

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

ADVERTISEMENT: This announcement is an advertisement and not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation").



This announcement is not an offer of securities for sale or subscription in any jurisdiction, including in or into the United States, Australia, Canada, Japan or South Africa. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Any offer to acquire shares pursuant to the proposed offering will be made, and any investor should make their investment decision solely on the basis of the information that is contained in the prospectus (the "**Prospectus**") expected to be published by Azelis Group NV after the approval thereof by the Belgian Financial Services and Markets Authority (the "**FSMA**") in connection with the admission of Azelis Group NV's ordinary shares to trading on Euronext Brussels ("**Admission**"). Potential investors should read the Prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the shares. Approval of the Prospectus should not be understood as an endorsement of the Company or the quality of the shares that are the subject of this Prospectus ("**Offer Shares**"). Subject to applicable securities regulations, a copy of the Prospectus will be available from the Group's website at www.azelis.com/investor-relations once it is published. Subject to the same securities regulations, the Prospectus will be made available to investors free of charge, in Belgium, at the registered office of the Company, Posthofbrug 12, box 6, B-2600 Antwerp, Belgium and will also be made available to investors free of charge upon request by the Underwriters.

Azelis Group NV, which currently exists under the name Akita Midco 1 NV and will assume its new name on the closing date of the offering of shares, is a limited liability company (*naamloze vennootschap / société anonyme*) organized under the laws of Belgium with its registered office at Posthofbrug 12, box 6, B-2600 Antwerp, Belgium and registered with the Register of Legal Entities (Antwerp, division Antwerp) under number 0769.555.240. References in this announcement to the "Group" or "Azelis" refer to Azelis Group NV and its consolidated subsidiaries.

An investment in the Offer Shares involves substantial risks and uncertainties. Prospective investors should read the entire Prospectus when available, and, in particular, section 1 (Risk Factors) for a discussion of certain factors that should be considered in connection with an investment in the Offer Shares. Such risk factors include the risks that: (i) Azelis' business and growth opportunities may be materially adversely affected by any deterioration in global or regional economic conditions; (ii) the selling shareholders' interests may diverge from the interests of other shareholders, and they may exercise significant control over Azelis' operations, in particular considering the nomination right of one of the selling shareholders; (iii) Azelis is heavily dependent on principals' mandates, and the loss of such mandates may materially adversely affect its business, results of operations and financial condition; (iv) the Group may fail to timely acquire and integrate suitable acquisition candidates or it may incur liabilities in connection therewith; (v) Azelis may fail to address the challenges and risks associated with its international expansion in emerging markets; (vi) business interruption in the Group's supply chain or facilities could result in significant losses and reputational damage to Azelis' business; and (vii) the Group carries very significant goodwill and intangible assets (primarily relating to its trademark and distributions rights) on its statement of financial position, collectively representing 73.6% of total assets and amounting to 199.8% of total equity (before the Offering) as at June 30, 2021. All of the risk factors should be considered before investing in the Offer Shares. A decision to invest in the Offer Shares must be based on all information that will be provided in the Prospectus. Prospective investors must be able to bear the economic risk of an investment in the Offer Shares and should be able to sustain a partial or total loss of their investment.

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

Azelis announces its intention to float on Euronext Brussels

Antwerp (Belgium), 6 September 2021 – Azelis, a leading global innovation service provider for the specialty chemicals and food ingredients industry, today announces its initial public offering (the "**Offering**") and its intention to list its shares on the regulated market of Euronext Brussels. The Offering is expected to consist of a primary offering of newly issued shares from a capital increase as well as a secondary component from existing shareholders. The Offering is envisaged as a private placement to qualified investors in Belgium and in certain other jurisdictions.

- Azelis is the conduit between over 2,200 specialty chemicals and food ingredient suppliers (which the Group refers to as its "principals") and over 45,000 customers.
 - Azelis represents its principals, predominantly on an exclusive basis, with sales, marketing, distribution and formulation expertise.
 - Azelis provides customers with a "one-stop shop" for a broad range of products and value-added services.
- The Group creates value through its formulation expertise, market knowledge and global relationships with strategic principals, who are supported by Azelis' skilled employees.
- Azelis considers its people to be its greatest asset, with nearly 2,800 employees present in 56 countries, with over 60 application laboratories and around 90 offices globally.
- The Group's continued expansion is underpinned by three key strategic drivers: innovation, sustainability and digitalization.
- Azelis operates in a highly fragmented industry and complements its strong organic growth with an active acquisition strategy. It is playing a leading role in market consolidation among specialty chemicals and food ingredients distributors, having completed 21 acquisitions from January 2018 through June 2021.
- The Group has an experienced management team, including its CEO, Dr. Hans Joachim Müller, who has led the business for nearly 10 years. The management team has a track record of high performance and consistent delivery combined with ambition for the future.

Dr. Hans Joachim Müller, Chief Executive Officer of Azelis, commented:

"I am delighted to announce our intention to list Azelis on Euronext Brussels. We have made great progress with the support of EQT in delivering our growth strategy to date, establishing ourselves as a market leading innovation service provider for the specialty chemicals and food ingredients industry.

However, there remains great opportunity ahead. As a public company, we believe we will be able to fully capitalize on growth opportunities, continuing to complement our strong organic growth with accretive acquisitions. We are focused on being the preeminent global innovation service provider for the specialty chemicals and food ingredients distribution market."

Azelis' ambition and growth strategy

Azelis aspires to be the preeminent global innovation service provider for the specialty chemicals and food ingredients market.

There are three strategic pillars to Azelis' growth strategy: (i) growth with principals; (ii) growth with customers; and (iii) growth through acquisitions.

- **Growth with principals** – Azelis acts as an outsourced technical sales and solutions provider. It has a proven ability to help its principals enter new markets and grow in markets where they already have a presence, winning mandates for new product segments and geographies with existing principals.

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

- **Growth with customers** – As Azelis expands its number of mandates with principals, it continuously creates new opportunities for growth with its global base of customers. Broadening its product portfolio both adds customers for those specific products and unlocks new formulations that can serve existing and new customers. Through providing value-added services, including formulation expertise and technical support, Azelis also helps its customers develop their own new products, which in turn drives greater order volumes for Azelis.
- **Growth through acquisitions** – The market for specialty chemicals and food ingredients distribution is large and fragmented. The market reached €117 billion in 2019 and the top 4 companies had a 10% market share. The industry is expected to consolidate as principals and customers look to streamline their distributor relationships. Acquisitions will enable Azelis to expand its product portfolio and its geographic and product segment market coverage.

There are three strategic enablers and drivers that underpin Azelis' continued expansion: (i) leadership in innovation; (ii) leadership in sustainability; and (iii) leadership in digitalization.

- **Leadership in innovation** - The Group's strategy of delivering innovation through formulation enables it to add value within the specialty chemicals and food ingredients value chain. Azelis has established the industry's largest network of laboratories, with more than 60 application laboratories worldwide. These application laboratories work with customers to develop new formulations, enhance existing formulations and benchmark product performance.
- **Leadership in sustainability** – Azelis announced its sustainability strategy, Action 2025, in March 2021, reinforcing its commitment to become the world-leading provider of sustainable solutions and services in the specialty chemicals and food ingredients distribution industry. Through its sustainability program and strategy, Azelis aims to turn the sustainability aspirations of its principals and customers into innovative sustainable solutions. Azelis identifies, creates and promotes sustainable formulations and ingredients in addition to improving the sustainability of its own operations. In 2021, Azelis was awarded a platinum rating by EcoVadis, denoting sustainability performance within the top 1% of all assessed companies globally.
- **Leadership in digitalization** - Azelis has a strong digital backbone, including integrated resource planning systems, global customer relationship management and a master data and analytics hub, which it aims to build on tools that are scalable, future-proof, harmonized and highly resilient. Azelis' digitalization program creates significant benefits for its principals and customers. Customers portals are being rolled out with 24/7 access to market trends, high quality technical information on products and formulations and real time online formulation through Azelis' "e-Lab" in addition to a range of other digital engagement tools. Digitalization is expected to contribute to Azelis' long-term sustainable organic growth.

Azelis' investment case

Azelis believes that the following competitive strengths have been the primary drivers of its success in the past, and will continue to set it apart from competitors in the future:

- Azelis has a leading position, as the second largest pure-play in the specialty chemicals and food ingredients distribution market, with an approximate 2% market share. Azelis has established a global reach with a local footprint. The market is structurally growing supported by increased outsourcing by principals and ongoing consolidation by leading distributors, such as Azelis.
- Azelis' value-added services approach is built around "innovation through formulation." Its comprehensive offering drives principal and customer stickiness and results in high barriers to entry.

Azelis' leadership in sustainability, digitalization and its diverse exposure to multiple life sciences and industrial chemicals end markets creates a strong and resilient platform for long-term growth.

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

Azelis benefits from consistent organic and acquisition-driven growth and margin expansion, as well as favorable trends such as outsourcing, increasing regulation and consumption growth in the end markets it serves. The Group reported a 13% gross profit CAGR over the period of 2016-2020.

The strength and resilience of the business model was demonstrated in 2020 where, despite the profound impact of the pandemic on global trade, industrial output and consumer demand, Azelis grew its Adjusted EBITA¹ by 16% (including 10% organic Adjusted EBITA growth) for the year ended December 31, 2020.

Details of the Offering

The Offering is expected to consist of newly created shares from a capital increase as well as a secondary component from existing shareholders. The Offering will consist of private placements to: (i) qualified investors in Belgium; (ii) qualified institutional buyers (QIBs) in the United States; (iii) and certain other qualified and/or institutional investors in the rest of the world.

Azelis is targeting gross proceeds from the placement of new shares of approximately €880 million. It is intended that these net proceeds, together with borrowings under the Group's new credit facilities, will enable the Group to significantly strengthen its financial position by repaying its current outstanding debt (i.e., circa €1.6 billion), while providing the Group with increased financial flexibility that is more consistent with its current profile and maturity. The Offering is also expected to support Azelis' growth strategy and future acquisitions by providing funding and giving it access to capital markets.

In addition, Azelis expects that the Offering will support its ability to incentivize the current and future members of its executive committee and senior management, and to continue to attract high-caliber individuals to join its executive committee and senior management team in the future. Such incentivization could occur by way of awards of listed Azelis shares, aligning the interests of the members of the executive committee and senior management team with those of Azelis' shareholders.

Goldman Sachs Bank Europe SE and J.P. Morgan AG are acting as joint global coordinators and joint bookrunners for the Offering; Barclays Bank Ireland PLC, BNP Paribas Fortis SA/NV, HSBC Continental Europe and ING Belgium SA/NV are acting as joint bookrunners; and Coöperatieve Rabobank U.A. and Landesbank Baden-Württemberg are acting as co-lead managers. Lazard & Co., Limited is acting as financial adviser to the Group.

For more information, please contact:

Azelis
investor-relations@azelis.com

Tulchan Communications
James Macey White/Olivia Peters

+44 (0) 207 353 4200

¹ Adjusted earnings before interest, taxes and amortization

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

DISCLAIMER

IT MAY BE UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS. THIS ANNOUNCEMENT IS NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR IN ANY OTHER JURISDICTION WHERE SUCH OFFER MAY BE RESTRICTED.

THIS ANNOUNCEMENT IS NOT AN OFFER OR SOLICITATION OF SECURITIES FOR SALE IN THE UNITED STATES. THE SHARES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFERING OF THE SHARES IN THE UNITED STATES OR ANYWHERE ELSE. ANY SHARES SOLD IN THE UNITED STATES WILL BE SOLD ONLY TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON RULE 144A.

This communication is only addressed to, and directed at, persons in member states of the European Economic Area and the United Kingdom who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation ("**Qualified Investors**"). In addition, in the United Kingdom, this communication is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments who fall within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) who are high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Any investment or investment activity to which this communication relates is available only to and will only be engaged in with such persons. This communication must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the European Economic Area, by persons who are not Qualified Investors.

This announcement contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of the Group. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements, and neither the Group nor any other person accepts any responsibility for the accuracy of the opinions expressed in this announcement or the underlying assumptions. Moreover, it should be noted that all forward looking statements only speak as of the date of this announcement and that the Group, without prejudice to its obligations under applicable law in relation to disclosure and ongoing information, does not assume any obligations to update any forward-looking statements. Goldman Sachs Bank Europe SE, J.P. Morgan AG, Barclays Bank Ireland PLC, BNP Paribas Fortis SA/NV, HSBC Continental Europe, ING Belgium SA/NV, Coöperatieve Rabobank U.A. and Landesbank Baden-Württemberg (together, the "**Underwriters**") or their respective affiliates as defined under Rule 501(b) of Regulation D under the Securities Act ("**affiliates**") expressly disclaim any obligation or undertaking to update, review or revise any of the forward-looking statements contained in this announcement whether as a result of new information, future developments or otherwise.

Before investing in the shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus when published after approval by the FSMA. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

The process and timing, including date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that Admission will occur and investors should not base investment decisions on the Group's intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested. Persons considering making such investments should consult an authorized person specializing in advising on

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

such investments. This announcement does not constitute a recommendation concerning the Offering or the Admission. The value of shares can decrease as well as increase. A professional advisor will have to assess the suitability of the offering for the potential investors concerned.

The Underwriters are acting exclusively for the Group and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Group for providing the protections afforded to its clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the Underwriters and their respective affiliates may take up a portion of the shares offered in the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of the Group or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, the Underwriters and their respective affiliates acting in such capacity. In addition, the Underwriters and their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Underwriters and their respective affiliates may from time to time acquire, hold or dispose of shares of the Group. The Underwriters do not intend to disclose the extent of any such investment or transactions, other than in accordance with any legal or regulatory obligations to do so.

None of the Underwriters or any of their respective affiliates or any of their or any of their affiliates' respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this release (or whether any information has been omitted from the release) or any other information relating to the Group, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection therewith.