Issuer and the Guarantors under the Notes; or

(v) otherwise as a result of a Future Guarantor, directly or indirectly, consolidating or merging with or into another Person if the Future Guarantor is not the surviving entity.

## 4. COVENANTS

4.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") other than a Permitted Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues of the Issuer and/or any of its Subsidiaries to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Any such Security Interest created in favour of the Notes pursuant to clauses (i) or (ii) above will be automatically and unconditionally released and discharged upon the release and discharge of the initial Security Interest with respect to the Relevant Indebtedness to which it relates.

4.2 Asset Sales

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer will not, and will not cause or permit any of its Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(a) the Issuer (or the Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or equity interests issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration received in the Asset Sale by the Issuer or such Subsidiary is in the form of cash or cash equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(i) any liabilities, as recorded on the most recent balance sheet of the Issuer or any of its Subsidiaries prior to such Asset Sale (other than contingent liabilities and liabilities that are by their terms subordinated in right of payment to the Notes or any Future Guarantee), that are assumed by the transferee of any such assets and as a result of which the Issuer and its Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

(ii) any securities, notes or other obligations received by the Issuer or any such Subsidiary from such transferee that are converted by the Issuer or such Subsidiary into cash or cash equivalents within 90 days following the closing of the Asset Sale, to the extent of the cash or cash equivalents received in that conversion;

(iii) (A) any assets or capital stock of a Permitted Business, if, after giving effect to any such acquisition, the Permitted Business is or becomes a Subsidiary; or (B) other assets (other than capital stock) not classified as current assets under IFRS that are used or useful in a Permitted Business;

(iv) Indebtedness of any Subsidiary that is no longer a Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Subsidiary are released from any Future Guarantee of such Indebtedness in connection with such Asset Sale; and

(v) consideration consisting of Indebtedness of the Issuer or any Future Guarantor (other than Indebtedness that is by its terms subordinated in right of payment to the Notes or any Future Guarantee) received from Persons who are not the Issuer or any Subsidiary.

(c) So long as any Note remains outstanding (as defined in the Trust Deed), within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer or the applicable Subsidiary, as the case may be, shall apply such Net Proceeds as follows:

(i) to purchase the Notes pursuant to an offer to all holders of Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to (but not including) the date of purchase (a "**Prepayment Offer**");

(ii) to repay, prepay or purchase any Indebtedness of the Issuer or its Subsidiaries (other than Subordinated Shareholder Debt) or cash collateralise any such Indebtedness (in each case other than Indebtedness owed to the Issuer or a Subsidiary);

(iii) to acquire all or substantially all of the assets of, or any capital stock of, another Permitted Business, if, after giving effect to any such acquisition, the Permitted Business is or becomes a Subsidiary;

(iv) to acquire other assets (other than capital stock) not classified as current assets under IFRS that are used or useful in a Permitted Business;

(v) to make capital expenditures in assets that are used or useful in a Permitted Business;

(vi) to enter into a binding commitment to apply the Net Proceeds pursuant to clause (iii), (iv) or (v) of this paragraph; *provided* that such binding commitment shall be treated as a permitted

application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365-day period; or

(vii) any combination of the foregoing.

(d) Any remaining Net Proceeds from an Asset Sale which is not applied in accordance with the preceding paragraph within 365 days from the date of the receipt of such Net Proceeds shall constitute "**Excess Proceeds**".

(i) When the aggregate amount of Excess Proceeds exceeds €25.0 million (or its equivalent in another currency), the Issuer will be required to make a Prepayment Offer and may make an offer to all other holders of other Indebtedness that is *pari passu* with the Notes (including the Existing Notes) to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased out of the Excess Proceeds. To the extent that any portion of the amount of the Net Proceeds remains after compliance with the provisions of this clause (i) and provided that all holders of Notes have been given the opportunity to tender their Notes for purchase in accordance with the Agency Agreement, the Issuer or such Subsidiary may use such remaining amount for any purpose not prohibited by the Trust Deed and the amount of Excess Proceeds will be reset to zero;

(ii) promptly, but in any event within ten Business Days after the Issuer is obliged to make a Prepayment Offer, the Issuer shall send a notice to the Noteholders in accordance with Condition 13 (*Notices*), to inform the Noteholders of the Prepayment Offer. If, upon the expiration of the period for which the Prepayment Offer remains open, the aggregate principal amount of Notes surrendered by holders and such other *pari passu* Indebtedness exceeds the amount of the Prepayment Offer, the Excess Proceeds shall be allocated among the Notes and such *pari passu* Indebtedness shall be repaid on a *pro rata* basis or such other basis as the Principal Paying Agent deems appropriate (with such adjustments as may be deemed appropriate by the Principal Paying Agent so that only Notes in minimum denominations of €1,000 will be repaid); and

(iii) the Issuer will comply, to the extent applicable, with the requirements of applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this Condition 4.2 (*Asset Sales*). To the extent that the provisions of any securities laws or regulations conflict with provisions of this Condition 4.2 (*Asset Sales*), the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the covenant described hereunder by virtue thereof;

*provided* that, pending the final application of the Net Proceeds, the Issuer or its Subsidiaries may temporarily reduce revolving credit facilities or borrowings or otherwise utilise any portion of the Net Proceeds in any manner that is not prohibited by these Conditions.

4.3 Incurrence of Indebtedness

So long as any of the Notes remain outstanding (as defined in the Trust Deed), the Issuer shall not incur, and the Issuer shall procure that none of its Subsidiaries shall incur, any additional Indebtedness (other than Permitted Indebtedness) if, on the date of the incurrence of such additional Indebtedness, the Consolidated Net Leverage Ratio relating to the Relevant Period referred to in the latest Compliance Certificate is greater than 4.25:1, determined on a *pro forma* basis assuming for this purpose, that such additional Indebtedness (together with any other additional Indebtedness already incurred since the end of such Relevant Period) had been incurred, and the net proceeds thereof applied, on the first day of the applicable Relevant Period. Notwithstanding the above, if following one or a series of (i) acquisitions of any Person or (ii) the entry into any lease agreement related to only new commercial contracts that are required to be included as a liability on the Issuer's balance sheet in accordance with accounting standard "IFRS

16 – Leases" (each, a "**Lease Agreement**"), by the Issuer or any of its Subsidiaries, the Consolidated Net Leverage Ratio for the two subsequent Relevant Periods immediately following such acquisition(s) is greater than 4.25 to 1.0 but less than 4.75 to 1.0, there shall be no breach of this Condition 4.3

The Trustee shall have no duty to monitor compliance by the Issuer with the covenants set out in Condition 4 (*Covenants*) and shall be entitled to assume in the absence of express notice to the contrary that the Issuer is in compliance with the covenants in this Condition 4 (*Covenants*). The Trustee shall rely without liability to any Person and without further enquiry on any certificate of the Issuer as to the Issuer's compliance or non-compliance as aforesaid.

## 5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including the Issue Date at a minimum rate of 3 per cent. per annum (the Rate of Interest), payable annually in arrear on 18 October in each year (each an "**Interest Payment Date**"). The first payment shall be made on 18 October 2020.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less or more than a year, it shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

## 6. PAYMENTS

6.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States or its possessions (in accordance with U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(v) or any successor version thereto) of any of the Paying Agents. Payments of principal and interest (if any) due prior to the Exchange Date will only be made to a Noteholder to the extent that there is presented to the Paying Agent by Euroclear or Clearstream, Luxembourg a certificate to the effect that it has received from or in respect of a Noteholder entitled to a particular nominal amount of the Notes represented by the Temporary Global Note (as shown by its records) a certificate of non-U.S. beneficial ownership in compliance with TEFRA D and a Noteholder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless the exchange of the Temporary Global Note for a Permanent Global Note is improperly refused after such holder duly makes an exchange request.

6.2 Method of Payment

Payments will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by Euro cheque.

6.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above

against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

6.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

6.6 Initial Paying Agents

The name of the initial Principal Paying Agent and its initial specified office is set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and, without the need for the Trustee's prior written approval, to appoint additional or other Paying Agents *provided* that:

(a) there will at all times be a Principal Paying Agent; and

(b) so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority, there will at all times be a Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange or such other relevant authority.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

## 7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 18 October 2026 (the "**Maturity Date**").

7.2 Redemption for Taxation Reasons

If the Issuer certifies to the Trustee immediately before the giving of the notice referred to below that:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, or any ruling or change in treatment by any relevant tax authority with respect to the tax residence or status of the Issuer or the Notes, which change or amendment becomes effective after the Issue Date, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or (ii) following the Existing Notes Redemption Date, a Future Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and

(b) the requirement cannot be avoided by the Issuer or, as the case may be, the Future Guarantors, taking reasonable measures available to it,

then the Issuer may at its option, having given not less than ten nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, any Future Guarantor, would be required to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee, in form and substance satisfactory to the Trustee, a certificate signed by two authorised signatories of the Issuer or, as the case may be, such Future Guarantor, stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, any Future Guarantor, taking reasonable measures available to it, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Trustee and the Couponholders.

7.3 Redemption at the Option of the Issuer

At any time prior to 18 October 2022, the Issuer may, having given not less than ten nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem the Notes, in whole or in part and from time to time, at a redemption price equal to 100 per cent. of the principal amount thereof plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the applicable redemption date (the "**Redemption Price**").

For the purposes of this Condition:

(i) "**Applicable Premium**" means, with respect to a Note on any redemption date, the greater of (A) 1.0 per cent. of the principal amount of such Note and (B) the excess (to the extent positive) of: (1) the present value at such redemption date of (i) the Redemption Price (excluding accrued and unpaid interest), plus (ii) all required remaining scheduled interest payments due on such Note to and including 18 October 2022, computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over (2) the outstanding principal amount of such Note on such redemption date, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate, *provided* that such calculation shall not be a duty or obligation of the Trustee or the Principal Paying Agent.

(ii) "**Bund Rate**" means, with respect to any redemption date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(A) "**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to 18 October 2022 and that would be utilised at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to 18 October 2022; *provided*, however, that, if the period from such redemption date to 18 October 2022 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such redemption date to 18 October 2022, is less than one year, a fixed maturity of one year shall be used;

(B) "**Comparable German Bund Price**" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest

and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(C) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(D) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the redemption date.

(b) At any time on or after 18 October 2022, the Issuer may, having given not less than ten nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (Notices) (which notice shall be irrevocable), redeem the Notes, in whole or in part and from time to time, at the following redemption prices (expressed as a percentage of the principal amount on the redemption date), plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date:

| **REDEMPTION PERIOD** | **PRICE** |
|---|---|
| From 18 October 2022 | 101.5 |
| From 18 October 2023 | 100.75 |
| From 18 October 2024 | 100.375 |
| From 18 October 2025 and thereafter | 100 |

7.4 Special Mandatory Redemption

If the Issuer shall have failed: (i) on or prior to 29 November 2019, to redeem, or cause to be redeemed all of the €240,000,000 million aggregate principal amount of the Existing Notes outstanding (including the pro rata share of the Existing Notes held by the Group at the Existing Notes Redemption Date) or (ii) within 30 Business Days of the Existing Notes Redemption Date, to procure that each of IVS Italia S.p.A. and S. Italia S.p.A. or their successors enter into a Supplemental Trust Deed pursuant to which such Future Guarantors shall grant its Future Guarantee (subject, in each case, to the limitations contained in Condition 3.2 (*Limitation on Guarantor Liability*)), the Issuer shall, having given not less than 10 nor more than 15 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all, but not some only, of the Notes, at any time on or after 29 November 2019 at their principal amount plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of special mandatory redemption.

7.5 Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes (*provided* that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

7.6 Cancellations

All Notes which are redeemed by or on behalf of the Issuer will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be held, reissued or resold.

7.7 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 (*Redemption for Taxation Reasons*), Condition 7.3 (*Redemption at the Option of the Issuer*) or Condition 7.4 (*Special Mandatory Redemption*) above, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

## 8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer or any Future Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of any Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, a Future Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and the Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

(a) for or on account of any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the Noteholder or the beneficial owner of the Notes or Coupons (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant Noteholder, if the relevant Noteholder is an estate, trust, nominee, partnership, limited liability company or corporation) and the Relevant Jurisdiction (including being or having been a citizen, resident, or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein), but excluding, in each case, any connection arising merely from the holding of such Notes or Coupons, the enforcement of rights under such Notes or Coupons or under a Future Guarantee or the receipt of any payments in respect of such Notes or Coupons or a Future Guarantee; or

(b) presented for payment in Luxembourg or Italy; or

(c) for or on account of any Taxes that are imposed or withheld by reason of the failure by the holder or the beneficial owner of the Notes or Coupons to comply with a written request of the payor or any other Person through whom payment can be made addressed to the Noteholder, after reasonable notice (at least 30 days before any such withholding would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Noteholder 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 Jurisdiction as a precondition to exemption from all or part of such Taxes but, only to the extent the Noteholder or beneficial owner is legally entitled to provide such certification or documentation; or

(d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State, without prejudice to the option of the Issuer to redeem the Notes pursuant to, and subject to the conditions of, Condition 7.2 (*Redemption for Taxation reasons*); or

(e) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 6 (*Payments*)); or

(f) in the event of a payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian tax authorities; or

(g) for or on account of any Taxes applicable pursuant to the provisions of Decree No. 600 of 29 September 1973, as amended from time to time, and any related implementing regulations; or

(h) for or on account of any estate, inheritance, gift, value added, sales, excise, use, transfer, personal property or similar tax, assessment or other governmental charge; or

(i) for or on account of any amount to be withheld or deducted pursuant to either the United States Foreign Account Tax Compliance Act ("**FATCA**") or any agreement made pursuant to FATCA; or

(j) for or on account of any Taxes imposed on or with respect to any payment by the Issuer or a Future Guarantor under the Notes or the Coupons to a Noteholder if such Noteholder is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Notes or Coupons; or

(k) in relation to any payment or deduction of any interest, premium or other proceeds of any Note, Receipt or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended from time to time , and any related implementing regulations and pursuant to the provisions of Decree 461 of 21 November 1997, as amended from time to time; or

(l) for or on account of any amount to be withheld or deducted pursuant to the Luxembourg law of 23 December 2005 introducing a final withholding tax on certain savings income, as amended; or

(m) any combination of the items above.

Additional amounts will not be payable to a beneficial owner of Notes or Coupons where, had such beneficial owner been the holder of the Notes or Coupons, it would not have been entitled to payment of any additional amounts under the provisions of this Condition.

8.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

## 9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6 (*Payments*).

## 10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer and, if applicable, the Future Guarantors that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events ("**Events of Default**"):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or

(b) if the Issuer or a Future Guarantor, if applicable, fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 60 days following the service by the Trustee on the Issuer or a Future Guarantor (as the case may be) of notice requiring the same to be remedied; or

(c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any Subsidiary is declared due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any Subsidiary fails to make any payment of principal in respect of any Indebtedness for Borrowed Money on the due date for payment (after giving effect to any grace period); (iii) any security given by the Issuer or any Subsidiary for any Indebtedness for Borrowed Money becomes enforceable (after giving effect to any grace period); or (iv) default is made by the Issuer or any Subsidiary in making any payment due under any guarantee given by it in relation to any Indebtedness for Borrowed Money of any other Person (after giving effect to any grace period); *provided* that no event described in this subparagraph 10.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €20.0 million (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any Significant Subsidiary, save: (i) for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or (ii) any consolidation, merger, sale of all or substantially all assets or dissolution of any Subsidiary that is not a Future Guarantor into the Issuer or a Future Guarantor or (iii) any consolidation, merger, sale of all or substantially all assets or dissolution among Future Guarantors or among Subsidiaries that are not Future Guarantors or (iv) any consolidation, merger, sale of all or substantially all assets or dissolution among the Issuer and any Future Guarantor or (v) in the case of a Future Guarantor whose Future Guarantee is released in accordance with Condition 3.4 (*Release of Future Guarantees*); or

(e) if the Issuer or any Future Guarantor that is a Significant Subsidiary (except for a Future Guarantor whose Future Guarantee is released in accordance with Condition 3.4 (*Release of Future Guarantees*)) ceases or threatens to cease to carry on the whole or substantially the whole of its business, save in either case for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or the Issuer or any Future Guarantor that is a Significant Subsidiary (except for a Future Guarantor whose Future Guarantee is released in accordance with Condition 3.4 (*Release of Future Guarantees*)) stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (i) proceedings are initiated against the Issuer or any Future Guarantor that is a Significant Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any Future Guarantor that is a Significant Subsidiary or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of

them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 30 days; or

(g) if the Issuer or any Future Guarantor that is a Significant Subsidiary (or their respective directors or shareholders), except for a Future Guarantor whose Future Guarantee is released in accordance with Condition 3.4 (*Release of Future Guarantees*), initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(h) if, following the Existing Notes Redemption Date, the Future Guarantee of a Significant Subsidiary ceases to be, or is claimed by the Issuer or any Future Guarantor not to be, in full force and effect, except for a Future Guarantor whose Future Guarantee is released in accordance with Condition 3.4 (*Release of Future Guarantees*); or

(i) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have an analogous effect to any of the events referred to in subparagraphs (d) to (h) above.

10.2 Interpretation

For the purposes of this Condition, "**Indebtedness for Borrowed Money**" means any Indebtedness described in clause (i), (ii) or (iv) of the definition thereof.

**11. ENFORCEMENT**

11.1 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer and/or any Future Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding, as applicable, and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction and it has been relieved from responsibility in certain circumstances and it has been agreed that it will be paid its costs and expenses in priority to the claims of the Noteholders.

11.2 Limitation on Trustee actions

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any Person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

11.3 Enforcement by the Noteholders

No Noteholder or Couponholder shall be entitled to (i) take any steps or action against the Issuer or any Future Guarantor to enforce the performance of any of the provisions of the Trust Deed, the Notes or the Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or any

Future Guarantor, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

## 12. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 13. NOTICES

13.1 Notices to the Noteholders

For so long as the Notes are admitted to trading on the MOT and it is required by applicable laws or regulations, all notices to Noteholders will be valid if published on the website of Borsa Italiana (www.borsaitaliana.it), the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or the Issuer's Website. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange, trading platform or other relevant authority on which the Notes are for the time being listed. If the Notes are held in certificated form in a clearing system, all notices to the Noteholders will be valid if given through the clearing system in accordance with its standard rules and procedures.

13.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

## 14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes any matter defined in the Trust Deed as a Basic Terms Modification, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one third, of the principal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than 75 per cent. of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent in principal amount of the Notes for the time being outstanding or (iii) a consent given by way of electronic consent through the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

The Trust Deed provides that a Written Resolution or an Electronic Consent (in each case as defined in the Trust Deed) signed or given, as the case may be, by holders of in aggregate not less than 75 per cent. of the aggregate principal amount of the Notes outstanding shall have effect as an Extraordinary Resolution.

14.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders or the Couponholders to any modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, which, in the opinion of the Trustee, is not materially prejudicial to the Noteholders and which does not constitute a Basic Terms Modification, or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

14.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, any Future Guarantor, the Trustee or any other Person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

14.4 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

## 15. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

15.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking and proceeding, step or action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances and to be paid its remuneration, costs and expenses in priority to the claims of the Noteholders. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security or pre-funding given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

For the avoidance of doubt, nothing in these Conditions or any transaction document shall affect or prejudice the payment of any liabilities incurred by the Trustee in its personal capacity or the remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof and in such capacity the Trustee shall rank as an unsubordinated and secured creditor of the Issuer.

15.2 Trustee Contracting with the Issuer

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer and/or any Subsidiary (including the Future Guarantors) and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences

for, the Noteholders or the Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## 16. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that they shall be consolidated and form a single series with the Notes or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes which are to form a single series with the Notes shall be constituted by a deed supplemental to the Trust Deed. Any further notes or bonds under subparagraph (b) shall be constituted by a separate trust deed. The consolidation of any additional bearer notes into a series of previously issued bearer notes with the same Common Code or ISIN can occur only upon (i) exchange of interests in a Temporary Global Note for interests in a Permanent Global Note and (ii) certification of non-U.S. beneficial ownership in accordance with TEFRA D.

## 17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing Law

The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

17.2 Jurisdiction of English Courts

The Issuer has, in the Trust Deed, irrevocably agreed for the benefit of the Trustee, the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons) and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders and the Couponholders may, to the extent allowed by law, take any suit, action or proceeding arising out of or in connection with the Trust Deed, the Notes or the Coupons respectively (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons) (together referred to as Proceedings) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

17.3 Appointment of Process Agent

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed Law Debenture Corporate Services Limited at the latter's registered office for the time being as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other Person as the Trustee may approve as its agent for that purpose.

## 18. RIGHTS OF THIRD PARTIES

No rights are conferred on any Person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

## 19. DEFINITIONS

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Acquired Indebtedness**" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary of the Issuer or at the time it merges or consolidates with or into the

Issuer or any of its Subsidiaries or assumed in connection with the acquisition of assets from such Person, including any guarantee released by the Issuer in connection to the same;

"**Asset Sale**" means:

(i) the sale, lease, conveyance or other disposition of any assets by the Issuer or any Subsidiary; and

(ii) the issuance of equity interests by any Subsidiary or the sale by the Issuer or any Subsidiary of equity interests in any of the Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any single transaction or series of related transactions that involves assets having a fair market value of less than €10.0 million;

(ii) a transfer of assets or equity interests between or among the Issuer and any Subsidiary;

(iii) an issuance of equity interests by a Subsidiary to the Issuer or any Subsidiary of the Issuer;

(iv) the sale, lease or other transfer or discount of accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets or assets that are no longer useful in the conduct of the business of the Issuer and the Subsidiaries;

(v) licenses and sublicenses by the Issuer or any Subsidiary in the ordinary course of business;

(vi) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(vii) the granting of Security Interests not prohibited by these Conditions;

(viii) the sale or other disposition of cash or cash equivalents, including but not limited to cash and funds received in connection with the Coin Services Business;

(ix) the disposition 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;

(x) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Issuer or any Subsidiary to such Person) related to such assets; provided that the consideration for such disposition is at least equal to the fair market value of the assets being disposed of;

(xi) sales, transfers or dispositions of tax and/or VAT receivables owing from government entities in connection with the incurrence of tax and/or VAT Advances;

(xii) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(xiii) any disposition of capital stock of a Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Subsidiary) from whom such Subsidiary was acquired, or from whom such 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; and

(xiv) 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 agreements and similar binding agreements; provided that any cash or cash equivalents received in such sale, transfer or disposition is applied in accordance with the "Asset Sales" covenant.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Milan, Italy, Luxembourg or London, United Kingdom are authorized or required by law to close; provided that for any payments to be made in accordance with Condition 6.5 (*Payment only on a Presentation Date*), Business Day means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and "**TARGET2 Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

"**Capital Lease Obligation**" means, at the time any determination is to be made, the amount of the liability in respect of a financial lease that is at that time capitalised on a balance sheet prepared in accordance with IFRS. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalised on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, 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.

"**Capital Stock**" means:

(i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing; and

(ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing;

"**Coin Services Business**" means the activities of the Issuer and its Subsidiaries in Italy related to the coin management business, including but not limited to the activities of CSH S.r.l., Venpay S.r.l., Coin Service Empoli S.p.A. and Coin Service Nord S.p.A. as of the Issue Date and any present or future Subsidiaries of such entities.

"**Common Stock**" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock;

"**Compliance Certificate**" means the compliance certificate to be delivered on each Reporting Date and signed by an authorized signatory of the Issuer certifying the matters set out in Condition 4.3 (Incurrence of Indebtedness)

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following items to the extent deducted in calculating such Consolidated Net Income, without duplication:

(i) provision for taxes based on income or profits of such Person and its Subsidiaries for such period; *plus*

(ii) the Fixed Charges of such Person and its Subsidiaries for such period; *plus*

(iii) depreciation, amortisation (including, without limitation, amortisation of intangibles and deferred financing fees) and other non-cash charges and expenses (including write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets or the impact of purchase accounting on the Issuer's Consolidated Net Income for such period) decreasing the Issuer's

Consolidated Net Income (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortisation of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(iv) any expenses, charges or other costs related to the issuance of any capital stock, or any investment, acquisition, disposition, recapitalisation or listing or the incurrence of Indebtedness (including refinancing thereof) whether or not successful, including (a) such fees, expenses or charges related to any incurrence of Indebtedness issuance and (b) any amendment or other modification of any incurrence; *plus*

(v) any foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of the Issuer and its Subsidiaries; *plus*

(vi) the amount of any minority interest expense deducted in such period in calculating Consolidated Net Income; *plus*

(vii) other non-cash charges, 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 in any future period) or other items classified by the Issuer as exceptional in nature, extraordinary, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period) other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (i) through (xi) of the definition of Consolidated Net Income, in each case, on a consolidated basis and determined in accordance with IFRS.

"**Consolidated Net Leverage Ratio**" means, as of the relevant Measurement Date, the ratio of (a) the Consolidated Net Indebtedness of the Issuer on such date to (b) the Consolidated EBITDA of the Issuer as determined by reference to the audited annual consolidated financial statements of the Issuer relating to the year ended on the applicable Measurement Date, in each case with such pro forma adjustments to Indebtedness and Consolidated EBITDA as are appropriate and consistent with the pro forma provisions set out below.

For the purposes of making the computation referred to above, any investment, acquisitions, dispositions, mergers, consolidations, disposed operations or Lease Agreement that have been made by the Issuer or any Subsidiary, during the calendar year reference period, shall be calculated on a pro forma basis assuming that all such investments, acquisitions, dispositions, mergers, consolidations, disposed or discontinued operations and any Lease Agreements (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the calendar year reference period. If since the beginning of such period any Person that subsequently became a Subsidiary or was merged with or into the Issuer or any Subsidiary since the beginning of such period shall have made any investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation or shall have entered into any Lease Agreement that would have required adjustment pursuant to this definition, then the Consolidated Net Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such investment, acquisition, disposition, merger, consolidation or disposed operation or any Lease Agreements had occurred at the beginning of the applicable calendar year.

For the purposes of this definition, whenever pro forma effect is to be given to a transaction or Lease Agreement, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (including cost savings and synergies relating to such transaction that are reasonably identifiable and factually supportable).

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; *provided* that:

(i) any goodwill or other intangible asset impairment charges will be excluded;

(ii) the net income (loss) of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash or cash equivalents to the specified Person or a Subsidiary of the Person;

(iii) any net gain (or loss) realised upon the sale or other disposition of any asset or disposed operations of the Issuer or any of its Subsidiaries (including pursuant to any sale and leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by a responsible accounting or financial officer of the Issuer) or in connection with the sale or disposition of securities will be excluded;

(iv) any non-cash compensation charge or expense arising from share-based payment transactions determined, including in respect of pension liabilities, on a consolidated basis in accordance with IFRS will be excluded;

(v) any non-cash charges or increases in amortisation or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of another Person or business (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; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition) or resulting from any reorganisation or restructuring involving the Issuer or its Subsidiaries will be excluded;

(vi) the cumulative effect of a change in accounting principles will be excluded;

(vii) (a) any extraordinary, exceptional or unusual gain, loss or charge, (b) any asset impairments charges, or the financial impacts of natural disasters (including fire, flood and storm and related events), (c) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (d) any expenses, charges, fees, taxes, reserves or other costs related to the issuance of the Notes and the Existing Notes Redemption or amortisation of such costs and any debt issuance costs (in each case, as determined in good faith by a responsible accounting or financial officer of the Issuer), in each case, will be excluded;

(viii) all deferred financing costs written off and premium paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness will be excluded;

(ix) all fees, expenses and other costs incurred in connection with (a) any refinancing of any Indebtedness of the Issuer or any Subsidiary and (b) any equity offering or offering of other securities of the Issuer or any Subsidiary will in each case be excluded;

(x) any unrealised gains or losses in respect of Hedging Obligations or any ineffectiveness recognised in earnings related to qualifying hedge transactions or the fair value or changes therein recognised in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(xi) any unrealised foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealised foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies; and

(xii) the impact of capitalised, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Debt.

"**Consolidated Net Indebtedness**" means the total Indebtedness (on a consolidated basis) of the Issuer as of a Measurement Date *less* the amount of cash and cash equivalents and current financial assets stated on the balance sheet of the Issuer (on a consolidated basis) as of the relevant Measurement Date in accordance with

IFRS (but excluding any cash and cash equivalents consisting of coins or other funds credited in connection with the Coin Service Business), in each case as determined by reference to the audited annual consolidated financial statements of the Issuer relating to the year ended on the applicable Measurement Date.

"**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, in each case, does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent: (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (ii) 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 (iii) 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.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock);

"**Event of Default**" has the meaning given in Condition 10 (*Events of Default*).

"**Fixed Charges**" means, with respect to any specified Person on a Measurement Date, the sum, without duplication, of:

(i) the consolidated interest expense (net of cash or non-cash interest income other than cash or non-cash interest income from affiliates) of such Person and its Subsidiaries for such period, whether paid, received or accrued, including, without limitation, amortisation of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest that was capitalised during such period (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest component of deferred payment obligations, the interest component of all payment associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(ii) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Debt) of such Person and its Subsidiaries that was capitalised during such calendar year; *plus*

(iii) any interest on Indebtedness of another Person that is guaranteed by such specified Person or one of its Subsidiaries or secured by a Security Interest on assets of such specified Person or one of its Subsidiaries; *plus*

(iv) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortisation of fees) with respect to Indebtedness; *plus*

(v) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Subsidiary, other than dividends on equity interests payable to the Issuer or a Subsidiary.

For the avoidance of doubt, "**Fixed Charges**" excludes accrued and unpaid interest on Subordinated Shareholder Debt.

"**Hedging Obligation**" means, with respect to any specified Person, the obligations of such Person under:

(i) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(ii) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(iii) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"**IFRS**" means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer is, or may be, required to comply. Except as otherwise set forth in these Conditions, all ratios and calculations contained in the Conditions shall be computed in accordance with IFRS; *provided* that at any date after the Issue Date the Issuer may make an irrevocable election to establish that "IFRS" shall mean, except as otherwise specified herein, IFRS as in effect on a date that is on or prior to the date of such election. Notwithstanding the foregoing, for purposes of any calculations pursuant to these Conditions, IFRS shall be deemed to treat operating leases in a manner consistent with the treatment thereof under IFRS as in effect on the Issue Date, notwithstanding any modifications or interpretative changes thereto that may occur after the Issue Date.

"**Indebtedness**" means, with respect to any Person (without duplication), any indebtedness of such Person (excluding accrued expenses and trade payables):

(i) in respect of borrowed money, including bank loans and other debt facilities;

(ii) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;

(iii) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence);

(iv) representing Capital Lease Obligations;

(v) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; and

(vi) representing net obligations under any 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),

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Security Interest on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Future Guarantee by the specified Person of any Indebtedness of any other Person.

For the purpose of determining the Euro-equivalent of Indebtedness denominated in a foreign currency, the Euro-equivalent principal amount of such Indebtedness pursuant thereto shall be calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof.

The term "**Indebtedness**" shall not include:

(i) Subordinated Shareholder Debt;

(ii) Contingent Obligations in the ordinary course of business;

(iii) in connection with the purchase by the Issuer or any 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;

(iv) any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business;

(v) for the avoidance of doubt, any contingent obligations in respect of worker's compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes;

(vi) any obligations owing to clients of the Issuer or any Subsidiary operating in the Coin Services Business arising from coins purchased by the Issuer and its Subsidiaries which have not yet been reimbursed to the relevant clients; or

(vii) any obligations in respect of warrants for the capital stock of the Issuer that appear as a liability upon a balance sheet of a specified Person in accordance with IFRS; *provided* that the exercise of such warrants would result in a capital increase in the form of a sale of newly issued capital stock (*aumento di capitale*) of the Issuer or an issuance of capital stock of the Issuer.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding under such facility.

"**Measurement Date**" means 31 December of each year starting with 31 December 2019.

"**Net Proceeds**" means the aggregate cash proceeds received by the Issuer or any Subsidiary in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration or cash equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expense incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS and all *pro rata* distributions and other payments required to be made to minority interest holders (other than the Issuer or any of its Subsidiaries) in Subsidiaries or associates as a result of such Asset Sale.

"**Permitted Business**" means (a) any businesses, services or activities engaged in or proposed to be conducted by the Issuer or any of its Subsidiaries on the Issue Date as described in the offering memorandum and (b) any businesses, services and activities engaged in by the Issuer or any of its Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Permitted Indebtedness**" means:

(i) Indebtedness under the Notes, provided that this shall not include any Notes issued after the Issue Date pursuant to Condition 16 (Further Issues);

(ii) Indebtedness outstanding on the Issue Date after giving effect to the use of proceeds of the Notes;

(iii) Hedging Obligations of the Issuer or any of its Subsidiaries entered into for non-speculative purposes;

(iv) Indebtedness of the Issuer to a Subsidiary of the Issuer or Indebtedness of a Subsidiary of the Issuer to the Issuer or another Subsidiary of the Issuer for so long as such Indebtedness is held by a Subsidiary of the Issuer or the Issuer; provided that any Indebtedness of the Issuer to any Subsidiary of the Issuer is unsecured and subordinated, pursuant to a written agreement, to the Issuer's obligations under the Notes;

(v) Indebtedness of the Issuer or any of its Subsidiaries in respect of advance payment bonds, performance bonds, performance and completion guarantees, bankers' acceptances, workers' compensation claims, surety or appeal bonds, payment obligations in connection with self-insurance or similar obligations, accrued and unpaid tax liabilities, pro – soluto financing and bank overdrafts (and letters of credit in

respect thereof to the extent undrawn, or if and to the extent drawn, is honoured in accordance with its terms and, if to be reimbursed, is reimbursed no later than the 30th Business Day following receipt of a demand for reimbursement) in the ordinary course of business;

(vi) Refinancing Indebtedness;

(vii) Indebtedness of the Issuer and its Subsidiaries in respect of any customary cash management, cash pooling or netting or setting off arrangements;

(viii) Acquired Indebtedness of any Person outstanding on the date on which such Person becomes a Subsidiary of the Issuer 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 of its Subsidiaries provided, however, that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred, the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to Condition 4.3 (Incurrence of Indebtedness) after giving effect to the incurrence of such Indebtedness pursuant to this paragraph; and

(ix) Subordinated Indebtedness.

"**Permitted Security Interest**" means:

(i) any Security Interest which existed on the Issue Date (an "**Existing Security Interest**") and any Security Interest created subsequently to renew, extend, replace or substitute, in whole or in part, an Existing Security Interest; *provided* that the Existing Security Interest relating to the Existing Notes shall be reduced for purposes of this clause (i) to the extent of the amount of the Existing Notes Redemption that is affected on the Existing Notes Redemption Date; or

(ii) any Security Interest arising by operation of law; or

(iii) any Security Interest on property or other assets (including capital stock) of a Person existing at the time such Person becomes a Subsidiary or is merged with or into or consolidated with the Issuer or any Subsidiary, or at the time the Issuer or a Subsidiary acquires such property or other assets (including capital stock); *provided* that such Security Interest was in existence prior to the contemplation of such Person becoming a Subsidiary or such merger or consolidation or such acquisition of property or assets (including capital stock), was not incurred in contemplation thereof and is limited to all or part of the same property or other assets (including capital stock) (plus improvements, accession, proceeds or dividends or distributions in connection with the original property or other assets (including capital stock)) that secured (or, under the written arrangements under which such Security Interests arose, could secure) the obligations to which such Security Interests relate; or

(iv) any Security Interest on any asset acquired by the Person creating the Security Interest and securing only Indebtedness incurred for the sole purpose of financing or re-financing that acquisition, *provided* that the principal amount of such Indebtedness so secured does not exceed the overall cost (including Indebtedness relating to the asset acquired) of that acquisition; or

(v) any Security Interest on cash, cash equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness and any security granted over cash or cash equivalents in connection with the Coin Services Business; or

(vi) leases, licenses, subleases and sublicenses of assets in the ordinary course of business; or

(vii) any Security Interest to secure Indebtedness incurred in connection with Capital Lease Obligations; *provided* that (i) the aggregate principal amount of Indebtedness secured by such Security Interest is permitted to be incurred under these Conditions and (ii) any such Security Interest may not extend to any assets or property of the Issuer or any 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; or

(viii) (a) any Security Interest over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Issuer or a Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 15% of the net proceeds of such disposal; and (b) any Security Interest on escrowed proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose; or

(ix) limited recourse Security Interests in respect of the ownership interests in, or assets owned by, any associates or other joint ventures which are not Subsidiaries securing obligations of such associates or joint ventures; or

(x) any Security Interest to secure Indebtedness under Hedging Obligations; *provided* that any such Hedging Obligation relates to the interest rate or currency exchange rates applicable to the Indebtedness secured by Security Interests permitted by these Conditions and such Security Interests to secure such Hedging Obligation are limited to all or part of the same property or assets subject to the Security Interests securing the underlying Indebtedness to which such Hedging Obligation relates; or

(xi) any Security Interest in connection with factoring or similar arrangements in the ordinary course of business, including to secure Indebtedness upon or with respect to any present or future assets, receivables, inventory, remittances or payment rights of the Issuer or any of its Subsidiaries (the "**Charged Assets**") whereby the payment obligations in respect of such Indebtedness are to be discharged solely from the Charged Assets; or

(xii) any Security Interest to secure Indebtedness that takes the form of subsidised financing (*finanziamenti agevolati*); or

(xiii) any Security Interest to secure Indebtedness the amount of which (when aggregated with any other Indebtedness which has the benefit of a Security Interest not permitted under subparagraphs (i) to (xii) above or under arrangements entered into which, but for this subparagraph (xiii), would be a breach of Condition 4.1 (*Negative Pledge*)) does not exceed €50.0 million (or its equivalent in any other currency or currencies); or

(xiv) any Security Interest to secure Indebtedness that is also granted in favour of the Noteholders; or

(xv) any extension, renewal, refinancing or replacement, in whole or in part, of any Security Interest described in the foregoing clauses, including if such Security Interest is granted or otherwise takes effect after the termination, discharge or replacement of the Indebtedness originally related thereto.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"**Preferred Stock**" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation;

"**Presentation Date**" means a day which (subject to Condition 9 (*Prescription*)):

(i) is or falls after the relevant due date;

(ii) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

(iii) in the case of payment by credit or transfer to a Euro account as referred to above, is a TARGET2 Settlement Day.

"**Refinance**" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, decease or retire, or to issue a security or Indebtedness in exchange or replacement for such security or Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings;

"**Refinancing Indebtedness**" means any Refinancing by the Issuer or any Subsidiary of Indebtedness incurred in accordance with Condition 4.3 (Incurrence of Indebtedness) and paragraphs (i), (ii), (vi) and (viii) of the definition of "Permitted Indebtedness", in each case that does not:

(i) result in an increase in the aggregate principal amount of Indebtedness of such Person as of the date of such proposed Refinancing (plus the amount of any premium or accrued interest required to be paid under the terms of the instrument governing such Indebtedness and plus the amount of reasonable fees and expenses incurred by the Issuer in connection with such Refinancing); or

(ii) create Indebtedness with: (a) a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; or (b) a final maturity earlier than the final maturity of the Indebtedness being Refinanced; provided that if such Indebtedness being Refinanced is subordinate or junior to the Notes, then such Refinancing Indebtedness shall be subordinate to the Notes, as the case may be, at least to the same extent and in the same manner as the Indebtedness being Refinanced;

"**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders and the Trustee by the Issuer in accordance with Condition 13 (*Notices*); and

"**Relevant Period**" means a 12-month period ending on a Measurement Date.

"**Relevant Jurisdiction**" means the Grand Duchy of Luxembourg or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by a Future Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or a Future Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

"**Relevant Indebtedness**" means (A) any present or future Indebtedness (whether being principal, premium, interest or other amounts) described in clause (ii) or (iv) of the definition thereof and (B) any guarantee in respect of any such Indebtedness.

"**Reporting Date**" means a date on or prior to the date that is 140 days after each calendar year end, commencing with the year ended 31 December 2019.

"**Significant Subsidiary**" means, at any time, a Subsidiary of the Issuer which meets the following conditions: (i) the Issuer's and its Subsidiaries' investments in and advances to such Subsidiary exceed 10% of the total assets of the Issuer and its Subsidiaries on a consolidated basis as of the end of the most recently completed calendar year; (ii) the Issuer's and its Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of such Subsidiary exceeds 10% of the total assets of the Issuer and its Subsidiaries on a consolidated basis as of the end of the most recently completed calendar year; or (iii) the Issuer's and its Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Subsidiary exceeds 10% of such income of the Issuer and its Subsidiaries on a consolidated basis for the most recently completed calendar year.

"**Subordinated Indebtedness**" means Indebtedness of the Issuer or any of its Subsidiaries that is subordinated or junior in right of payment to the Notes provided that such Subordinated Indebtedness:

(i) does not mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Issuer or such Subsidiary or for any other security or instrument meeting the requirements of the definition);

(ii) does not require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(iii) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Issuer; and

(iv) does not restrict the payment of amounts due in respect of the Notes or compliance by the Issuer with its obligations under the Notes and the Trust Deed;

"**Subordinated Shareholder Debt**" means Indebtedness of the Issuer held by one or more of its shareholders; provided that such Indebtedness (and any security into which such Indebtedness is convertible or for which it is exchangeable at the option of the holder) (i) 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, (ii) does not pay cash interest, (iii) contains no change of control provisions and has no right to declare a default or event of default or take any enforcement action prior to the first anniversary of the stated maturity of the Notes, (iv) is unsecured and (v) is fully subordinated and junior in right of payment to the Note.

"**Subsidiary**" means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

"**TEFRA D**" means rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended.

"**VAT Advances**" means any third party financings where the Indebtedness incurred by the Issuer or any Subsidiary is financed by the transfer of VAT credits to a creditor with respect to which the Issuer or any Subsidiary has already made the request for reimbursement to the applicable governmental agency.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding aggregate principal amount of such Indebtedness into (b) the sum of the total of the products obtained by multiplying (i) the amount of each then remaining instalment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

*The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Notes which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes*.

### 1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

(a) upon the happening of any of the events defined in the Trust Deed as "*Events of Default*";

(b) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available; or

(c) if the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and the Noteholders and (in the case of (c) above) the Issuer may give notice to the Trustee and the Noteholders, of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, "**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 40 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

### 2. Payments

On and after 40 days after the date of issue of the Notes, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Principal Paying Agent or such other Paying Agent at the specified office of such Paying Agent outside of the United States and its possessions as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence

of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership in compliance with TEFRA D, unless such certification has already been made.

**3. Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 13.1 of "*Terms and Conditions of the Notes*" (*Notices—Notices to the Noteholders*), provided that, so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority and such stock exchange or relevant authority so requires, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any such stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

**4. Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each Person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any Person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

**5. Prescription**

Claims against the Issuer and any Future Guarantor, if applicable, in respect of principal and interest on the Notes represented by a Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 of "*Terms and Conditions of the Notes*" (*Taxation*)).

**6. Cancellation**

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions to be cancelled following its redemption or purchase will be effected by the reduction in the issue outstanding amount of the relevant Global Note in the records of Euroclear and Clearstream, Luxembourg.

**7. Euroclear And Clearstream, Luxembourg**

Notes represented by a Global Note are transferrable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

**8. Eurosystem Eligibility**

The Global Notes will be issued in New Global Note ("**NGN**") form. This means that the Notes are intended upon issue to be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg (each acting in its capacity as an International Central Securities Depositary ("**ICSD**")) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

## TAXATION

*The following is a general discussion of certain tax consequences under the tax laws of Luxembourg, Italy and the European Union of the acquisition, holding and disposal of the Notes (for the purposes of this section including, for the avoidance of doubt, Coupons). This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. The following section only provides general information on the possible tax treatment of the Notes on the basis of the tax laws of Luxembourg and Italy. Prospective purchasers are advised to consider that the tax consequences arising from the purchase, ownership and disposal of the Notes must be determined also having regard to the tax laws applicable in each purchaser's country of tax residence. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser and does not consider the tax implications arising on the basis of the laws of each purchaser's country of tax residence. In particular, the Issuer is organised under the laws of Luxembourg, but its "centre of main interests" may be determined to be in Italy for tax purposes and therefore payments of principal and interest on the Notes and, in certain circumstances, any gain on the Notes, should be subject to Italian tax laws and regulations. As a consequence, the actual identification of the specific tax laws and regulation applicable to the Notes may be subject to interpretation. This summary is based on the laws of Luxembourg, Italy and the European Union currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive effect.*

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE NOTES INCLUDING THE EFFECT OF ANY TAXES, UNDER THE TAX LAWS APPLICABLE IN ITALY AND/OR LUXEMBOURG AND EACH COUNTRY IN WHICH THEY ARE RESIDENT.**

### Grand Duchy of Luxembourg

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of the Notes should consult their own tax advisors with respect to particular circumstances, the effect of state, local or foreign laws to which they may be subject and as to their tax position. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective Investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

#### *Withholding Tax*

*Resident Noteholders*

Under the Luxembourg law dated 23 December 2005 (hereafter, the "**Law**"), a twenty per cent. Luxembourg withholding tax is levied as of 1 January 2006 on interest payments or similar income payments (accrued since 1 July 2005) made by a Luxembourg paying agent to (or for the benefit of) Luxembourg individual residents. This withholding tax also applies on accrued interest received upon disposal, redemption or repurchase of the Notes. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Further, pursuant to the Law, as amended by the law of 17 July 2008, Luxembourg resident individuals who are the beneficial owners of interest payments and other similar income made by a paying agent established outside Luxembourg in a member state of the EU or of the EEA or in a jurisdiction having concluded an agreement with Luxembourg in connection with EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") (a "**Qualified Foreign Paying Agent**"), may also opt for a final twenty per cent. levy. In such case, the twenty per cent. levy is calculated on the same amounts as for the payments made by Luxembourg resident paying agents. The option for the twenty per cent. levy is irrevocable and has to be exercised before 31 March of the year following the year of allocation of the interest income, and must cover all interest payments made by any Qualified Paying Agent to the Luxembourg resident beneficial owner during the entire civil year.

Neither the Issuer nor, as the case may be, a Future Guarantor will be required to make an increased payment (tax gross-up) under the Notes for any withholding tax levied by Luxembourg on the basis of the Law, as amended.

*Non-resident Noteholders*

Under the Luxembourg general tax laws currently in force, there is no withholding tax to be withheld by *(or on account of)* the Issuer of Notes on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to non-Luxembourg tax resident Noteholders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by non-Luxembourg tax resident Noteholders to the extent said Notes do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalised.

*Automatic Exchange of Information*

Under the law of 18 December 2015 (the "Law") implementing (i) Council Directive 2014/107/EU amending and extending the scope of Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation (the "DAC2") and (ii) the OECD Common Reporting Standard (the "CRS"), Luxembourg reporting financial institutions, as defined in the Law, are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating with the CRS, details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC2 and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Potential holders of Notes should consult their own tax advisor with respect to the application of the DAC2 and the CRS in light of their own individual circumstances.

**Italy**

***The statements herein regarding Italian taxation are based on the laws in force in Italy and on published practices of the Italian tax authorities in effect in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid. The following is a summary of certain material Italian tax consequences of the purchase, ownership, redemption and disposition of Notes for Italian resident and non-Italian resident beneficial owners only and it is not intended to be, nor should it be constructed to be, legal or tax advice. This summary also assumes that the Issuer is resident in Italy for tax purposes, is structured and conducts its business in the manner outlined in this Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length. This summary also assumes that the Notes are listed from their issue and traded on a regulated market or on a multi-lateral trading platform of member states of the EU or the EEA which allow a satisfactory exchange of information with Italian tax authority, as listed in the Decree of the Minister of Finance of 4 September 1996, as ultimately amended by Ministerial Decree of March 23, 2017 and possibly further amended by future decrees issued pursuant to Article 11 par. 4 (c) of Decree No. 239. Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian law. The following summary does not purport to be a comprehensive description of all tax considerations which may be relevant to make 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 additional or special rules. Prospective Investors are advised to consult their own tax advisors concerning the overall tax consequences of their acquiring, holding and disposing of Notes and receiving payments on interest, principal and/or other amounts under the Notes, including, in particular, the effect of any state, regional and local tax laws.Tax Treatment of Interest***

Decree No. 239 sets out 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 (*titoli similari alle obbligazioni*), pursuant to Article 44 of Italian Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree 917**"), issued, *inter alia*, by Italian resident companies whose shares are listed on

a regulated market or on a multi-lateral trading platform of member states of the EU or the EEA which allow a satisfactory exchange of information with the Italian tax authorities

For this purpose, pursuant to Article 44 of Decree 917, bonds or debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and which do not grant the Noteholder any direct or indirect right of participation to (or control of) 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 Noteholder is:

- an individual not engaged in an entrepreneurial activity to which the Notes are connected;
- a partnership (*società semplice*) or a *de facto* partnership not carrying out commercial activities;
- a professional association;
- a non-commercial private or public institution; or
- an Investor exempt from Italian corporate income taxation,

then Interest derived from the Notes, and accrued during the relevant holding period, are subject to a substitute tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent., unless the relevant Noteholder has opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree No. 461 of 21 November 1997 ("**Decree 461**").

An Italian resident Noteholder not engaged in an entrepreneurial activity that has opted for the so-called *risparmio gestito* is subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets accrued at the end of each tax year. The substitute tax is applied on behalf of the taxpayer by the managing authorised intermediary. For more information, see also "—*Tax Treatment of Capital Gains*".

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individual not engaged in an entrepreneurial activity may be exempt from taxation on income (including the *imposta sostitutiva*) if the Notes are included in a long-term individual savings account (piano individuale di risparmio a lungo termine) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of December 11, 2016.

*Noteholders Engaged in an Entrepreneurial Activity*

In the event that an Italian-resident Noteholder is an individual or a non-commercial entity engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the overall taxation on income due.

Where a Noteholder is an Italian resident company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. It must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate taxation and, in certain circumstances, depending on the "status" of the Noteholder, also to the Italian regional tax on productive activities ("**IRAP**").

Where an Italian resident Noteholder is an individual engaged in an entrepreneurial activity to which the Notes are connected, Interest relating to the Notes is subject to *imposta sostitutiva* on a provisional basis and will be included in its relevant income tax return. As a consequence, Interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

*Real Estate Investment Funds and Real Estate SICAFs*

Under the current regime provided by Law Decree No. 351 of 25 September 2001 ("**Decree No. 351**"), assubsequently amended, payments of Interest on the Notes made to Italian resident real estate investment funds are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund *provided that* the Notes, together with the relevant coupons, are timely deposited with an authorised intermediary.

The same regime discussed above is applicable to Italian real estate *Società di Investimento a Capitale Fisso* qualified as such from a civil law perspective ("**Real Estate SICAF**").

The income of the real estate fund or the SICAF is subject to tax, in the hand of the unitholder or shareholder (as the case may be), depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

*Funds, SICAVs and SICAFs (other than Real Estate SICAFs)*

Where an Italian-resident Noteholder is an open-ended or a closed-ended collective investment fund ("**Fund**") or a *Società di Investimento a Capitale Variabile* ("**SICAV**") or a *Società di Investimento a Capitale Fisso* which not exclusively or primarily invests in real estate ("**SICAF**"), established in Italy and subject (or whose manager is subject) to the supervision of a regulatory authority, and the Notes are deposited with an authorised intermediary, Interest accrued during the holding period on the Notes should not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund, the SICAV or the SICAF (as the case may be). The Fund, the SICAV or the SICAF will not be subject to taxation on such management results, but a withholding at the rate of 26 per cent. will instead apply, in certain circumstances, to distributions made in favour of their unitholders or shareholders (as the case may be).

*Pension Funds*

Where an Italian-resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to the *imposta sostitutiva*, but will be included in the results of the relevant portfolio accrued at the end of the relevant tax period, which will be subject to a 20 per cent. substitute tax on the increase in value of the managed assets accrued at the end of each tax year.

*Application of the Imposta Sostitutiva*

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIM**"), fiduciary companies, *società di gestione del Risparmio* ("**SGR**"), stockbrokers and other entities identified by a decree of the Ministry of Finance (each, an "**Italian Tax Intermediary**").

An Italian Tax Intermediary must:

- be resident in Italy, or be a permanent establishment in Italy of banks or intermediaries resident outside of Italy or by organizations or companies non resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree no. 239, and

- 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 of the Italian Tax Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Italian Tax 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 interest to a Noteholder or, absent that, by the Issuer.

*Non-Italian Resident Noteholders*

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies *provided that* the non-Italian resident Noteholder is:

- a beneficial owner of Interest resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Italian tax authorities; or
- an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- an "institutional investor", whether or not subject to tax, which is established in a country which allows a satisfactory exchange of information with the Italian tax authorities, even if it does not possess the status of a taxpayer in its own country of establishment; or
- a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State.

For the purposes of exemption from *imposta sostitutiva* countries allowing a satisfactory exchange of information with the Italian tax authorities currently include those identified by the "white list" provided for by Italian Ministerial Decree of 4 September 1996, as ultimately amended by Ministerial Decree of March 23, 2017 and possibly further amended by future decrees issued pursuant to Article 11 par. 4 (c) of Decree 239.

In order to ensure gross payment, non-Italian resident Noteholders must timely deposit the Notes, together with the coupons relating to such Notes, directly or indirectly with:

- an Italian or foreign bank or a financial institution (which could be a non-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
- an Italian-resident bank or brokerage company ("**SIM**"), or a permanent establishment in Italy of a non-resident bank or a 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**").

Non-Italian resident organisations and companies, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream, Luxembourg) are treated as Second Level Banks, *provided that* they appoint an Italian representative (an Italian-resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree No. 239. In the event that a non-Italian-resident Noteholder deposits the relevant 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:

- the timely deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- 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*).

Such statement must comply with the requirements set forth by the Ministerial Decree of 12 December 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 or Central

Banks or entities also authorised to manage the official reserves of a foreign State. Additional declarations may be required for "institutional investors" (see Circular Letter No. 23/E of 1 March 2002 and No. 20/E of 27 March 2003).

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to non-Italian Noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the relevant conditions.

Noteholders who are subject to the *imposta sostitutiva* may, nevertheless, be eligible for full or partial relief under an applicable tax treaty, *provided that* the relevant conditions are satisfied.

***Fungible Issues***

Pursuant to Article 11, paragraph 2 of Decree 239, where the relevant Issuer issues a new tranche forming part of a single series with a previous tranche of notes, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva*, the issue price of the new tranche of notes will be deemed to be the same amount as the issue price of the original tranche of notes. This rule applies where (a) the new tranche of notes is issued within twelve months from the issue date of the previous tranche of notes and (b) the difference between the issue price of the new tranche of notes and that of the original tranche of notes does not exceed 1% multiplied by the number of years of the duration of the Notes.

***Certain Italian Tax Considerations on Capital Gains on the Notes***

*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;
- a partnership (società semplice) or a *de facto* partnership not carrying out commercial activities;
- a professional association; or
- a non-commercial private or public institution.

any capital gain realised by such Noteholder from the disposal or redemption of the Notes would be subject to the *imposta sostitutiva*, levied at a rate of 26 per cent.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva* on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (piano individuale di risparmio a lungo temrine) that meets the requirements set forth in Article 1 (100-114) of Law No. 231 of December 11, 2016 (the "**Finance Act 2017**").

In respect of the application of the *imposta sostitutiva*, taxpayers may opt, under certain conditions, for any of the three regimes described below.

*Tax Declaration Regime*

Under the "tax declaration regime" (*regime della dichiarazione*), which is the standard regime for Italian-resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity pursuant to investment transactions, including sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in their annual tax return and pay the *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward and set off against capital gains of the same nature

realised in any of the four succeeding tax years.

*Risparmio Amministrato Regime*

As an alternative to the tax declaration regime, Italian-resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each disposal or redemption of the Notes (the "*risparmio amministrato*" regime) according to Article 6 of Decree 461. Such separate taxation of capital gains applies when:

- the Notes are deposited with an Italian bank, SIM or certain authorised financial intermediary; and
- an express election for the *risparmio amministrato* regime is timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each disposal or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the *imposta sostitutiva* 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 disposal or redemption of the Notes may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains/losses in its annual tax return.

*Risparmio Gestito Regime*

In the *risparmio gestito* regime, any capital gains realised 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 authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at tax year-end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation 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 realised in its annual tax return.

*Noteholders Engaged in an Entrepreneurial Activity*

Any gain obtained from the disposal or redemption of the Notes will be treated as part of taxable 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 realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign 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 realised by a Noteholder which is an Italian real estate investment fund or an Italian Real Estate SICAF to which the provisions of Decree No. 351, as subsequently amended, apply, will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or Real Estate SICAF.

*Funds, SICAVs and SICAFs (other than Real Estate SICAFs)*

Any capital gains realised by a Noteholder who is an Italian Fund, a SICAV or a SICAF subject (or whose manager is subject) to the supervision of a regulatory authority, will be included in the result of the relevant portfolio accrued at the end of the relevant tax period. Such result will not be subject to taxation at the level of the Fund, the SICAV or the SICAF, but a withholding at the rate of 26 per cent. will instead apply, in certain circumstances, to distributions made in favour of their unitholders or shareholders (as the case may be).

*Pension Funds*

Any capital gains on Notes held by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the relevant tax period (which will be subject to a 20 per cent. substitute tax).

*Non-Italian Resident Noteholders*

A 26 per cent. *imposta sostitutiva* on capital gains may be payable on capital gains realised on the disposal or redemption of the Notes by non-Italian resident persons or entities without a permanent establishment in Italy to which the notes are effectively connected, if the notes are held in Italy.

However, pursuant to Article 23, letter f), No. 2 of Decree 917, capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the notes are effectively connected from the disposal or redemption of notes issued by an Italian resident issuer and traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, in certain cases (in particular, where the "*risparmio amministrato*" regime applies or where option is made for the "*risparmio gestito*" regime) subject to timely filing of required documentation (in particular, a self-declaration that the Noteholder is not resident in Italy for tax purposes).

Capital gains realised by non-Italian resident Noteholder without a permanent establishment in Italy to which the notes are effectively connected from the disposal or redemption of notes issued by an Italian-resident issuer, even if the notes are not traded on a regulated market, are not subject to the *imposta sostitutiva*, *provided that* the Noteholder is:

- a beneficial owner resident, for tax purposes, in a country allowing an adequate exchange of information with the Italian tax authorities;
- an international body or entity set up in accordance with international agreements which have entered into force in Italy;
- an "institutional investor", whether or not subject to tax, which is established in a country allowing an adequate exchange of information with the Italian tax authorities, even if it does not possess the status of a taxpayer in its own country of establishment; or
- a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, such non-Italian resident Noteholders may in certain cases (in particular, where the "*risparmio amministrato*" regime applies or where option is made for the "*risparmio gestito*" regime) be required to file a self-declaration as the one required in order to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree No. 239. See "*Tax Treatment of interest—Non-Italian Resident Noteholders*" above.

If the conditions above are not met, capital gains realised by non-Italian resident Noteholder without a permanent establishment in Italy to which the notes are effectively connected from the disposal or redemption of notes issued by an Italian-resident issuer and not traded on a regulated market may be subject to the *imposta sostitutiva* at the current rate of 26 per cent. However, Noteholder may be able to benefit from an applicable double tax treaty with Italy providing that capital gains realised upon the sale or redemption of the notes are taxed only in the country where the recipient is tax resident, subject to satisfying certain conditions. In order to benefit from the applicable treaty regime, such non-Italian resident Noteholder may in certain cases (in particular, where the "*risparmio amministrato*" regime applies or where option is made for the "*risparmio gestito*" regime) be required to file a certificate of tax residence issued by the foreign competent tax authority.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding notes deposited with an Italian Tax Intermediary, but non-Italian-resident Noteholder retain the right to waive its applicability.

*Certain Reporting Obligations for Italian-Resident Noteholders*

Pursuant to Law Decree No. 167 of 28 June 1990 (as lastly amended by Italian Law no. 225 of December 1st 2016), individuals, non-profit entities and certain partnerships (in particular, *società semplici* or similar partnership in accordance with Article 5 of Decree 917) resident in Italy holding financial assets, including the Notes, outside Italy (without the intervention of an Italian-resident intermediary) are required to report, in their Italian tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), the value of their financial assets held abroad. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument under the Italian money-laundering law.

The above reporting requirement is not required to be complied with in respect of Notes deposited for management or administration with qualified Italian financial intermediaries, upon condition that the items of income derived from the Notes have been subject to withholding or substitute tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a Euro 15.000 threshold throughout the year.

*Italian Inheritance Tax and Gift Tax*

Pursuant to Law Decree No. 262 of 3 October 2006, as subsequently amended, subject to certain exceptions, the transfer of Notes by reason of gift, donation or succession proceedings is generally subject to Italian inheritance tax and gift tax as follows:

- 4 per cent. for transfers in favour of spouses and direct descendants and ascendants on the value of the inheritance or the gift exceeding, for each beneficiary, a threshold of Euro 1 million;
- 6 per cent. for transfers in favour of siblings on the value of the inheritance or the gift exceeding, for each beneficiary, a threshold of Euro 100,000;
- 6 per cent. for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and
- 8 per cent. for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress and/or the donee is a person with a severe disability, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds Euro 1.5 million.

Moreover, an anti-avoidance rule is provided for by Italian Law no. 383 of October, 201 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains to the *imposta sostitutiva* provided for by Decree No. 461. In particular, if the done sells the Notes for consideration within five years from the receipt thereof as a gift, the done is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift was not made.

With respect to Notes listed on a regulated market, the value for inheritance tax and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Italian inheritance tax and gift tax applies to non-Italian-resident individuals for bonds issued by Italian resident companies.

*Wealth Tax on Securities Deposited Abroad*

According to Article 19 of Law Decree No. 201 of 6 December 2011 ("**Decree No. 201**"), as subsequently amended, Italian-resident individuals holding financial assets – including the Notes – outside of Italy without the

involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.20 per cent. 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 assets held outside Italy. Taxpayers are entitled to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the country where the financial assets are held (up to the amount of the Italian wealth tax due).

*Stamp Taxes and Stamp Duties—Holding Through Financial Intermediary*

According to Article 13 par. 2-ter of the tariff Part 1 attached to the Italian Presidential Decree No. 642 of October 26, 1972 (as amended by Article 19 of Decree No. 201, and Article 1, par. 581 of Italian Law No. 147 of December 27, 2013) a proportional stamp duty generally applies on a yearly basis currently at the rate of 0.20 per cent. calculated on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product or financial instruments (including the Notes) deposited by either Italian or non-Italian residents with an Italian financial intermediary. For Investors other than individuals, the annual stamp duty cannot exceed Euro 14,000.00.

Based on the law and the implementing decree issued by the Italian Ministry of Finance on 24 May 2012, the stamp duty applies to any Investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

*Registration Tax*

Contracts relating to the transfer of the Notes are subject to the registration tax as follows:

- public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of Euro 200.00; and

- private deeds (*scritture private non autenticate*) are subject to fixed registration tax of Euro 200.00 only (i) in case of voluntary registration, or (ii) in case of cross reference in a deed, agreement or other document entered into, executed or signed by the same parties thereto and registered with the competent Registration Tax Office or in a judicial decision (*enunciazione*), or (iii) in case of use. According to Article 6 of the Presidential Decree No. 131 of 26 April 1986, a "case of use" would generally occur if the relevant document is deposited with a central or local government office or with a court chancery in connection with an administrative procedure, except for the case that the deposit is compulsory required by law or regulation.

*Payments by an Italian - Resident Guarantor*

If an Italian resident guarantor (if any) makes any payments in respect of interest on the Notes (or any other amounts due under the Notes other than the repayment of principal) it is possible that such payments may be subject to withholding tax applied at a rate not exceeding 26 per cent. (to be applied as final or on account depending on the status of the relevant beneficial owner), subject to such relief as may be available under the provisions of any applicable double taxation treaty.

*EU Directive on automatic exchange of information and OECD Common Reporting Standard*

On 9 July 2015, the Italian Parliament adopted Law No. 114 delegating the Italian Government to implement in Italy certain EU Directives, including Directive 2014/107/EU. Such Directive is aimed at broadening the scope of the operational mechanism of intra-EU automatic exchange of information in order to fight cross-border tax fraud and evasion. The implementation has been completed with the issue of the Decree dated 28 December 2015 as lastly amended by Decree dated 9 May 2019.

Following implementation of said Directive, the Italian Authorities may communicate to other Member States information about interest and other categories of financial income of Italian source, including income from the Notes.

With the above mentioned Decree issued on 28 December 2015, Italian Government has also implemented the Law No. 95 of June 18, 2015 for the implementation of the Common Reporting Standard (CRS), an instrument

developed from the OECD in order to address the issue of offshore tax evasion on a global basis. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of the common due diligence and reporting procedures.

**In the event that the holders of the Notes hold the Notes through an Italian financial institution (as meant in the Italian Ministerial Decree of December 28, 2015), they may be required to provide additional information to such financial institution to enable it to satisfy its obligation.**

**EU Savings Directive**

The EU Savings Directive has been repealed with effect from 1 January 2016 in order to prevent overlap with the new automatic exchange of information implemented under Council Directive 2014/107/EU.

## SALE AND OFFER OF THE NOTES

### General

In connection with the Offering, Equita S.I.M. S.p.A. as the lead manager (the "**Placement Agent**") has, according to Article 2.4.3 of the trading rules of Borsa Italiana, been appointed by the Issuer to offer and display the Notes for sale on the MOT. Furthermore, Equita S.I.M. S.p.A has been appointed by the Issuer to act as the specialist (the "**Specialist**"). The Specialist may act in a market-making capacity by effecting purchases of the Notes on the secondary market with a view to supporting the liquidity of the Notes. Purchases effected by the Specialist may be made at prices which, within a range set by Borsa Italiana, may be higher than the price that would otherwise prevail. The Specialist's market-making activities will be done in compliance with all quantity- and duration-related requirements set forth by Borsa Italiana.

The fees payable to the Placement Agent in connection with the Offering will be the following: (i) a management commission, up to 0.40 per cent. of the total principal amount of the Notes issued, (ii) an institutional placement commission, up to *(a)* 0.55 per cent. of the principal amount of the Notes issued pursuant to Purchase Offers collected by the Placement Agent from institutional investors, on the Notes up to 50 per cent of the total principal amount of the Notes issued and *(b)* 0.60 per cent. of the principal amount of the Notes issued pursuant to Purchase Offers collected by the Placement Agent from institutional investors, on the Notes exceeding 50 per cent of the total principal amount of the Notes issued, (iii) a MOT placement commission, up to 0.30 per cent of the principal amount of the Notes issued pursuant to Purchase Offers collected by the Placement Agent on the MOT and not included in the Purchase Offers collected from institutional investors under (ii) above.

The Placement Agent considers its clients to be each of the Issuer and potential Investors in the Notes. The Placement Agent and its affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer or its affiliates, for which the Placement Agent and its affiliates have received or will receive customary fees and commissions.

In addition, in the ordinary course of their business activities, the Placement Agent and its 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. Typically, the Placement Agent and its affiliates would hedge and do hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Placement Agent and its 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.

There are no interests of natural and legal persons other than the Issuer and the Placement Agent involved in the issue of the Notes, including conflicting ones that are material to the issue.

### Offering of the Notes

#### *Offering Amount*

Subject to the Minimum Offer Condition, the Issuer is offering for subscription and listing and admission to trading on the MOT a minimum of Euro 250,000,000 aggregate principal amount of the Notes (the "**Minimum Offer Amount**") and a maximum of Euro 300,000,000 aggregate principal amount of the Notes (the "**Maximum Offer Amount**"). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date. If the Maximum Offer Amount is reduced below Euro 300,000,000, the Issuer will publish a notice specifying the revised Maximum Offer Amount on the Issuer's Website, the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana. Moreover, in such a case a supplement to this Prospectus will be published by the Issuer in accordance with Article 23 of the Prospectus Regulation.

***Pricing Details***

The Notes will be issued at a price of 100.00 per cent. of their principal amount (the "**Issue Price**").

***Disclosure of the Results of the Offering***

The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the yield and the demand by Investors in the course of the determination of the conditions (the bookbuilding procedure) prior to the start of the Offering Period. In the course of the bookbuilding procedure, the Placement Agent will accept within a limited period of time indications of interest in subscribing for the Notes from Investors. Subsequently, the Placement Agent will determine, in consultation with the Issuer and based on, among other things, the quantity and quality of the expressions of interest received from Investors during the bookbuilding procedure, the interest rate (coupon) and the final yield.

The interest rate of the Notes (which shall not be less than the Minimum Interest Rate) and the yield will be set out in the Interest Rate and Yield Notice, which will be filed with the CSSF, and published on the Issuer's Website (www.ivsgroup.it/en/), the Luxembourg Stock Exchange Website (www.bourse.lu) and released through the SDIR-NIS system of Borsa Italiana prior to the start of the Offering Period.

The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in the Offering Results Notice which will be filed with the CSSF, and published on the Issuer's Website (www.ivsgroup.it/en/ ), the Luxembourg Stock Exchange Website (www.bourse.lu) and released through the SDIR-NIS system of Borsa Italiana no later than the third business day after the end of the Offering Period.

***Conditions of the Offering***

Except for the Minimum Offer Condition, the Offering is not subject to any conditions.

Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

***Offering Period, Early Closure, Extension and Withdrawal***

The Offering will open on 30 September, 2019 at 09:00 (CET) (the "**Launch Date**") and will expire on 11 October 2019 at 17:30 (CET) (the "**Offering Period End Date**"), subject to amendment, extension or postponement by the Issuer and the Placement Agent (the "**Offering Period**").

The Investors will be required to remit payment in exchange for the issuance of the Notes for which they have placed Purchase Offers on the Issue Date, which will initially be 18 October 2019. In the case of an early closure or extension of the Offering Period the Issue Date will be the fifth business day following the closure of the Offering Period.

The Offering Period has been determined by the Issuer. The Issuer expressly reserves the right to postpone or extend the Offering Period in light of the market conditions or modify the Launch Date and/or the Offering Period End Date in agreement with the Placement Agent by giving due notice to the CSSF, Borsa Italiana, the Trustee and, by way of a notice published on the Issuer's Website, the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana, the general public. Any notice of postponement or modification of the Offering Period will be given no later than the business day prior to the Launch Date. If, following the Launch Date and before the Offering Period End Date, the Notes have not been placed for an amount equal to the Maximum Offer Amount or the Minimum Offer Amount because of the market conditions and the Issuer decides to extend the Offering Period in agreement with the Placement Agent, a notice of extension of the Offering Period will be published before the last day of the Offering Period.

If, during the Offering Period, Purchase Offers exceed the Maximum Offer Amount, the Placement Agent, in agreement with the Issuer, will close the Offering prior to the expiration of the Offering Period, and all Purchase Offers in excess of the Maximum Offer Amount will not be executed. The Issuer will promptly communicate an early closure

of the Offering Period to the CSSF, Borsa Italiana, the Trustee and, by way of a notice published on the Issuer's Website, to the general public.

If Purchase Offers are lower than the Minimum Offer Amount, the Issuer and the Placement Agent expressly reserve the right to withdraw the Offering at any time prior to 16:45 (CET) on the Offering Period End Date. The Issuer will promptly communicate a withdrawal of the Offering to the CSSF, Borsa Italiana and the Trustee, first, and, subsequently, to the general public, by way of a dedicated notice published on the Issuer's Website, the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana.

The Placement Agent, in agreement with the Issuer, expressly reserves the right to cancel the launch of the Offering at any time between the date of this Prospectus and the Launch Date or to withdraw the Offering at any time after the Launch Date and before 16:45 (CET) on the Offering Period End Date in the case of (i) any extraordinary change in the political, financial, economic, regulatory, currency or market situation of the markets in which the Group operates which could have a materially adverse effect on the Offering, or the economic, financial and/or management conditions of the Issuer, the Future Guarantors and/or the Group or on their business activities, or (ii) any act, fact, circumstance, event, opposition or any other extraordinary situation which has not yet occurred at the date of this Prospectus which may have a materially adverse effect on the Offering, or the economic, financial and/or management conditions of the Issuer and/or the Group or on their business activities. If the launch of the Offering is cancelled or the Offering is withdrawn, the Offering itself and all submitted Purchase Offers will be deemed cancelled. Prompt notice of any decision to cancel the launch of the Offering or withdraw the Offering after the Launch Date will be communicated to the CSSF, Borsa Italiana, the Trustee and, by way of a notice published on the Issuer's Website, the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana, the general public.

If, prior to the Issue Date, Borsa Italiana has failed to set the Trading Start Date, the Offering will be automatically withdrawn by giving notice to CSSF, the Trustee and, no later than the day after notice has been given to CSSF, by notifying the general public by way of a notice published on the Issuer's Website, the Luxembourg Stock Exchange Website and released through the SDIR-NIS system of Borsa Italiana.

***Technical Details of the Offering***

The Offering will occur through Purchase Offers made by Investors on the MOT through Intermediaries and coordinated by the Placement Agent, who has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an Intermediary. Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of aggregate par value of Euro 1,000 of the Notes, and may be made for any multiple thereof.

During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorised to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT.

The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify Investors of the number of Notes they have been assigned within the Issue Date.

After the end of the Offering Period, Borsa Italiana, in conjunction with the Issuer, shall set and give notice of the Trading Start Date. The Trading Start Date shall correspond to the Issue Date.

Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the Investor, will be repaid to the Investor who initiated the Purchase Offer by the Issue Date. See "*Terms and Conditions of the Payment and Delivery of the Notes*".

Except as otherwise set forth herein, Purchase Offers, once placed, may not be revoked. See "*—Revocation of Purchase Offers*".

Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted.

Investors may place multiple Purchase Offers.

Purchase Offers placed by Italian Investors through telecommunication means are not subject to the existing withdrawal provisions applicable to distance marketing of consumer financial services, services in accordance with articles 67-*bis* and 67-*duodecies* of legislative Decree no. 206 of 6 September 2005 as regards the public offer in Italy.

***Revocation of Purchase Offers***

If the Issuer publishes any supplement to this Prospectus in accordance with Article 23(1) of the Prospectus Regulation (a "**Supplement**"), any Investor who has placed a Purchase Offer prior to the issuance of the Supplement shall be entitled to revoke such Purchase Offer by no later than the second business day following the publishing of the Supplement, in accordance with Article 23(2) of the Prospectus Regulation. Revocation of a Purchase Offer may be accomplished by delivering written notice to the Intermediary through whom the Investor made the Purchase Offer, who shall in turn notify the Placement Agent of such revocation.

***Terms and Conditions of the Payment and Delivery of the Notes***

Investors will pay the Issue Price to the Intermediaries through whom they have placed Purchase Offers on the Issue Date.

In case of early closure of the Offering or extension of the Offering Period, a press release will be made to announce the action and inform Investors and potential Investors of the revised Issue Date. For more information about the circumstances in which the Offering Period may be closed early or extended, see "*Offering Period, Early Closure, Extension and Withdrawal*".

Ownership of interests in Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests in the Notes through participants in Euroclear and/or Clearstream, Luxembourg, including Monte Titoli. Euroclear and Clearstream, Luxembourg will hold interests in the Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Book-Entry Interests will not be issued in definitive form. Payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg.

None of the Issuer, the Trustee, the Paying Agents or any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

***Costs and Expenses Related to the Offer***

The Issuer will not charge any costs, expenses or taxes directly to any Investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries. See "*—Technical Details of the Offering*".

**Consent to the Use of this Prospectus**

The Issuer has not granted its consent for the use of this Prospectus for any subsequent resale or of the Notes by any Intermediaries.

**Public Offer and Selling Restrictions**

The Offering is addressed to the general public in Luxembourg and Italy and to qualified investors (as defined in the Prospectus Regulation) in Luxembourg, Italy and other jurisdictions, as indicated in the selling restrictions below,

following the approval of this Prospectus by the CSSF according to Article 6 of the Luxembourg Prospectus Law, and the effectiveness of the notification of this Prospectus by the CSSF to CONSOB according to Article 25 of the Prospectus Regulation and Article 6 of the Luxembourg Prospectus Law. Purchase Offers may only be placed through Intermediaries. Any persons who, at the moment of making a Purchase Offer, even if they are resident in Luxembourg or Italy, may be considered as being resident in the United States or in any other country in which the offer of financial instruments is not permitted to be made unless it has been authorised by the competent authorities of such country (the "**Other Countries**") are not entitled to subscribe for the Notes in the Offering.

If, according to the Intermediaries, Purchase Offers were made by persons resident in Luxembourg or Italy in breach of the provisions in force in the United States or in Other Countries, the Intermediaries shall adopt any adequate measure to remedy the unauthorised Purchase Offers and shall promptly notify the Placement Agent.

***European Economic Area***

The Offering contemplated by this Prospectus has not been, and will not be, made to the public in any member state of the EEA (a "**Member State**") other than the offers contemplated in this Prospectus in Luxembourg and Italy from the time this Prospectus has been approved by the CSSF and published in another Relevant Member State and notified to the competent authority in that Member State in accordance with Article 25 of the Prospectus Regulation, and provided that the Issuer has consented in writing to the use of this Prospectus for any such offers, except that offers may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Placement Agent; or
- in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Regulation;

provided that no such offer of the Notes shall require the Issuer or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement this Prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in the Member State.

Where investors in the EEA do not qualify as qualified investors, the Issuer shall provide a key information document for packaged retail and insurance-based investment products (KID) in accordance with the PRIIPs Regulation.

***United States and its Territories***

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes have not been, and will not be, offered or sold within the United States or to U.S. Persons except in accordance with Rule 903 of Regulation S. Neither the Issuer nor the Intermediaries, nor any persons acting on their behalf, have engaged, or will engage, in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are in bearer form and are subject to United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended.

In accordance with TEFRA D, the Placement Agent and each Intermediary represents and agrees that:

- except to the extent permitted under TEFRA D, (a) it has not offered or sold, and during the restricted period will not offer or sell, the Notes to a person who is within the United States or its possessions or to a United States person and (b) it has not delivered and will not deliver within the United States or its possessions definitive Notes (if any) that are sold during the restricted period;

- it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D;

- if the Intermediary is a United States person, it represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and, if such Intermediary retains the Notes for its own account, it will only do so in accordance with TEFRA D;

- with respect to each affiliate (if any) that acquires from such Intermediary the Notes for the purpose of offering or selling such Notes during the restricted period, such Intermediary either (a) hereby represents and agrees on behalf of such affiliate to the effect set forth in the three bullet points above or (b) agrees that it will obtain from such affiliate, for the benefit of the Issuer, the representations and agreements contained in the three bullet points above; and

- such Intermediary will obtain for the benefit of the Issuer the representations and agreements contained in the four bullet points above from any person other than its affiliate with whom it enters into a written contract, as defined under TEFRA D, for the offer and sale during the restricted period of the Notes.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including TEFRA D.

***United Kingdom***

The Placement Agent has represented, warranted and undertaken that:

a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### Authorisation of the Notes and Future Guarantees

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 11 September 2019.

The granting of the Future Guarantees has been authorised by resolutions of their respective Boards of Directors on 11 September 2019.

### Clearing and Settlement

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and, therefore, payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg, each an ICSD.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility and upon issue to be deposited with one of the ICSDs as common safekeeper. This does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes have been assigned securities codes as follows:

ISIN: XS2049317808; and
Common Code: 204931780.

### Notices to Noteholders

For so long as the Notes are listed on the regulated MOT segment of Borsa Italiana, all notices to the Noteholders regarding such Notes shall be published on the website of the Issuer, the website of the Luxembourg Stock Exchange (www.bourse.lu) and published through the SDIR-NIS system of Borsa Italiana as appointed mechanism for storing and disseminating regulated information.

### Yield

On the basis of the issue price of the Notes of 100 per cent. of their principal amount and a Minimum Interest Rate of 3 per cent. per annum, the gross real yield of the Notes is a minimum of 3 per cent. on an annual basis. The final yield will be set out in the Interest Rate and Yield Notice (see "*Sale and Offer of the Notes*"). The yield indicated in this paragraph is calculated, and the final yield set out in the Interest Rate and Yield Notice will be calculated, as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### Expenses

The expenses of the issue of the Notes are expected to amount to between approximately Euro 3.1 million and Euro 3.9 million (depending on the size of the Offering) to be paid in connection with the offer of the Notes.

### Listing and Admission to Trading

Application has been made to list the Notes on the regulated MOT segment of Borsa Italiana. Borsa Italiana has admitted the Notes to listing and trading on the regulated MOT segment with order n. LOL-004127 dated 13 September 2019. The Trading Start Date will be set by Borsa Italiana, and shall correspond to the settlement date of the purchase agreements with respect to the Notes and the Issue Date. See "*Sale and Offer of the Notes—Offering of the Notes—Technical Details of the Offering*".

As of the date of this Prospectus, the Notes are not listed on any other Italian or foreign regulated, or equivalent, market and the Issuer has no intention of applying for admission to list the Notes on any regulated market other than the MOT.

**Rating**

None of the Issuer, the Future Guarantors, the Notes or the Future Guarantees is rated.

**Documents on Display**

For so long as any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be obtained (and in the case of (c) and (e) can be found on the Issuer's Website, the Luxembourg Stock Exchange Website and free of charge during normal business hours at the specified office of the Issuer and the Future Guarantors (when the Future Guarantees are granted), namely:

(a) the constitutional documents of the Issuer and the Future Guarantors;

(b) the Trust Deed and the Supplemental Trust Deed;

(c) following their issuance, the Future Guarantees, as included in the Supplemental Trust Deed;

(d) the Agency Agreement; and

(e) this Prospectus, any supplement thereto, if any, and any document incorporated by reference therein.

**Legend**

Each Note and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended".

## INCORPORATION BY REFERENCE

### The Issuer

The audited consolidated financial statements as of and for the year ended 31 December 2017 of the Group prepared in accordance with IFRS as contained in the Annual Report for the year 2017 have been previously published on the Issuer's Website (see the following hyperlink: https://www.ivsgroup.it/en/financial-information/financial-statements-reports/ivs-group-sa-2017/) and on the Luxembourg Stock Exchange Website, have been filed with CSSF and are incorporated by reference into this Prospectus. The page numbers of certain relevant sections thereof are included below for ease of reference.

| **Consolidated Financial Statements** | **Page** |
|---|---|
| Independent Auditor's Report on Consolidated Financial Statements | 56-60 |
| Consolidated Statement of Financial Position | 64 |
| Consolidated Income Statement | 65 |
| Consolidated Statement of Comprehensive Income | 66 |
| Consolidated Statement of Changes in Consolidated Shareholders' Equity as of 31 December 2017 | 67 |
| Consolidated Statement of Changes in Consolidated Shareholders' Equity as of 31 December 2016 | 68 |
| Consolidated Statement of Cash Flows | 69 |
| Explanatory Notes to the Financial Statements | 72-124 |

| **Annual Accounts** | **Page** |
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| Independent Auditor's Report on Annual Accounts | 130-133 |
| Balance Sheet as of 31 December 2017 | 136 |
| Profit and Loss Account for the Year Ended 31 December 2017 | 137 |
| Notes to the Annual Accounts as of 31 December 2017 | 140-153 |

The audited consolidated financial statements as of and for the year ended 31 December 2018 of the Group prepared in accordance with IFRS as contained in the Annual Report for the year 2018 have been previously published on the Issuer's Website (see the following hyperlink: https://www.ivsgroup.it/en/financial-information/financial-statements-reports/ivs-group-sa-2018/) and on the Luxembourg Stock Exchange Website, have been filed with CSSF and are incorporated by reference into this Prospectus. The page numbers of certain relevant sections thereof are included below for ease of reference.

| **Consolidated Financial Statements** | **Page** |
|---|---|
| Independent Auditor's Report on Consolidated Financial Statements | 60-63 |
| Consolidated Statement of Financial Position | 66 |
| Consolidated Income Statement | 67 |
| Consolidated Statement of Comprehensive Income | 68 |
| Consolidated Statement of Changes in Consolidated Shareholders' Equity as of 31 December 2018 | 69 |
| Consolidated Statement of Changes in Consolidated Shareholders' Equity as of 31 December 2017 | 70 |
| Consolidated Statement of Cash Flows | 71 |
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| **Annual Accounts** | **Page** |
|---|---|
| Independent Auditor's Report on Annual Accounts | 134-137 |
| Balance Sheet as of 31 December 2018 | 140 |
| Profit and Loss Account for the Year Ended 31 December 2018 | 141 |
| Notes to the Annual Accounts as of 31 December 2018 | 144-157 |

The reviewed condensed interim consolidated financial statements as of and for the six-months ended 30 June 2019 of the Group prepared in accordance with IFRS as contained in the Half-year Report for 2019 have been previously published on the Issuer's Website (see the following hyperlink: https://www.ivsgroup.it/en/financial-information/financial-statements-reports/) and on the Luxembourg Stock Exchange Website, have been filed with CSSF and are incorporated by reference into this Prospectus. The page numbers of certain relevant sections thereof are included below for ease of reference.

| **Condensed Interim Consolidated Financial Statements** | **Page** |
|---|---|
| Report on the Review of Condensed Interim Consolidated Financial Statements | 35 |
| Consolidated Statement of Financial Position | 40 |
| Consolidated Income Statement | 41 |
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| Consolidated Statement of Changes in Consolidated Shareholders' Equity During the First Six Months of 2019 | 43 |
| Consolidated Statement of Changes in Consolidated Shareholders' Equity During the First Six Months of 2018, Restated | 44 |
| Consolidated Statement of Cash Flows | 45 |
| Explanatory Notes to the Financial Statements | 48-71 |

**The Future Guarantors**

***IVS Italia***

The English translation of the audited stand-alone financial statements as of and for the year ended 31 December 2017 of IVS Italia prepared in accordance with IFRS as contained in the Annual Report for the year 2017 have been previously published on the Issuer's Website (see the following hyperlink: https://www.ivsgroup.it/en/financial-information/subsidiaries/2017-en/), have been filed with CSSF and are incorporated by reference into this Prospectus. The page numbers of certain relevant sections thereof are included below for ease of reference.

| **Financial Statements** | **Page** |
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| Statement of Financial Position | 14 |
| Income Statement | 15 |
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| Statement of Changes in Net Equity | 17 |
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| Explanatory Notes to the Financial Statements | 19-49 |
| Independent Auditor's Report on Financial Statements | 50-53 |

The English translation of the audited stand-alone financial statements as of and for the year ended 31 December 2018 of IVS Italia prepared in accordance with IFRS as contained in the Annual Report for the year 2018 have been previously published on the Issuer's Website (see the following hyperlink: https://www.ivsgroup.it/en/financial-information/subsidiaries/2018-en/), have been filed with CSSF and are incorporated by reference into this Prospectus. The page numbers of certain relevant sections thereof are included below for ease of reference.

| **Financial Statements** | **Page** |
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| Statement of Changes in Net Equity | 18 |
| Statement of Cash Flows | 19 |
| Explanatory Notes to the Financial Statements | 20-53 |
| Independent Auditor's Report on Financial Statements | 54-57 |

***S. Italia***

The English translation of the audited stand-alone financial statements as of and for the year ended 31 December 2017 of S. Italia prepared in accordance with IFRS as contained in the Annual Report for the year 2017 have been previously published on the Issuer's Website (see the following hyperlink: https://www.ivsgroup.it/en/financial-information/subsidiaries/2017-en/), have been filed with CSSF and are incorporated by reference into this Prospectus. The page numbers of certain relevant sections thereof are included below for ease of reference.

| **Financial Statements** | **Page** |
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| Statement of Comprehensive Income | 12 |
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| Explanatory Notes to the Financial Statements | 15-35 |
| Independent Auditor's Report on Financial Statements | 36-39 |

The English translation of the audited stand-alone financial statements as of and for the year ended 31 December 2018 of S. Italia prepared in accordance with IFRS as contained in the Annual Report for the year 2018 have been previously published on the Issuer's Website (see the following hyperlink: https://www.ivsgroup.it/en/financial-information/subsidiaries/2018-en/), have been filed with CSSF and are incorporated by reference into this Prospectus. The page numbers of certain relevant sections thereof are included below for ease of reference.

| **Financial Statements** | **Page** |
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| Statement of Financial Position | 9 |
| Income Statement | 10 |
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| Explanatory Notes to the Financial Statements | 14-35 |
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Any information incorporated by reference that is not included in the above cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980.

As long as any Notes are listed on the MOT of Borsa Italiana and any applicable laws so require the documents incorporated by reference are available on the website of the Issuer (www.ivsgroup.it/en/) and the website of the Luxembourg Stock Exchange (www.bourse.lu) and may be inspected and are available free of charge during normal business hours at either the registered office of the Issuer (18, Rue de l'Eau, L-1449 Luxembourg, Grand Duchy of Luxembourg) or its operational headquarters (Via dell'Artigianato, 25, Seriate (BG) 24068, Italy).

The information on the website of each of the Issuer (www.ivsgroup.it/en/) and IVS Italia S.p.A. (www.ivsitalia.com/), as well as any information on any other website mentioned in this Prospectus does not form part of this Prospectus and has not been scrutinised or approved by the CSSF unless a specific information is expressly incorporated by reference herein.

**********

Where investors in the EEA do not qualify as qualified investors, the Issuer shall provide a key information document for packaged retail and insurance-based investment products (KID) in accordance with the PRIIPs Regulation.

## FUTURE GUARANTORS' INTERIM FINANCIAL INFORMATION

***IVS Italia Unaudited Interim Stand-alone Financial Statements and Explanatory Notes as of and for the Six Months Ended 30 June 2019***

*Statement of Financial Position*

| | Notes | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 |
|---|---|---|---|
| | | (in thousands of ) | |
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 5 | 4,060 | 4,725 |
| Goodwill | 6 | 272,720 | 272,486 |
| Property, plant and equipment | 7 | 41,885 | 66,000 |
| Equity investments and financial receivables | 8 | 93,803 | 103,079 |
| Deferred tax assets | | 1,533 | 1,517 |
| **Total non-current assets** | | **414,001** | **447,807** |
| **Current assets** | | | |
| Inventories | | 14,479 | 12,127 |
| Trade receivables | | 20,581 | 17,156 |
| Tax assets | | - | 4,755 |
| Other current assets | | 32,792 | 37,065 |
| Cash and cash equivalents | 9 | 18,374 | 23,106 |
| **Total current assets** | | **86,226** | **94,209** |
| Assets held for sale | | 5,410 | - |
| **Total assets** | | **505,637** | **542,016** |
| **Liabilities and Shareholders' Equity** | | | |
| **Shareholders' equity** | | | |
| Share capital | | 65,000 | 65,000 |
| Reserves | | 66,470 | 67,544 |
| Retained earnings/(losses carried forward) | | (44,328) | (32,266) |
| Net income/(loss) for the period | | 13,077 | 7,445 |
| **Total shareholders' equity** | **12** | **100,219** | **107,723** |
| **Non-current liabilities** | | | |
| Non current financial liabilities | 10 | 14,664 | 32,110 |
| Payables to shareholders for loans | 10 | 234,000 | 258,750 |
| Employee benefits | | 4,346 | 4,841 |
| Provisions for risks and charges | | 511 | 511 |
| Deferred tax liabilities | | 8,782 | 9,336 |
| **Total non-current liabilities** | | **262,303** | **305,54 8** |
| **Current liabilities** | | | |
| Current financial liabilities | 10 | 48,212 | 21,535 |
| Payables to shareholders for loans | 10 | 2,308 | 7,749 |
| Trade payables | | 72,371 | 66,815 |
| Tax liabilities | | 155 | 10,307 |
| Provision for risk and charges | | 109 | 109 |
| Other current liabilities | | 19,820 | 22,230 |
| **Total current liabilities** | | **142,975** | **128,745** |
| Liabilities associated with discontinued operations/assets held for sale | | 140 | - |
| **Total liabilities** | | **405,418** | **434,293** |

| | Notes | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 |
|---|---|---|---|
| | | (in thousands of ) | |
| **Total liabilities and shareholders' equity** | | **505,637** | **542,016** |

*Income Statement*

| | Note | For the six months ended 30 June (unaudited) 2018 | 2019 |
|---|---|---|---|
| | | (in thousands of €) | |
| Revenues from sales of goods and services | | 144,768 | 140,222 |
| Other income and revenues | | 12,579 | 19,558 |
| **Total revenues** | | **157,347** | **159,780** |
| Cost of raw, consumable and ancillary materials | | (39,150) | (41,466) |
| Cost of services | | (33,793) | (29,644) |
| Personnel costs | | (36,104) | (36,192) |
| Other operating costs and income | | (27,738) | (29,938) |
| Net gains from disposal of fixed assets | | 61 | 27 |
| Depreciation, amortisation and impairment | | (4,031) | (5,955) |
| **Operating result** | | **16,592** | **16,612** |
| Financial expenses | | (6,096) | (6,436) |
| Financial income | | 925 | 514 |
| Exchange rate gains/(losses) and net gain/(loss) on derivatives | | (1) | 2 |
| Net gain from disposal of discounted assets | | - | 130 |
| **Result before tax** | | **11,420** | **10,822** |
| Income tax | 14 | (3,375) | (3,377) |
| **Net profit/(loss) for the period:** | | **8,045** | **7,445** |

*Statement of Comprehensive Income*

| | For the six months ended 30 June (unaudited) 2018 | 2019 |
|---|---|---|
| | (in thousands of €) | |
| **Net profit/(loss) for the period** | 8,045 | 7,445 |
| *Other components of comprehensive income that may subsequently be reclassified to the income statement* | - | - |
| *Other components of comprehensive income that may not subsequently be reclassified to the income statement* | | |
| (Losses)/gains on remeasurement of defined benefit plans | 46 | (358) |
| Tax effect | (11) | 86 |
| **Total other components of comprehensive income that may not subsequently be reclassified to the income statement** | **35** | **(272)** |
| **Total comprehensive income/(loss) for the period:** | **8,080** | **7,173** |

*Explanatory Notes*

*1 - Corporate Information*

IVS Italia S.p.A. is a limited liability company constituted and domiciled in Italy; the Company operates in the "Vending" sector, in the sale of products distributed through automated and semi-automated vending machines, installed at unattended sales points (companies, schools, hospitals, railway stations and other public places), which offer

a 24-hour service and from which consumers purchase goods through the introduction of coins, banknotes, prepaid cards and other methods of payment.

*2 - Basis of Preparation and Changes to the Group's Accounting Policies*

The interim separate financial statements for the six months ended 30 June 2019 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual separate financial statements as at 31 December 2018. The accounting policies adopted in the preparation of the interim separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the first time, IFRS 16 Leases that does not require restatement of previous financial statements. Several other amendments and interpretations apply for the first time in 2019, but do not have any impacts on the interim separate financial statements.

The effect of IFRS 16 adoption as at 1 January 2019 (increase/(decrease)) is as follows:

| **(in thousands of €)** | As of 1 January 2019 |
|---|---|
| **Assets** | |
| Right-of-use assets | 24,374 |
| Property, plant and equipment | - |
| Financial receivables | 415 |
| Prepayments | (110) |
| **Total assets** | **24,679** |
| **Liabilities** | |
| Interest-bearing loans and borrowings | 24,679 |
| Deferred tax liabilities | - |
| Trade and other payables | - |
| **Total liabilities** | **24,679** |

Financial receivables relate to sublease of certain buildings that, following the application of IFRS 16, the Company, operating as lessor, recognized as finance leases (whereas in accordance with IAS 17 they were recognized as operating leases).

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

| **(in thousands of €)** | **Right-of-use assets** | | | **Lease liabilities** |
|---|---|---|---|---|
| | **Plant and Machinery** | **Motor Vehicles and other Equipment** | **Total** | |
| **As at January 1st, 2019** | **23,788** | **586** | **24,374** | **24,679** |
| Additions, net | 1,057 | 2 | 1,059 | 1,154 |
| Depreciation expense | (1,925) | (132) | (2,057) | - |
| Interest expense | - | - | - | 457 |
| Payments | - | - | - | (2,253) |
| **As at June 30th, 2019** | **22,920** | **456** | **23,376** | **24,037** |

*3 - Seasonal Factors*

In the vending sector, the seasons have a significant impact on the sales mix: in warmer months, the consumption of cold drinks increases, while in colder months the consumption of coffee is more important.

However, the effect on economic result in terms of margin between the first and the second half of the calendar year is significant, as the above-mentioned seasonal effects offset each other, while the third quarter suffers a significant effect of the holidays period concentration. The economics of the third quarter of the year in the vending sector are usually significantly worse than other three quarters.

*4 - Business Combinations and joint ventures*

On 2 January 2019, the third transfer of business unit from IVS Italia S.p.A. to Wefor S.r.l. became effective. As described within the Company's annual separate financial statements, on 1 August 2018, IVS Italia S.p.A. had incorporated a new company, Wefor S.r.l. to reorganize Nespresso® Professional Line OCS operations into a single entity. During 2018 this reorganization started with three contributions in kind, being effective from 1 October 2018, 1 December 2018 and 2 January 2019. As of 31 December 2018, IVS Italia S.p.A. reported assets held for sale for a total amount of EUR 5,410 thousand, of which inventories (EUR 2,679 thousand), trade receivables (EUR 52 thousand), goodwill (EUR 2,679 thousand), and liabilities associated to the above-mentioned discontinued operations for a total amount of EUR 140 thousand. Furthermore, IVS Italia S.p.A. acquired a business unit from the subsidiary N-Uno S.r.l., with a consideration transferred of EUR 970 thousand. On 29 April 2019, a fourth contribution in kind from IVS Italia S.p.A. to Wefor S.r.l. became effective.

The acquisitions were accounted for using the acquisition method. Consequently, the interim condensed separated financial statements as of 30 June 2019 include the results of the above-mentioned business from the date of acquisition of control.

The aim of the business segments acquisition is seeking to acquire business in strategic locations that improve the vending machine density and integrating them into Company's network to achieve operating and pricing synergies. The Group obtained the controls over these business segments acquiring from competitors a portion of their enterprise mainly composed from vending machines installed and active on customers locations. The consideration transferred is paid through cash.

These acquisitions resulted in the recognition of goodwill attributable to synergies and economies of scale expected from combining the operations of IVS and these business segments. In particular, the synergies and economies of scale are connected to increase density of vending machines operating and pricing synergies (small competitors lack economies of scale and are hindered by limited pricing power and margin pressure).

The table below summarises the principal effects that the above operations generated on the Company's financial statements:

**Provisional assessment of the fair value**

| | **Acquisition of Business segment from N-Uno S.r.l.** |
|---|---|
| | **(in thousands of €)** |
| Net fixed assets | 1,211 |
| Deferred tax assets | - |
| Other non-current assets | - |
| Current assets | - |
| Non-current liabilities | (316) |
| Current liabilities | (11) |
| Non-controlling interest | - |
| Goodwill | 86 |
| **Price** | 970 |
| **Analysis of cash flows of the acquisition:** | |
| Net cash acquired (included in cash flows from investing activities) | - |
| Contractual price | (970) |
| Outstanding amount as of June 30th, 2019 | (970) |
| Net cash flow for the acquisition | - |

The goodwill recognised is attributable to synergies and other economic benefits deriving from the aggregation of the commercial operations of business segments acquired with those of the Company and has been allocated to the

respective CGU. The goodwill is not deductible for income tax purposes, with the exception of that acquired from business unit acquisition.

*Other information:*

On 20 February 2019, IVS Italia S.p.A. acquired the minority interest corresponding to 3% of share capital of the subsidiary DDS S.p.A. (now SDA-DDS S.p.A.) active in western Liguria region. The consideration transferred is equal to EUR 309 thousand.

On 28 February 2019, IVS Italia S.p.A. acquired by Supermatic S.p.A. (now D.A.I. S.p.A.) the entire participation of Roma Distribuzione 2003 S.r.l., an Italian vending company mainly active in Lazio region. The provisional consideration transferred was valued EUR 1,465 thousand.

On 1 March 2019, IVS Italia S.p.A. acquired the business of Point Service S.r.l. (through preceding contribution in kind to the subsidiary S.D.A. S.r.l.) active in the vending sector in eastern Sicilia region. The provisional price of the business acquired was equal to EUR 2,198 thousand.

On 19 March 2019, IVS Italia S.p.A. sold its investment in the joint-venture Cialdamia S.r.l. for EUR 726 thousand, recording a gain equal to EUR 216 thousand.

On 7 June 2019, IVS Italia S.p.A. finalized the acquisition (through preceding contribution in kind to the subsidiary S.D.A. S.r.l.) of vending business unit of DAS, located in Sicilia region, with a total consideration of EUR 165 thousand.

We would point out that, on a financial level, during the year the Company paid out a total of EUR 3,919 thousand for the acquisition of equity investments (EUR 232 thousand related to previous years), of which:

- EUR 1,470 thousand for the acquisition of the entire participation of Roma Distribuzione 2003 S.r.l., an Italian vending company mainly active in Lazio region, acquired by Supermatic S.p.A. (now D.A.I. S.p.A.) on 28 February 2019;
- EUR 1,798 thousand for the acquisition of the residual minority interests in S.D.A. S.r.l., after contribution in kind of the business of Point Service S.r.l., on 1 March 2019, active in the vending sector in eastern Sicilia region. The provisional price of the business acquired was equal to EUR 2,198 thousand;
- EUR 309 thousand for the acquisition of the minority interest corresponding to 3% of share capital of the subsidiary DDS S.p.A. (now SDA-DDS S.p.A.) active in western Liguria region on 20 February 2019;
- EUR 110 thousand for the acquisition (through preceding contribution in kind to the subsidiary S.D.A. S.r.l.) of a vending business unit of DAS, located in Sicilia region, with a total consideration of EUR 165 thousand, on 7 June 2019;
- EUR 85 thousand for the acquisition of the residual minority interests in 20.10 Vending S.r.l., following the conferral of the business unit by GDL Toscana;
- EUR 120 thousand for the acquisition of the residual minority interests in 20.10 Vending S.r.l., following the conferral of the business unit by SA.I.DA.;
- EUR 18 thousand for the acquisition of the residual minority interests in Ce.Da. S.r.l.., following the conferral of the business unit by Novecento;
- EUR 9 thousand for the acquisition of the residual minority interests in S.D.A. S.r.l. following the conferral of the business unit by Gricaf.

At June 30, 2019 the residual balance payable for the acquisition of the business units amounted to a total of EUR 1,170, mainly related to the above-mentioned transfer of business unit from the subsidiary N-Uno S.r.l. (EUR 970 thousand), while the residual balance payable for the acquisition of equity investments amounted to EUR 1,266 thousand and mainly related to the following acquisitions::

- Point Service S.r.l. (EUR 400 thousand);
- Chicchecaffè S.r.l. (EUR 265 thousand);
- DAS (EUR 55 thousand);
- EVS S.r.l. (EUR 459 thousand).

*5 - Intangible Assets*

The table below shows changes in the value of intangible assets during the period:

| | As of 30 June (unaudited) | |
|---|---|---|
| | 2018 | 2019 |
| | (in thousands of €) | |
| **Net book value at 1 January** | 4,753 | 4,060 |
| Additions | 87 | 52 |
| Disposals | - | - |
| Depreciation charge | (471) | (518) |
| Reclassification | - | - |
| Business combinations | 151 | 1,131 |
| Finalisation of purchase price allocation provisionally accounted for in the previous period | - | - |
| **Net book value at 30 June** | **4,520** | **4,725** |

*6 - Goodwill*

The table below shows changes in the value of goodwill during the period:

| | As of 30 June (unaudited) | |
|---|---|---|
| | 2018 | 2019 |
| | (in thousands of €) | |
| **Net book value at 1 January** | 279,257 | 272,720 |
| Disposal from the transfer of Wefor BUs | - | (320) |
| Business combinations | 534 | 86 |
| **Net book value at 30 June** | **279,791** | **272,486** |

*Impairment:*

Goodwill is tested for impairment annually (as of 31 December) and when circumstances indicate the carrying value may be impaired. The Company's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for each of the cash generating units were disclosed in the annual financial statements for the year ended 31 December 2018.

To review its impairment indicators the IVS Italia S.p.A. evaluates, among other factors:

- its positive performance, that is consistent with assumptions embedded in the business plan 2019 – 2021;
- the update of the WACC (7.62% as of 30 June 2019), that leads to a value within the range of the sensitive analysis done as of 31 December 2018 (7.4% +/- 0.5%).

Considering these elements IVS Italia S.p.A. did not identify any indicators of impairment since the most recent year-end. As a result the Company did not performed any impairment test at 30 June 2019.

*7 - Property, Plant and Equipment*

The table below shows the changes in historical cost values and in accumulated depreciation during the period:

| | As of 30 June (unaudited) | |
|---|---|---|
| | 2018 | 2019 |
| | (in thousands of €) | |
| **Net book value at 31 December** | **43,109** | **41,885** |
| First time application of IFRS 16 | - | 24,374 |
| **Net book value at 1 January** | **43,109** | **66,259** |
| Additions – excluding Right of Use (IFRS 16) | 3,247 | 4,361 |

| | As of 30 June (unaudited) | |
|---|---|---|
| | 2018 | 2019 |
| | (in thousands of €) | |
| Additions – Right of Use (IFRS 16) | - | 1,057 |
| Disposals | (366) | (240) |
| Depreciation charge | (3,560) | (5,437) |
| Reclassification | - | - |
| Business combinations | 191 | - |
| **Net book value at 30 June** | **42,621** | **66,000** |

*8 - Equity Investments and Financial Receivables*

These are comprised as follows:

| | As of 31 December (audited) | As of 30 June (unaudited) | |
|---|---|---|---|
| | 2018 | 2019 | Change |
| | (in thousands of €) | | |
| Equity investments | 79,292 | 88,445 | 9,153 |
| Financial receivables | 14,511 | 14,634 | 123 |
| **Total** | **93,803** | **103,079** | **9,276** |

The table below shows the movements in equity investments in subsidiary, associated and other companies during the period:

| | (in thousands of €) |
|---|---|
| **At 31 December 2018** | 79,292 |
| Acquisitions/increases | 9,984 |
| Disposals/decreases | (596) |
| Value adjustments | (235) |
| **At 30 June 2019** | **88,445** |

The acquisitions refer to:

- the two contributions in kind to the subsidiary Wefor S.r.l. becoming effective in 2019 (EUR 5,577 thousand);
- acquisition of minority's shares of DDS S.p.A. (EUR 309 thousand);
- 20.10 Vending S.r.l. (EUR 139 thousand): acquisition of the shares previously issued and subscribed by third parties in exchange of business units;
- acquisition of Roma Distribuzione 2003 S.r.l. (EUR 1,465 thousand, net of a first price adjustment of EUR 5 thousand);
- acquisition of the residual minority's shares of S.D.A. S.r.l. following the conferral of a business unit by Point Service S.r.l. (EUR 2,198 thousand) and DAS (EUR 165 thousand);
- and EUR 131 thousand for other minor investments on subsidiaries equity.

The decreases refer to:

- the investment in the joint-venture Cialdamia S.r.l. (EUR 596 thousand) being sold on 19 March 2019;
- an adjustment to the provisional amount of Chicchecaffè S.r.l. (EUR 235 thousand).

Equity investments in subsidiary or associated companies are subjected to impairment testing in the presence of indications that they may have suffered a loss in value, comparing the carrying value to the recoverable value. IVS Italia S.p.A. did not identify any indicators of impairment since the most recent year-end. As a result the Company did not performed any impairment test at 30 June 2019.

A list of the equity investments in subsidiary and associated companies at 30 June 2019 is shown below:

| Company name | Registered office | % owned | Carrying value of investment |
|---|---|---|---|
| Eurovending S.r.l. | Italy | 70% | 339 |
| SDA-DDS S.p.A. | Italy | 94% | 8,977 |
| Dav S.L. | Spain | 75% | 10,746 |
| 20.10 Vending S.r.l. | Italy | 100% | 9,676 |
| CE.DA S.r.l. | Italy | 100% | 15,428 |
| Commerciale Distributori S.r.l. | Italy | 100% | 110 |
| IVS France Sas | France | 87% | 8,848 |
| S.D.A. S.r.l. | Italy | 100% | 6,112 |
| IVS Sicilia S.p.A. | Italy | 100% | 663 |
| Industria e Università S.r.l. | Italy | 0.04% | 5 |
| Ciesse Caffè S.r.l. | Italy | 5% | 40 |
| Consorzio Internazionale Vending | Italy | 100% | 102 |
| Universo Vending S.r.l. | Italy | 33.3% | 200 |
| GE.O.S Sicilia S.r.l. | Italy | 20% | 238 |
| Time Vending S.r.l. | Italy | 50% | 1,042 |
| N-Uno S.r.l. | Italy | 100% | 12,981 |
| Wefor S.r.l. | Italy | 59.3% | 11,473 |
| Sci +39 | France | 1% | - |
| Roma Distribuzione 2003 S.r.l. | Italy | 100% | 1,465 |
| **Total** | | | **88,445** |

The table below shows a summary of the loans granted by IVS Italia to Group companies in order to fund the development and growth of their business activities.

| Company name | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 | Change |
|---|---|---|---|
| | | (thousands of €) | |
| Venpay S.p.A. | 7,175 | 7,000 | (175) |
| IVS France Sas | 4,323 | 4,323 | - |
| Commerciale Distributori S.r.l. | 150 | 100 | (50) |
| Consorzio Internazionale Vending | 163 | 140 | (23) |
| S.D.A. S.r.l. | 1,000 | 1,000 | - |
| DAV | 1,700 | 1,700 | - |
| Wefor S.r.l. | - | 371 | 371 |
| **Total** | **14,511** | **14,634** | **123** |

With respect to the year 2018, the difference principally regarded partial repayments, loan waivers, and interest matured. The reported amount as of June 30, 2019 (EUR 14,634 thousand) included the effect of the adoption of IFRS 16 (EUR 371 thousand towards Wefor S.r.l.).

*9 - Cash and Cash Equivalents*

The following table shows cash and cash equivalents at 30 June 2019 and 31 December 2018:

| | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 | Change |
|---|---|---|---|
| | (in thousands of €) | | |
| Ordinary bank and postal accounts | 2,084 | 4,402 | 2,318 |
| Cash-in-hand and cash equivalents | 16,290 | 18,704 | 2,414 |
| **Total** | **18,374** | **23,106** | **4,732** |

Ordinary bank deposits are mainly available on sight and bear interest at floating rates.
Cash-in-hand and cash equivalents are composed of cash collected from the sale of food and beverages from vending machines not yet deposited at banks at the reporting date.

*10 - Financial Liabilities*

The following table gives a breakdown of financial liabilities split between current and non-current and by category:

| | As of 31 December, 2018 (audited) | | | As of 30 June, 2019 (unaudited) | | |
|---|---|---|---|---|---|---|
| | Non-current | Current | Total | Non-current | Current | Total |
| | (in thousands of €) | | | | | |
| Due towards banks for loans | 14,664 | 31,638 | **46,302** | 11,542 | 7,510 | **19,052** |
| Due towards leasing companies (IFRS 16) | - | - | **-** | 20,568 | 3,469 | **24,037** |
| Due towards other providers of finance | - | 16,224 | **16,224** | - | 10,203 | **10,203** |
| Due towards shareholders for loans | 234,000 | 2,308 | **236,308** | 258,750 | 7,749 | **266,499** |
| Due towards subsidiary/associated companies | - | 350 | **350** | - | 350 | **350** |
| Due towards banks for current account overdrafts | - | - | **-** | - | **3** | **3** |
| **Total** | **248,664** | **50,520** | **299,184** | **290,860** | **29,284** | **320,144** |

During the year 2019, IVS Italia S.p.A. signed with its parent company IVS Group S.A. an intercompany loan (EUR 24,750 thousand) following the new credit facility of EUR 150 million.

The interest charges recorded in the period relate for an amount equal to EUR 5,590 thousand financial liability due towards IVS Group S.A..

*11 - Net Financial Position*

The table below shows the value and composition of the Net Financial Position as of 30 June 2019 and as of 31 December 2018:

| | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 |
|---|---|---|
| | (in thousands of €) | |
| Current financial receivables | - | - |
| Cash and cash equivalents | 18,374 | 23,106 |
| Derivative assets | - | - |
| **Liquidity** | **18,374** | **23,106** |
| Short-term loans | (48,212) | (18,066) |
| Due towards shareholders for loans | (2,308) | (7,749) |
| Other current financial liabilities | - | (3,469) |
| Derivative instruments | - | - |
| **Current financial debt** | **(50,520)** | **(29,284)** |
| Medium/long-term loans | (14,664) | (11,542) |

| | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 |
|---|---|---|
| | (in thousands of €) | |
| Due towards shareholders for loans | (234,000) | (258,750) |
| Other non-current financial liabilities | - | (20,568) |
| **Non-current financial debt** | **(248,664)** | **(290,860)** |
| **Net financial indebtedness** | **(280,810)** | **(297,038)** |

*12 - Shareholders' Equity*

The share capital at 30 June 2019 was comprised of No. 4,333,334 ordinary shares, without par value, fully underwritten and paid up. No warrants or other accessory rights have been issued.

The following movements in shareholders' equity took place during the half-year 2019:
- Carry forward of net profit for the year 2018 of EUR 13,077 thousand;
- Loss on re-measurement of defined benefit plans of EUR 272 thousand;
- Gain on the reserve related to the stock option plan of EUR 331 thousand;
- Net profit for the period of EUR 7,445 thousand.

*13 - Contingencies and commitments*

*Legal contingencies:*

On 27 July 2017, following the hearing held on 7 June 2017, the Regional Administrative Court (TAR) of Lazio decided on the appeal filed by IVS Italia S.p.A., other 13 Italian companies active in the vending industry and CONFIDA (the association of operators in the vending industry) against the decision of the Italian Antitrust Authority (IAA) which held that the parties involved in the investigation (including IVS Italia S.p.A.) in the period 2011-2014 have made agreements aimed at restricting competition in the Italian vending sector.

As regards IVS Italia S.p.A., on 28 July 2017 the TAR confirmed the fine of EUR 31,918 thousand and offset the legal expenses of either parties due to the novelty and difficulty of the issues dealt in the proceeding. The IAA has authorized IVS Italia S.p.A. to pay the fine by 30 instalments starting from October 2016.

Against the TAR decision, on 27 November 2017 IVS Italia S.p.A. filed an appeal in front of the State Council (Consiglio di Stato).

On 2 September 2019 the Council of State (Consiglio di Stato) has ruled on the appeal filed by IVS Italia S.p.A. The Council of State has granted the appeal of IVS Italia S.p.A. solely as regards the calculation the penalty imposed (EUR 31,918 thousand, which has been fully allocated and already paid), stating that the IAA has applied without proper motivation the so-called entry fee (additional amount between 15% and 25% of the value of the sales of the goods or services subject to the infringement) and the aggravating circumstance of the leader of the cartel. The Council of State, which for the rest rejected the appeal and compensated the expenses of the trial grade, ordered the IAA to re-determine the fine imposed on IVS Italia S.p.A.

IVS Italia S.p.A. is evaluating whether the conditions exist for further appeal of the decision of the Council of State, which in its opinion remain partially erroneous.

*Other contingencies:*

In May 2016 the Italian National Social Security Authority ("INPS") sent to IVS Italia S.p.A. a communication about the criteria applicable for the calculation of social security contributions applied in previous years.
The INPS request is due to changes in law consequent to Law 92/2012 and the applicability of CIGS contribution to our business. IVS management and its advisor worked to address this complex matter, which resulted from uncertainties on the underlying administrative regulation. INPS has not yet formally requested the payment of these contributions, so the appropriate provision remain unchanged.

On 24 October 2018 the Italian Financial Police (Guardia di Finanza) ended a general tax inspection on IVS Italia S.p.A., notifying some findings related to direct and indirect taxes with reference to previous fiscal years. The management, with the support of its tax and legal advisors, believes that there are solid arguments in favour of the Group to challenge the reports send by Guardia di Finanza to Italian fiscal Authority. At the date of this interim financial statement, the Company has not received any notification from the Italian Fiscal Authority (Agenzia delle Entrate) related to such findings yet, and therefore it is still currently assessing, with the support of its external advisors, the likelihood and exposure connected to this risk.

*Guarantees:*

Existing guarantees at the reporting date were mostly given for loans granted by third parties to the company or for its involvement in tenders.

The following should be noted the subsidiary IVS Italia S.p.A. has declared guarantor for Ge.O.S. Sicilia S.r.l. in favour of the Banca Nuova S.p.A. for a total amount of EUR 200 thousand and in favour of Cofincaf for a total amount of EUR 168 thousand.

The Company, subject to certain conditions, unconditionally and irrevocably guarantees the due and punctual payment of the principal and any premium in respect of, and interest on, the Notes and of any other amounts payable by the Issuer under the Trust Deed. In addition, the Company is a guarantor of new credit facility of EUR 150 million signed by its parent company IVS Group S.A..

*14 - Income Tax for the Period*

Income tax for the period is comprised as follows:

| | For the six months ended 30 June (unaudited) | | | |
|---|---|---|---|---|
| | 2018 | 2019 | Change | Change % |
| | (in thousands of €) | | | |
| Current taxation | (3,027) | (3,036) | (9) | 0.3% |
| Deferred tax liability | (319) | (325) | (6) | 1.9% |
| Deferred tax assets | (29) | (16) | 13 | (44.8)% |
| **Total** | (3,375) | (3,377) | (2) | 0.1% |

***S. Italia Unaudited Interim Stand-alone Financial Statements and Explanatory Notes as of and for the Six Months Ended 30 June 2019***

*Statement of Financial Position*

| | Notes | As of 31 December (audited) | As of 30 June (unaudited) |
|---|---|---|---|
| | | 2018 | 2019 |
| | | (in thousands of €) | |
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 279 | 5,309 |
| Deferred tax assets | | 85 | 105 |
| **Total non-current assets** | | **364** | **5,414** |
| **Current assets** | | | |
| Inventories | | 9,583 | 8,315 |
| Trade receivables | | 2,200 | 1,575 |
| Receivables from tax authorities | | 111 | 191 |
| Other current assets | | 802 | 397 |

| | Notes | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 |
|---|---|---|---|
| | | (in thousands of €) | |
| Current financial assets | 6 | 17,093 | 20,054 |
| Cash and cash equivalents | 4,6 | 3 | 4 |
| **Total current assets** | | **29,792** | **30,536** |
| **Total assets** | | **30,156** | **35,950** |
| **Liabilities and Shareholders' Equity** | | | |
| **Shareholders' equity** | | | |
| Share capital | | 120 | 120 |
| Reserves | | 3,708 | 3,701 |
| Retained earnings/(losses carried forward) | | 4,045 | 4,549 |
| Net income/(loss) for the period | | 504 | 860 |
| **Total shareholders' equity** | 7 | **8,377** | **9,230** |
| **Non-current liabilities** | | | |
| Non-current financial liabilities | | - | 4,642 |
| Employee benefits | | 282 | 305 |
| Provisions for future risks and charges | | 143 | 143 |
| Provision for deferred taxation | | 3 | 3 |
| **Total non-current liabilities** | | **428** | **5,093** |
| **Current liabilities** | | | |
| Current financial liabilities | | - | 451 |
| Trade payables | | 10.434 | 9,224 |
| Tax liabilities | | 1,851 | 2,309 |
| Other current liabilities | | 9,066 | 9,643 |
| **Total current liabilities** | | **21,351** | **21,627** |
| Liabilities associated with discontinued operations/assets held for sale | | | |
| **Total liabilities** | | **21,779** | **26,720** |
| **Total liabilities and shareholders' equity** | | **30,156** | **35,950** |

*Income Statement*

| | Note | For the six months ended 30 June (unaudited) 2018 | 2019 |
|---|---|---|---|
| | | (in thousands of €) | |
| Revenue from sales of goods and services | | 14,698 | 16,790 |
| Other income and revenues | | 6,071 | 6,495 |
| **Total revenues** | | **20,769** | **23,285** |
| Cost of raw, consumable and ancillary materials | | (14,532) | (12,491) |
| Cost of services | | (1,690) | (1,820) |
| Personnel costs | | (2,360) | 2,488 |
| Other operating income/(expenses) | | (1,269) | (4,916) |
| Other non-recurring income/(expenses) | | - | - |
| Depreciation, amortisation and impairment | | (26) | (300) |
| **Operating result** | | **892** | **1,270** |
| Financial expenses | | (2) | (106) |
| Financial income | | 39 | 59 |
| **Result before tax** | | **929** | **1,223** |
| Income taxes | 9 | (241) | (363) |
| **Net profit/(loss) for the period:** | | **688** | **860** |

*Statement of Comprehensive Income*

| | For the six months ended 30 June (unaudited) | |
|---|---|---|
| | 2018 | 2019 |
| | (in thousands of €) | |
| **Net profit/(loss) for the period** | 688 | 860 |
| *Other components of comprehensive income that may subsequently be reclassified to the income statement* | - | - |
| *Other components of comprehensive income that may not subsequently be reclassified to the income statement* | | |
| (Losses)/gains on remeasurement of defined benefit plans | 2 | (22) |
| Tax effect | (0) | 5 |
| **Total other components of comprehensive income that may not subsequently be reclassified to the income statement** | **2** | **(17)** |
| **Total comprehensive income/(loss) for the period:** | **690** | **843** |

*Explanatory Notes*

*1 - Corporate Information*

S.Italia S.p.A. is a limited liability company constituted and domiciled in Italy; the Company operates in the "Vending" business, or rather in the sale of products through automated and semi-automated vending machines installed at unattended points of sale (companies, schools, hospitals, and other public places). These machines operate 24 hours a day and allow consumers to purchase products with coins, banknotes, prepaid cards and other means of payment. In particular, S.Italia S.p.A. operates in the preparation and testing of new vending machines and in the revamping of the used vending machines uninstalled from clients' sites or hailed from acquired branches ("Revamping" business).

We would point out that during the year 2012 S.Italia S.p.A. rented out its entire "vending" business unit to its affiliated company IVS Italia S.p.A., while during the year 2013 the following operations, formalised in December 2012, took effect:

- termination of the contract for the rental of the business unit situated in Seriate (BG) operating in the purchase, preparation and the sale of vending machines between IVS Group S.A. and S.Italia S.p.A.;
- stipulation of a business unit rental contract with the affiliated company IVS Italia S.p.A., with which the Company took over the management and operation of the commercial business unit operating in the sale of food and beverages from vending machines sector, in particular the business of the purchase, revision/repair and resale of used vending machines at the Orio al Serio and Pomezia branches ("revamping" business). The annual rental fee amounts to Euro 300 thousand.

During 2015, S.Italia S.p.A. rented in the "revamping business" as detailed below:

- The Company stipulated a business unit rental contract with the affiliated company IVS Italia S.p.A., with which the Company took over the management and operation of the commercial business unit operating in the sale of food and beverages from vending machines sector, in particular the business of the purchase, revision/repair and resale of used vending machines at the Modugno branch ("revamping" business). The annual rental fee amounts to Euro 40 thousand.
- The Company stipulated a business unit rental contract with the affiliated company IVS Group S.A., with which the Company took over the management and operation of the commercial business unit operating in the sale of food and beverages from vending machines sector, in particular the business of the purchase, preparation, testing and resale of new vending machines. The annual rental fee amounts to Euro 300 thousand.

*2 - Basis of Preparation and Changes to the Group's Accounting Policies*

The interim financial statements for the six months ended 30 June 2019 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2018. The accounting policies adopted in the preparation of the interim separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial

statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the first time, IFRS 16 Leases that does not require restatement of previous financial statements. Several other amendments and interpretations apply for the first time in 2019, but do not have any impacts on the interim separate financial statements.

The effect of IFRS 16 adoption as at 1 January 2019 (increase/(decrease)) is as follows:

| **(in thousands of €)** | **As of 1 January 2019** |
|---|---|
| **Assets** | |
| Right-of-use assets | 5,312 |
| Property, plant and equipment | - |
| Prepayments | - |
| **Total assets** | **5,312** |
| **Liabilities** | |
| Interest-bearing loans and borrowings | 5,312 |
| Deferred tax liabilities | - |
| Trade and other payables | - |
| **Total liabilities** | **5,312** |

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

| **(in thousands of €)** | **Right-of-use assets** | | | **Lease liabilities** |
|---|---|---|---|---|
| | **Plant and Machinery** | **Motor Vehicles and other Equipment** | **Total** | |
| **As at January 1st, 2019** | **5,312** | **-** | **5,312** | **5,312** |
| Additions, net | - | - | - | - |
| Depreciation expense | (266) | - | (266) | - |
| Interest expense | - | - | - | 104 |
| Payments | - | - | - | (323) |
| **As at June 30th, 2019** | **5,046** | **-** | **5,046** | **5,093** |

*3 - Property, plant and equipment*

The table below shows the changes in historical cost values and in accumulated depreciation during the period:

| | **As of 30 June (unaudited)** | |
|---|---|---|
| | **2018** | **2019** |
| | **(in thousands of €)** | |
| **Net book value at 31 December** | **240** | **279** |
| First time application of IFRS 16 | - | 5,312 |
| **Net book value at 1 January** | **240** | **5,591** |
| Additions | 72 | 18 |
| Disposals | - | - |
| Depreciation charge | (26) | (300) |
| **Net book value at 30 June** | **286** | **5,309** |

At 30 June 2019 the Company had no financial *leasing* operations or other leasing or rental contracts considered as financial leasing as defined by international accounting standards.

*4 - Cash and Cash Equivalents*

The following table shows cash and cash equivalents at 30 June 2019 and 31 December 2018:

| | As of 31 December (audited) | As of 30 June (unaudited) | |
|---|---|---|---|
| | 2018 | 2019 | Change |
| | (in thousands of €) | | |
| Ordinary bank and postal accounts | 1 | 1 | - |
| Cash-in-hand and cash equivalents | 2 | 3 | 1 |
| **Total** | **3** | **4** | **1** |

Ordinary bank deposits are mainly available on sight and bear interest at floating rates.

*5 - Financial Liabilities*

The following table gives a breakdown of financial liabilities split between current and non-current and by category:

| | As of 31 December, 2018 | | | As of 30 June, 2019 | | |
|---|---|---|---|---|---|---|
| | Non-current | Current | Total | Non-current | Current | Total |
| | (in thousands of €) | | | | | |
| Due towards banks for loans | - | - | - | - | - | - |
| Due towards leasing companies (IFRS 16) | - | - | - | 4,642 | 451 | **5,093** |
| Due towards other providers of finance | - | - | - | - | - | - |
| Due towards shareholders for loans | - | - | - | - | - | - |
| Due towards subsidiary/associated companies | - | - | - | - | - | - |
| Due towards banks for current account overdrafts | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **4,642** | **451** | **5,093** |

*6 - Net Financial Position*

The Company had the following net financial debt at 30 June 2019 and 31 December 2018:

| | As of 31 December (audited) 2018 | As of 30 June (unaudited) 2019 |
|---|---|---|
| | (in thousands of €) | |
| Current financial assets | 17,093 | 20,054 |
| Cash and cash equivalents | 3 | 4 |
| **Liquidity** | **17,096** | **20,058** |
| Short-term loans payables | - | (451) |
| Due towards shareholders loans | - | - |
| **Current financial debt** | **-** | **(451)** |
| Medium/long-term loans payables | - | (4,642) |
| Due towards shareholders loans | - | - |
| **Non-current financial debt** | **-** | **(4,642)** |
| **Net financial indebtedness** | **17,096** | **14,965** |

*7 - Shareholders' Equity*

The share capital at 30 June 2019 is comprised of No. 120,000 ordinary shares, without nominal value, fully underwritten and paid up. No warrants or other accessory rights have been issued.

The following movements in shareholders' equity took place during the half-year 2019:
- Carry forward of net profit for the year 2018 of EUR 504 thousand;
- Loss on re-measurement of defined benefit plans of EUR 17 thousand;

- Gain on the reserve related to the stock option plan of EUR 10 thousand;
  Net profit for the period of EUR 860 thousand

8 - Contingencies and Commitments

*Fiscal contingencies*

The claim of the Italian Tax Authority concerning the offset by S.Italia S.p.A. (Company) of a VAT credit led in the year 2011 regarding fiscal year 2010 is still in progress: in March 2016, the Italian Second Degree Tax Judge (Commissione Tributaria Regionale-CTR) partly upheld the Italian Tax Authority opposition against the decision of the First Degree Tax Judge (Commissione Tributaria Provinciale-CTP) that was totally in favour of S.Italia S.p.A., and therefore confirmed that no VAT was due but nonetheless condemned the Company to pay the penalties solely (EUR 154 thousand). On 20 October 2016 the Company appealed against the CTR decision in front of the Italian Supreme Court (Corte di Cassazione). Meanwhile, on 7 October 2016 the arbitrators, appointed to decide the claim for indemnification filed by IVS Group against Selecta AG, based on the purchase agreement of S.Italia S.p.A., issued a partial decision: the arbitrators (i) have held that Selecta AG has breached the Sellers's representations and warranties under the share purchase agreement and therefore is responsible of the losses already suffered by the Company, i.e. EUR 82 thousand, (ii) has reduced by the same amount the contractual basket of EUR 250 thousand, (iii) has adjourned the arbitral proceeding until the end of the tax proceeding in order to definitively assess the losses suffered by the Company and possibly condemn Selecta AG to indemnify the Company for the sum exceeding the basket. An application of the Company to the Italian Ombudsman for taxation (Garante del Contribuente) for relief from the penalty of EUR 154 thousand was rejected on 11 November 2016. On 31 October 2016 the Company paid the penalty of EUR 154 thousand without prejudice of the ongoing appeal proceedings. The Italian Supreme Court has not fixed the hearing for discussion of the case yet.

*Guarantees*
The Company has not issued any guarantee as of 30 June 2019.

The Company, subject to certain conditions, unconditionally and irrevocably guarantees the due and punctual payment of the principal and any premium in respect of, and interest on, the Notes and of any other amounts payable by the Issuer under the Trust Deed.

*9 – Income tax for the period*

This is comprised as follows:

| | For the six months ended 30 June (unaudited) | | | |
|---|---|---|---|---|
| | **2018** | **2019** | **Change** | **Change %** |
| | | **(in thousands of €)** | | |
| Current taxation | (249) | (378) | (129) | (52)% |
| Deferred tax assets | 8 | 15 | 7 | 88% |
| **Total** | **(241)** | **(363)** | **(122)** | **(51)%** |

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