



December 10th , 2018

PRESS RELEASE

Notice

This announcement constitutes a public disclosure of inside information by Italmatch Chemicals Group under Regulation (EU) 596/2014 (16 April 2014).

ITALMATCH CHEMICALS Group enters into an agreement for the acquisition of BWA Water Additives, a premier global provider of specialty water and oil & gas treatment solutions.

The transaction is consistent with Italmatch Chemicals Group's growth strategy and broadens its position as global leader in this business.

Genoa – 10th of December 2018 – Italmatch Chemicals, a leading global specialty chemical group focused on the production and marketing of performance additives for water & process treatment, oil & gas, industrial lubricants and plastics, today announces that it has signed an agreement to acquire BWA Water Additives, a leading global provider of sustainable water management solutions for the oil & gas, industrial water treatment and desalination industries.

This combination of two highly complementary companies allows the development of strategic, commercial and industrial synergies, consistent with the aim of expanding and broadening Italmatch Chemicals' current production and marketing capabilities for water management chemicals. BWA Water Additives, having more than 40 years experience in the marketing of water & process treatment additives, provides a comprehensive range of highly specialized chemical solutions and associated services, which are highly complementary with Italmatch Chemicals' product range, technologies and commercial approach to the fast growing water treatment industry.

Sergio Iorio, CEO of Italmatch Chemicals Group, stated: "This transaction represents a unique opportunity to further increase our business, enhancing our innovative footprint in the water & process treatment applications field, and to continue the Group's growth through high quality, research & development and 'best in class' technology offerings for the most demanding applications. We see BWA as the ideal partner, sharing our strategic view to grow through innovative and tailor-made solutions. In addition, BWA complements Italmatch Chemicals' product portfolio with a broad range of biocides for IWT and Oil & Gas applications".

The transaction, which is subject to customary regulatory approvals, is expected to close during the first quarter of 2019.

The transaction is expected to be financed through a combination of debt of Italmatch and equity. Fire (BC) S.p.A, Italmatch Chemicals' parent company, has obtained commitments for the debt component of the financing, which is intended to complement the Italmatch Chemicals Group's existing debt capital structure.

We expect that, following the acquisition of BWA and after giving effect to the expected cost-saving synergies to be generated in connection therewith, our senior secured net leverage ratio will be substantially in line with current levels.

About Italmatch Group: Founded in 1997, Italmatch Chemicals, is a leading innovative chemical group, specialized in performance additives for water treatment, oil & gas, lubricants and plastics, and boasts a wide product range able to fulfil the requirements of the most demanding applications, including personal care.

The group generates approximately 440 million Euros in pro forma sales revenue and operates through seven manufacturing plants in Europe (Italy, Spain, Germany and UK), five in Asia Pacific (China, Japan and India), five in North



America (USA) and sales/distribution subsidiaries in Brasil, Belgium, China, Japan, India, Poland, Singapore and the USA. It employs over 800 workers.

Bain Capital Private Equity, a leading global private investment firm, recently acquired the majority of Italmatch Chemicals together with the management in October 2018.

Cautionary Notice Regarding Forward Looking Statements

This announcement contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as “forward-looking statements”. A number of risks and uncertainties could cause our actual results to differ materially from current projections, forecasts, estimates and expectations relating to us. Any or all of these forward- looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors, many of which are beyond our control.

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