IMPORTANT NOTICE

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

IMPORTANT: **You must read the following before continuing.** The following applies to the offering memorandum following this notice (the "offering memorandum"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. The offering memorandum has been prepared in connection with the proposed offering and sale of the securities described therein. The offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THE OFFERING MEMORANDUM CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED TO, AND WILL NOT BE ABLE TO, PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your representation: In order to be eligible to view the offering memorandum or make an investment decision with respect to the securities described therein, investors must be either (1) QIBs or (2) persons who are not U.S. persons (as defined in Regulation S) and who are outside the United States in an offshore transaction outside the United States in reliance on Regulation S; *provided* that investors resident in a member state of the EEA or the United Kingdom are not retail investors (as defined herein). The offering memorandum is being sent at your request. By accepting the e-mail or other electronic transmission and accessing the offering memorandum, you shall be deemed to have represented to each of the Initial Purchasers (as defined in the offering memorandum), being the senders of the offering memorandum, that:

1. you consent to delivery of the offering memorandum by electronic transmission; and
2. either you and any customers you represent are:
   (a) QIBs; or
   (b) (i) not U.S. persons and (ii) the e-mail address that you gave us and to which the electronic transmission has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia; and
3. if you are resident in a member state of the EEA or the United Kingdom, you are not a retail investor.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the Securities Act pursuant to Rule 144A.

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

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and an initial purchaser or any affiliate of an initial purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such initial purchaser or such affiliate on behalf of BK LC Lux Finco 1 S.à r.l. (the "Issuer") in such jurisdiction. Under no circumstances shall the offering memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The offering memorandum has not been approved by an authorized person in the United Kingdom and is for distribution only to, and is directed only at, persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order")), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom 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")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this offering memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person. No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

Prohibition of Sales to EEA Retail Investors: The securities described in the attached offering memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"), (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a "qualified investor" as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The attached offering memorandum has been prepared on the basis that any offer of securities in any Member State of the EEA that is subject to the Prospectus Regulation will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of securities.

Prohibition of Sales to UK Retail Investors: The securities described in the attached offering memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The attached offering memorandum has been prepared on the basis that any offer of the securities in the UK will be made pursuant to an exemption under the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") from a requirement to publish a prospectus for offers of securities. The attached offering memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

MiFID II Product Governance / Professional investors and ECPs only target market: Solely for the purposes of the product approval process of the manufacturers, the target market assessment in respect of the

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

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

The offering memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the initial purchasers, any person who controls the initial purchasers, the Issuer, or the Guarantors (as defined in the offering memorandum), nor any of the respective directors, managers, officers, employees, agents or affiliates of the foregoing entities or persons, accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic form and the hard copy version available to you on request from the initial purchasers.

BIRKENSTOCK®

BK LC Lux Finco 1 S.à r.l.

€430,000,000 5.25% Senior Notes due 2029

BK LC Lux Finco 1 S.à r.l., a private limited liability company (*société à responsibilité limitée*) incorporated and existing under the laws of Luxembourg, having its registered office at 40, Avenue Monterey, L—2163 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B252262 (the "Issuer"), is offering €430,000,000 in aggregate principal amount of its 5.25% Senior Notes due 2029 (the "Notes"). The proceeds of the offering of the Notes (the "Offering") will be used in connection with the proposed acquisition (the "Acquisition") of the business activities of the BIRKENSTOCK Group (as further defined herein) (the "Target Business") by the Sponsor (as defined herein).

The Notes will bear interest at a rate of 5.25% per annum. The Notes will mature on April 30, 2029. The Issuer will pay interest on the Notes semi-annually in arrears on each of April 30 and October 30, commencing on October 30, 2021.

If the Issue Date (as defined herein) is expected to occur more than three business days prior to the day on which the Acquisition is consummated (the "Acquisition Closing Date"), the Initial Purchasers (as defined herein) will deposit the gross proceeds of the Notes into a segregated escrow account (the "Escrow Account") in the name of the Issuer but controlled by the Escrow Agent (as defined herein) pending consummation of the Acquisition and pledged on a first-ranking basis in favor of the Trustee (as defined herein) on behalf of the holders of the Notes. The release of the escrowed proceeds will be subject to the satisfaction of certain conditions, including that the funds required to pay the consideration for the Acquisition will be applied promptly (and in any event within three business days). The consummation of the Acquisition is subject to the satisfaction of certain conditions, including, among others, certain regulatory approvals and the performance of certain closing actions. If the conditions to the release of the escrowed proceeds have not been satisfied on or prior to the Escrow Longstop Date (as defined herein) or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding such special mandatory redemption date.

All or a portion of the Notes may be redeemed at any time prior to April 30, 2024, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date, plus a "make-whole" premium, as described in this offering memorandum. At any time prior to April 30, 2024, (i) up to 40% of the aggregate principal amount of the Notes may be redeemed with the net proceeds of one or more specified equity offerings and (ii) all, but not less than all, of the Notes, may be redeemed with the net proceeds from a Qualified IPO (as defined herein), in each case, at a redemption price equal to 105.25% in respect of the Notes plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. The Notes may be redeemed at any time on or after April 30, 2024, at the redemption prices set forth in this offering memorandum.

Upon the occurrence of certain defined events constituting a change of control or upon certain asset sales, each holder of Notes of any series may require the Issuer to repurchase all or a portion of the Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. In the event of certain developments affecting taxation, the Issuer may elect to redeem all, but not less than all, of the Notes.

On the Issue Date and subject to the terms of the Intercreditor Agreement (as defined herein), the Notes will be guaranteed by the Issue Date Guarantors (as defined herein) on a senior subordinated basis. Within 120 days from (and excluding) the Acquisition Closing Date, subject to and in accordance with the Agreed Security Principles (as defined herein) and substantially simultaneously with the guarantees granted in favor of obligations under the Senior Term Facilities (as defined herein), the Notes will be guaranteed by the Post-Closing Guarantors (as defined herein) on a senior subordinated basis. On the Issue Date, the Notes and the Note Guarantees (as defined herein) thereof will be secured by (i) if the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, a first-ranking pledge over the Escrow Account and (ii) subject to and in accordance with the Agreed Security Principles, by first-ranking security interests in the SUN Collateral (as defined herein) and junior-ranking security interests in the Shared Collateral (as defined herein). The validity and enforceability of the Note Guarantees and the security and the liability of each Guarantor (as defined herein) and security provider will be subject to certain limitations. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*." The security interests in favor of the Notes and the Note Guarantees may be released under certain circumstances.

There is currently no public market for the Notes. Application will be made to The International Stock Exchange Authority Limited (the "Authority") for the listing of and permission to deal in the Notes on the Official List of The International Stock Exchange (the "Exchange"). There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained. The Exchange is not a regulated market pursuant to the provisions of Directive 2014/65/EU on markets in financial instruments, as amended.

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 31.

Issue price for the Notes: 100.000% plus accrued interest, if any, from the Issue Date

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None of the Notes and the Note Guarantees thereof have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act ("Rule 144A") and to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See "*Notice to Certain Investors*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

The Notes will initially be issued in the form of registered global notes. The Notes will be issued in registered form in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Notes are expected to be delivered to investors in book entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), in each case, on or about April 29, 2021 (the "Issue Date").

Joint Bookrunners

Goldman Sachs Bank Europe SE **Credit Suisse** **Citigroup** **HSBC**

Commerzbank **Crédit Agricole CIB**

The date of this offering memorandum is April 27, 2021.

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In making an investment decision, you should rely only on the information contained in this offering memorandum. None of the Issuer, the Guarantors or any of Goldman Sachs Bank Europe SE, Credit Suisse Securities, Sociedad de Valores, S.A., Citigroup Global Markets Limited, HSBC Securities (USA) Inc., Commerzbank Aktiengesellschaft and Crédit Agricole Corporate and Investment Bank (the "Initial Purchasers") has authorized anyone to provide you with information that is different from the information contained herein. If you receive any other information, any such information should not be relied upon. None of the Issuer, the Guarantors or any of the Initial Purchasers is making an offer of Notes in any jurisdiction where this Offering is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front cover of this offering memorandum. The business or financial condition of the Target (as defined herein), along with the other information contained in this offering memorandum, may change after this date.

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. SEE "*PLAN OF DISTRIBUTION*" AND "*TRANSFER RESTRICTIONS*." INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT.

You should rely only on, and base your decision to invest in the Notes solely on, the information contained in this offering memorandum. None of the Issuer, the Guarantors, the Sponsor (as defined herein), or any of the Initial Purchasers have authorized anyone to provide prospective investors with different information, and you should not rely on any such information. You should assume that the information contained in this offering memorandum is accurate only as of the date on the front of this offering memorandum or otherwise as of the date specifically referred to in connection with the particular information.

This offering memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this offering memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this offering memorandum. You must also obtain any consents or approvals that you need in order to purchase any Notes. Neither the Issuer, the Guarantors, the Group (as defined herein), the Sponsor nor any of the Initial Purchasers are responsible for your compliance with these legal requirements.

The Notes are subject to restrictions on transferability and resale, which are described under the caption "*Transfer Restrictions*." By possessing this offering memorandum or purchasing any Notes, you will be deemed to have represented and agreed to all of the provisions contained in that section of this offering memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. None of the Issuer, the Guarantors or the Initial Purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. Neither the Issuer nor any Guarantor makes any representation to you that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

None of the Issuer, the Guarantors, the Group, the Sponsor or the Initial Purchasers or any of their respective representatives are providing you with any legal, business, tax or other advice in this offering memorandum. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

You should base your decision to invest in the Notes solely on information contained in this offering memorandum. This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us or set forth under the caption "*Where You Can Find Other Information*."

By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this offering memorandum and have had an opportunity to request, and have received, all additional information that you need from us. No person is authorized in connection with any offering made pursuant to this offering memorandum to give any information or to make any representation not contained in this offering memorandum or any pricing term sheet or supplement and, if given or made, any other information or representation must not be relied upon as having been authorized by the Issuer, the Group, the Sponsor or the Initial Purchasers. Neither the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent (each as defined herein) nor any other agent acting with respect to the Notes is responsible for the contents of this offering memorandum or expresses any opinion as to the merits of the Notes under this offering memorandum.

The information contained in this offering memorandum is accurate as of the date hereof. The Issuer's and the Guarantors' business, financial condition or other information contained in this offering memorandum may change after the date hereof. Neither the delivery of this offering memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set out in this offering memorandum or in our business since the date of this offering memorandum.

None of the Initial Purchasers, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent, the Group, the Sponsor or any other agent acting with respect to the Notes accept responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this offering memorandum and nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers, the Trustee, the Security Agent, or any other agent acting with respect to the Notes as to the past or the future. By receiving this offering memorandum, you acknowledge that you have not relied on the Initial Purchasers, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent, the Group, the Sponsor or their respective directors, managers, affiliates, advisers and agents in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes. The Initial Purchasers disclaim all and any liability whether arising in tort, contract or otherwise which they may otherwise have in relation to this offering memorandum or any information contained herein. The Initial Purchasers do not undertake to review the financial condition or affairs of the Issuer or any Guarantor during the life of the Notes or to advise any investor or potential investor in the Notes of any information coming to the attention of any Initial Purchaser. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by any of the Initial Purchasers as to the past or future.

We reserve the right to withdraw the Offering at any time. We and the Initial Purchasers each reserve the right to reject any offer to purchase the Notes in whole or in part and to allot to any prospective purchaser less than the amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

This offering memorandum is a confidential document that we are providing only to prospective purchasers of the Notes and has only been prepared in connection with the Offering. You must not make copies of any part of this offering memorandum or give a copy of it to any other person, or disclose any information in this offering memorandum to any other person.

By accepting delivery of this offering memorandum, you agree to the foregoing and agree not to use any information herein for any purpose other than considering an investment in the Notes. This offering memorandum may be used only for the purpose for which it was published.

The Notes will be available in book-entry form only. The Issuer expects that the Notes offered and sold in the United States to qualified institutional buyers in reliance upon Rule 144A will initially be represented by beneficial interests in one or more permanent global notes in registered form without interest coupons attached (the "Rule 144A Global Notes"). The Notes sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and together with the Rule 144A Global Notes, the "Global Notes"). On the Issue Date, the Global Notes will be deposited upon issuance with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

The information set out in relation to sections of this offering memorandum describing clearing and settlement arrangements, including the section entitled "*Book Entry, Delivery and Form*," is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

There is currently no market for the Notes. Application will be made to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange. There can be no assurance that the Notes

will be listed on the Official List of the Exchange, that permission to deal in the Notes will be granted or that such listing will be maintained, and settlement of the Notes is not conditioned on obtaining this listing.

STABILIZATION

IN CONNECTION WITH THE OFFERING, GOLDMAN SACHS BANK EUROPE SE (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL OTHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE ANY STABILIZING ACTION. ANY STABILIZING ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THIS OFFERING IS MADE. SUCH STABILIZING ACTION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, BUT MUST BE BROUGHT TO AN END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON THE STABILIZING MANAGER'S BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "*PLAN OF DISTRIBUTION*."

NOTICE TO CERTAIN INVESTORS

United States

None of the U.S. Securities and Exchange Commission, any state securities commission or any other regulatory authority has reviewed or approved or disapproved of the Notes or the Note Guarantees, and none of the foregoing authorities have passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense under the laws of the United States and could be a criminal offense in certain other jurisdictions.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this offering memorandum under "*Transfer Restrictions*." The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the Notes, see "*Transfer Restrictions*."

Canada

This offering memorandum constitutes an "exempt offering document" as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Notes and any representation to the contrary is an offence.

The Notes may be sold only to Canadian purchasers purchasing, or deemed to be purchasing, as principal that are "accredited investors," as such term is defined in Section 1.1 of National Instrument 45-106 Prospectus Exemptions or, in Ontario, as such term is defined in Section 73.3(1) of the Securities Act (Ontario), and are "permitted clients," as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Each Canadian purchaser who purchases the Notes will be deemed to have represented to the Issuer, the Initial Purchasers and to each dealer from whom a purchase confirmation is received, as applicable, that the purchaser (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an "accredited investor"; and (iii) is a "permitted client."

Any resale of Notes acquired by a Canadian purchaser in the Offering must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Notes outside of Canada.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights, or consult with a legal advisor.

Canadian purchasers are advised that this document has been prepared in reliance on Section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"). Pursuant to section 3A.3 of NI 33-105, this document is exempt from the requirement that the Issuer and the Initial Purchasers in the Offering provide Canadian purchasers with certain conflicts of interest disclosure pertaining to "connected issuer" and/or "related issuer" relationships as would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

Upon receipt of this offering memorandum, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur Canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement*.

European Economic Area

Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"), (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a "qualified investor" as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This offering memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA that is subject to the Prospectus Regulation will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of securities.

MiFID II Product Governance

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

United Kingdom

This offering memorandum has not been approved by an authorized person in the United Kingdom and is for distribution only to, and is directed only at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom 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")) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all

such persons together being referred to as "Relevant Persons"). This offering memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this offering memorandum relates is permitted only by Relevant Persons and will be engaged in only with Relevant Persons.

No part of this offering memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person. No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

Prohibition of Sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This offering memorandum has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") from a requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

UK MiFIR Product Governance

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

The offering memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, any person who controls the Initial Purchasers, the Issuer, or the Guarantors (as defined in the offering memorandum), nor any of the respective directors, officers, employees, agents or affiliates of the foregoing entities or persons, accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic form and the hard copy version available to you on request from the Initial Purchasers.

Luxembourg

This offering memorandum has not been approved by and will not be submitted for approval to the Luxembourg financial sector supervisory authority (*Commission de Surveillance du Secteur Financier*) in its capacity as competent authority under the Prospectus Regulation and the Luxembourg law of 16 July 2019 on prospectuses for securities (the "**Luxembourg Prospectus Law**") for purposes of public offering or sale of the Notes in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this offering memorandum nor any other offering memorandum, circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in the Grand Duchy of Luxembourg except in

circumstances where the offer benefits from an exemption to or constitutes a transaction otherwise not subject to the requirements to publish a prospectus, in accordance with the Prospectus Regulation and the Luxembourg Prospectus Law.

Germany

The Offering is not a public offering in the Federal Republic of Germany. The Notes may not be offered and sold in the Federal Republic of Germany except in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz*) (as amended, the "German Securities Prospectus Act"), the Prospectus Regulation and any other laws applicable in Germany. This offering memorandum has not been and will not be submitted to, nor has it been nor will it be approved by, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("BaFin"). BaFin has not obtained and will not obtain a notification from another competent authority of a member state of the European Union (each a Member State), with which a securities prospectus may have been filed, pursuant to Article 25 of the Prospectus Regulation. The Notes must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this offering memorandum and any other document relating to the Notes, as well as information contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of Notes to the public in Germany. Consequently, in Germany the Notes will only be available to, and this offering memorandum and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 3 of the German Securities Prospectus Act in connection with Article 2 lit. e of the Prospectus Regulation. Any resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act, the Prospectus Regulation and other applicable laws.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements, including statements about market consolidation and our strategy, investment program, future operations, prospects, growth, goals, targets, industry forecasts, expected acquisitions, transactions and investments, and target levels of liquidity, leverage and indebtedness. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those expected in our forward-looking statements for many reasons, including the factors described in "*Risk Factors*." In addition, even if our actual results are consistent with the forward-looking statements contained in this offering memorandum, those results or developments may not be indicative of results or developments in subsequent periods. For example, factors that could cause our actual results to vary from projected future results include, but are not limited to:

- the outbreak of the COVID-19 pandemic;
- our dependence on the image and reputation of the Birkenstock brand;
- our dependence on third parties for our sales and distribution channels;
- risks related to the conversion of wholesale distribution markets to owned and operated markets and risks related to productivity or efficiency initiatives;
- economic conditions impacting consumer spending;
- intense competition from both established companies and newer entrants;
- operational challenges relating to the distribution of our products;
- deterioration or termination of relationships with major wholesale partners;
- changes in tariffs and foreign trade policy;
- adverse events influencing the sustainability of our supply chain or our relationships with major suppliers, or increases in raw materials costs;
- failure to execute our direct-to-consumer growth strategy;
- risks related to seasonality, atypical weather conditions and climate change;
- our ability to effectively manage inventory;
- risks associated with international markets;
- risks relating to our intellectual property rights;
- our ability to adapt to changes in consumer preferences;
- failure to increase or enhance marketing activities;
- inability to successfully operate retail stores;
- risks relating to non-footwear products;
- failure to attract and retain key employees and deterioration of relationships with employees;
- currency exchange rate fluctuations;
- unforeseen business interruptions and other operational problems at our production facility;
- reliance on service arrangements with third parties;
- risks relating to regulations governing the use and processing of personal data;

- risks related to changes in and compliance with laws and regulations, including anti-corruption regulations and economic sanctions programs, by us and our supplies, agents and distributors;
- incidents at productions sites and distribution centers;
- disruption and security breaches affecting information technology systems;
- tax-related risks;
- risks of litigation and other claims;
- inadequate insurance coverage, or increased insurance costs;
- natural disasters, public health crises, political crises, civil unrest and other catastrophic events beyond control;
- losses and liabilities arising from leased real estate;
- impairment of goodwill as a result of revaluations;
- uncertainty surrounding Brexit;
- risks related to the Transactions, our capital structure, indebtedness and the Notes; and
- other factors discussed under "Risk Factors."

These risks are not exhaustive. Other sections of this offering memorandum describe additional factors that could adversely affect our financial position, results of operations and liquidity and developments in the markets and industries in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. We urge you to read this entire offering memorandum, including the sections entitled, "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry*" and "*Business*" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate.

Any forward-looking statements are only made as at the date of this offering memorandum, and we do not intend, and do not assume any obligation, to update forward-looking statements set out in this offering memorandum. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this offering memorandum. As a result, you should not place undue reliance on these forward-looking statements.

INDUSTRY AND MARKET DATA

Certain information used in this offering memorandum contains statistical data, estimates and forecasts concerning the industry in which we operate that are based on external service providers (for which data is not publicly available), other publicly available information (including McKinsey's "*Survey: Consumer sentiment on sustainability in fashion*") and independent industry publications, including those published by Euromonitor International Limited ("Euromonitor"), as well as our internal sources and general knowledge of, and expectations concerning, the industry.

Some of the information herein has also been extrapolated from market data, reports, surveys and studies using our experience and internal estimates. Elsewhere in this offering memorandum, statements regarding the industry in which we operate, our position in this industry and the size of certain markets are based solely on our experience, internal studies, estimates and surveys, and our own investigation of market conditions.

None of the Issuer, the Guarantors or the Initial Purchasers accepts responsibility for the factual correctness of any such statistics or information obtained from third parties.

While the Issuer believes this information to be reliable, it has not been independently verified, and we do not make any representation or warranty as to the accuracy or completeness of such information set forth in this offering memorandum. In addition, we believe that data regarding the industry and industry market and sales positions, shares, market sizes and growth provide general guidance but are inherently imprecise. Furthermore, certain forward-looking statements contained in such industry and market data may include the impact of the

COVID-19 pandemic during 2020, but may have not been updated to take into account further outbreaks of COVID-19 or other related developments, including the impacts of future national or local lockdowns or other measures implemented by national and/or local authorities. There can be no assurance that such forward-looking statements would not have been materially different if such developments related to the COVID-19 pandemic had been taken into account. See "*Forward-looking Statements*." Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. Additionally, industry publications and reports from management consultants generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such information. We cannot therefore assure you of the accuracy and completeness of such information as we have not independently verified such information.

TRADEMARKS AND TRADE NAMES

The Group (as defined herein) owns or has rights to certain trademarks, trade names or service marks that it uses in connection with the operation of its business. The Group asserts, to the fullest extent under applicable law, its rights to its trademarks, trade names and service marks. Each trademark, trade name or service mark of any other company appearing in this offering memorandum belongs to its holder.

Solely for convenience, the trademarks, trade names and copyrights referred to in this offering memorandum are listed without the TM, ® and © symbols.

CERTAIN DEFINITIONS

In this offering memorandum:

"ABL Borrowers"	means German Newco, U.S. Newco and each German entity with assets included in the borrowing base;
"ABL Facility"	refers to our new €200 million (equivalent) multicurrency asset based loan facility to be established under the ABL Facility Agreement, which will be entered into in connection with the Transactions;
"ABL Facility Agreement"	means the asset based loan facility agreement to be entered into by and among, *inter alios*, the ABL Borrowers as original borrowers and as original guarantors, certain financial institutions as original lenders, Goldman Sachs Bank USA, as administrative agent and co-collateral agent, and Citibank, N.A. London Branch, as co-collateral agent;
"Acquisition"	means the acquisition, directly or indirectly, from the Sellers of the Target Business by the Purchasers pursuant to the Sale and Purchase Agreement;
"Acquisition Closing Date"	means the date on which the Acquisition is consummated;
"Agreed Security Principles"	has the meaning ascribed to such term under "*Description of the Notes*";
"BIRKENSTOCK," "we," "us," "our," or the "Group"	refer to the BIRKENSTOCK Group, and following the completion of the Acquisition, the Issuer and its consolidated subsidiaries, unless the context suggests otherwise. The use of these terms is not intended to imply that the Acquisition will be completed on certain terms, or at all;
"BIRKENSTOCK Group"	refers to Birkenstock GmbH & Co KG, Birkenstock Immobilien GmbH & Co. KG and Birkenstock Cosmetics GmbH & Co. KG, and their respective subsidiaries;
"Birkenstock Transferred Entities"	means Birkenstock digital GmbH, Birkenstock Productions Rheinland Pfalz-GmbH, Birkenstock Productions Hessen GmbH, Birkenstock Productions Sachsen GmbH, Birkenstock Components GmbH, Birkenstock International/MEA India GmbH, Birkenstock Global MEA/India GmbH, Birkenstock MEA FZ-LLC, Birkenstock India Private Ltd., Birkenstock International GmbH, Birkenstock Global GmbH, Birkenstock UK Ltd., Birkenstock Brasil Comercio de Calcados Ltda., Birkenstock Poland Sp.z o.o, Birkenstock Austria GmbH, Birkenstock Spain S.L.U., Birkenstock Italy S.r.l., Birkenstock Japan Ltd., Birkenstock Nordic ApS, Birkenstock Asia Pacific Ltd., Birkenstock Trading Shanghai Co., Ltd., Birkenstock Canada Ltd., Birkenstock France SAS, Birkenstock Switzerland GmbH, Birkenstock Norway AS, Birkenstock MEA FZE Sharjah, Birkenstock Cosmetics Verwaltungs GmbH, Birkenstock Global Product GmbH, Birkenstock Immobilien Verwaltungs GmbH, Birkenstock Immobilien GmbH & Co. KG, Birkenstock Cosmetics GmbH & Co. KG, Birkenstock Cosmetics International GmbH, Birkenstock Cosmetics USA LP, Birkenstock Cosmetics USA GP LLC, Birkenstock Global Sales Verwaltungs GmbH, Birkenstock Global Sales GmbH & Co. KG, Birkenstock USA GP LLC, Birkenstock USA LP and Birkenstock USA Digital LLC;
"CAGR"	means compound annual growth rate;
"Clearstream"	means Clearstream Banking S.A. or any successor thereof;

"Collateral"	means the Escrow Charge, (if any), the SUN Collateral and the Shared Collateral, collectively;
"COVID-19"	means the infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
"EEA"	means the European Economic Area;
"Equity Contribution"	refers to the expected equity contributions from the Sponsor and other co-investors, in each case, in the form of equity and subordinated shareholder funding;
"Escrow Account"	means the escrow account of the Issuer into which the Initial Purchasers may deposit in certain circumstances the gross proceeds of the Notes on the Issue Date, to be controlled by the Escrow Agent and charged in favor of the Trustee on behalf of the holders of the Notes;
"Escrow Agent"	means GLAS Specialist Services Limited;
"Escrow Agreement"	means the agreement, to the extent the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, to be dated on the Issue Date between the Issuer, the Trustee and the Escrow Agent relating to the Escrow Account;
"Escrow Charge"	means the charges over the Escrow Account in favor of the Trustee, which may, in certain circumstances, secure the Notes and the Issue Date Guarantees on a first-ranking basis as of the Issue Date;
"Escrow Longstop Date"	means September 30, 2021;
"Escrowed Property"	refers to the initial funds deposited in the Escrow Account (if any), and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds paid in accordance with the Escrow Agreement);
"Escrow Release Date"	means the date upon which the proceeds from the Offering are released from the Escrow Account (to the extent they have been deposited therein) to the Issuer (or its designees) upon the satisfaction of certain conditions described in the Escrow Agreement;
"EU"	means the European Union as of the Issue Date;
"EUR TLB Facility"	means the €375 million senior secured term loan facility made available under the Senior Term Facilities Agreement;
"Euroclear"	means Euroclear Bank SA/NV or any successor thereof;
"Existing Credit Facility"	means the multicurrency revolving credit facility agreement among Birkenstock GmbH & Co. KG, as borrowed, and Bayerische Landesbank, Commerzbank AG, DZ Bank AG Deutsche Zentral-Genossenschaftsbank and HSBC Trinkaus & Burkhardt AG, as lenders, dated September 13, 2017, providing for borrowings of up to €250 million;
"Existing Real Estate Facilities"	means (i) the loan agreement dated April 19/24, 2016 by and among Birkenstock GmbH & Co. KG and Birkenstock Immobilien GmbH & Co. KG, as borrowers, and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as lender, in an original loan amount of €8,000,000 and (ii) the loan agreement dated April 14/24, 2016 by and among Birkenstock GmbH & Co. KG and Birkenstock Immobilien GmbH & Co. KG, as borrowers, and Commerzbank AG, as lender, in an original loan amount of €8,000,000, collectively;
"Financial Statements"	means the Audited Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements;

"German GAAP"	means generally accepted accounting principles in the Federal Republic of Germany;
"German Newco"	means Birkenstock Holding UG *(haftungsbeschränkt)* & Co. KG, a limited liability partnership (*Kommanditgesellschaft*) organized under the laws of Germany. Prior to the Issue Date, a Dutch limited liability company (*besloten vennootschap*) will become the sole general partner of German Newco, which will then be renamed as Birkenstock Group B.V. & Co. KG;
"Guarantors"	means the Issue Date Guarantors and the Post-Closing Guarantors, collectively;
"HGB"	means the German Commercial Code (*Handelsgesetzbuch*);
"Indenture"	means the indenture governing the Notes, dated as of the Issue Date, by and among, *inter alios*, the Issuer and the Trustee;
"Initial Purchasers"	means Goldman Sachs Bank Europe SE, Credit Suisse Securities, Sociedad de Valores, S.A., Citigroup Global Markets Limited, HSBC Securities (USA) Inc., Commerzbank Aktiengesellschaft and Crédit Agricole Corporate and Investment Bank, collectively;
"Intercreditor Agreement"	means the intercreditor agreement to be entered into by and among, *inter alios*, the SFA Borrowers, the Security Agent and certain lenders and arrangers under the Senior Term Facilities Agreement and ABL Facility Agreement (as amended from time to time);
"Issue Date"	means April 29, 2021, the date of the issuance of the Notes;
"Issue Date Note Guarantees"	means the guarantees provided by the Issue Date Guarantors on the Issue Date pursuant to the Indenture;
"Issue Date Guarantors"	means Lux SPV, German Newco and U.S. Newco;
"Issuer"	means BK LC Lux Finco 1 S.à r.l., a *société à responsibilité limitée* incorporated and existing under the laws of Luxembourg;
"Lux SPV"	means BK LC Lux SPV S.à r.l., a *société à responsibilité limitée* incorporated and existing under the laws of Luxembourg, having its registered office at 40, Avenue Monterey, L - 2163 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B252419;
"Member State"	means a member state of the EEA;
"Note Guarantees"	means the Issue Date Note Guarantees and the Post-Closing Note Guarantees, collectively;
"Notes"	means the €430,000,000 5.25% Senior Notes due 2029 offered hereby;
"Offering"	means the offering of Notes and the use of proceeds therefrom;
"Parent"	BK LC Lux Finco 2 S.à r.l., a *société à responsibilité limitée* incorporated and exisitng under the laws of Luxembourg, having its registered office at 40, Avenue Monterey, L - 2163 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B252195;
"Post-Closing Note Guarantees"	means the guarantees provided by the Post-Closing Guarantors;
"Post-Closing Guarantors"	means certain members of the BIRKENSTOCK Group organized in Germany and the United States that guarantee the Senior Term Facilities Agreement within 120 days from (and excluding) the Acquisition Closing Date;

"Purchasers"	means German Newco, BK LC EU SalesCo GmbH, BK LC German IPCo GmbH, BK LC German RECo GmbH, BK LC Global SalesCo GmbH, BK LC German LogisticsCo GmbH, BK LC German ProductCo GmbH, U.S. Newco and BK LC German CosmeticsCo GmbH;
"Regulation S"	means Regulation S under the Securities Act;
"Sale and Purchase Agreement"	means the sale and purchase agreement dated February 25/26, 2021, between the Sellers and the Purchasers relating to the sale by the Sellers and the purchase by the Purchasers of the Target Business;
"Securities Act"	means the U.S. Securities Act of 1933, as amended;
"Security Agent"	means Goldman Sachs Bank USA, as security agent under the Notes;
"Security Documents"	has the meaning ascribed to such term under "*Description of the Notes*";
"Sellers"	means Birkenstock GmbH & Co. KG, AB-Beteiligungs GmbH, CB Beteiligungs GmbH & Co. KG, Birkenstock Sales GmbH and Birkenstock Americas GmbH;
"Senior Secured Facilities"	means the ABL Facility and the Senior Term Facilities, together;
"Senior Secured Facilities Agreements"	means the ABL Facility Agreement and the Senior Term Facilities Agreement, together;
"Senior Term Facilities"	means the EUR TLB Facility and the USD TLB Facility, together;
"Senior Term Facilities Agreement"	means the senior facilities agreement to be entered into by and among, inter alios, the SFA Borrowers as original borrowers and as original guarantors, certain financial institutions as original lenders, Goldman Sachs Bank USA, as agent and security agent;
"SFA Borrowers"	means German Newco and U.S. Newco;
"Shared Collateral"	has the meaning ascribed to such term in "*Summary—The Offering—Collateral*";
"Sponsor"	means one or more funds, limited partnerships and other persons managed by or otherwise advised by Catterton Management Company, L.L.C., LC9 International AIV, LP, L Catterton Europe IV, SLP, L Catterton Asia 3 Pte. Ltd and/or any of its affiliates or related funds;
"SUN Collateral"	has the meaning ascribed to such term in "*Summary—The Offering—Collateral*";
"Target Business"	means the business activities of the BIRKENSTOCK Group, comprising (i) the production of (a) sandals and closed shoes for daily use, free time activities and professional use, (b) shoe components as well as orthopedic inlays, (c) products for orthopedic specialist stores, (d) other products for foot health (*Fußgesundheit*) and (e) legwear, accessories, sleeping systems and natural cosmetics (collectively, the "Products") and (ii) sales of such Products to retailers and end-consumers;
"Transactions"	means the Offering and the Acquisition, collectively;
"Trustee"	means GLAS Trust Company LLC, as trustee under the Indenture;
"United Kingdom" or "UK"	means the United Kingdom and its territories and possessions;
"United States" or "U.S."	means the United States of America and its territories and possessions;

"USD TLB Facility"	means the $850 million senior secured term loan facility made available under the Senior Term Facilities Agreement;
"U.S. dollars," "dollars," or "$"	means the lawful currency of the United States;
"U.S. Newco"	means Birkenstock US BidCo, Inc., a corporation under the laws of the state of Delaware;

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer

The Issuer was incorporated on February 19, 2021 to facilitate the Transactions. As of the date of this offering memorandum, the Issuer has no material assets or liabilities, does not have any revenue-generating activities of its own and has not engaged in activities other than those related to its incorporation and in preparation of the Transactions. As a result, no historical financial information of the Issuer is included in this offering memorandum, except for certain limited as adjusted financial data presented to reflect certain effects of the Transactions.

Historical Financial Information

Acquisition Perimeter

Birkenstock GmbH & Co. KG's, Birkenstock Immobilien GmbH & Co. KG's, Birkenstock Cosmetics GmbH & Co. KG's and their respective subsidiaries' (the "BIRKENSTOCK Group") business activities comprise (i) producing (a) sandals and closed shoes for daily use, free time activities and professional use, (b) shoe components as well as orthopedic inlays, (c) products for orthopedic specialist stores, (d) other products for foot health (*Fußgesundheit*) and (e) legwear, accessories, sleeping systems and natural cosmetics (collectively, the "Products") and (ii) sales of such Products to retailers and end-consumers (the "Target Business"). The Issuer is directly acquiring the Target Business, by way of the acquisition of shares and certain assets of the BIRKENSTOCK Group, through its subsidiary, Lux SPV, which has acquired German Newco, a shell company formed by the Sellers' advisors for purposes of the Acquisition, from the Sellers' advisors. German Newco will, directly or indirectly, acquire (i) the following direct subsidiaries of Birkenstock GmbH & Co. KG: Birkenstock digital GmbH, Birkenstock Productions Rheinland Pfalz-GmbH, Birkenstock Productions Hessen GmbH, Birkenstock Productions Sachsen GmbH, Birkenstock Components GmbH, Birkenstock International MEA/India GmbH, Birkenstock International GmbH, Birkenstock Cosmetics Verwaltungs GmbH, Birkenstock Global Product GmbH, Birkenstock Global Sales Verwaltungs GmbH, as well as (ii) Birkenstock Global Sales GmbH & Co. KG, Birkenstock USA GP LLC, Birkenstock USA LP, Birkenstock Immobilien GmbH & Co. KG, Birkenstock Immobilien Verwaltungs GmbH and Birkenstock Cosmetics GmbH & Co. KG, which directly or indirectly own the other Birkenstock Transferred Entities (the "Acquisition Perimeter"). See "*Summary—The Transactions.*"

Substantially all of the BIRKENSTOCK Group's operations and assets, other than the shares in Birkenstock GmbH & Co KG (the assets of which are being contributed to the Purchasers), Alpro GmbH, Alpro Management Inc. (USA) (inactive), Alpro ProFashion LP (inactive), Birkenstock Americas GmbH (the assets of which are being contributed to the Purchasers), Birkenstock Sales GmbH (the assets of which are being contributed to the Purchasers), Birki Inc. (inactive), Birki LP (inactive), Lservice Management Inc. (inactive), L+L Logic Logistics LP (inactive), Birkenstock Orthopädie GmbH (inactive), Birkenstock Real Estate GmbH, Footwear Distribution Spain S.L. (inactive), Footwear Beteiligungs GmbH (inactive), COM GmbH (inactive), Commercial Object Management GmbH & Co. KG (inactive) and certain domain names that the BIRKENSTOCK Group does not use in connection with its primary business and certain trademarks for which we will enter into licensing arrangements (collectively the "Excluded Business"), are included in the Acquisition Perimeter. Accordingly, the financial and operating results and business operations of the Acquisition Perimeter and the BIRKENSTOCK Group are substantially the same. Therefore, all of the historical financial information presented in this offering memorandum is the consolidated financial information of Birkenstock GmbH & Co. KG. Accordingly, unless otherwise stated, all references to the "BIRKENSTOCK Group" in respect of the historical financial information in this offering memorandum are to Birkenstock GmbH & Co. KG and its subsidiaries on a consolidated basis as described herein. Following the Transactions, we will consolidate our financial results at a different entity. See "*—Comparability of the Financial Statements*" below.

Financial Statements

This offering memorandum includes our historical consolidated financial statements listed below (the "Financial Statements"):

- the condensed consolidated interim financial statements of Birkenstock GmbH & Co. KG as of and for the three months ended December 31, 2020, including comparative information for the three months ended December 31, 2019 (the "Unaudited Interim Condensed Consolidated Financial Statements"), prepared in accordance with German GAAP;

- the English-language translation of the original German-language audited consolidated financial statements of Birkenstock GmbH & Co. KG as of and for the financial year ended September 30, 2020, prepared in accordance with German GAAP, and the related notes thereto, including comparative information for the fiscal year ended 2019 (the "2020 Audited Financial Statements"); and
- the English-language translation of the original German-language audited consolidated financial statements of Birkenstock GmbH & Co. KG as of and for the financial year ended September 30, 2019, prepared in accordance with German GAAP, and the related notes thereto, including comparative information for the fiscal year ended 2018 (the "2019 Audited Financial Statements" and together with the 2020 Audited Financial Statements, the "Audited Financial Statements").

The Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with German GAAP. The Audited Financial Statements have been prepared in accordance with German GAAP and audited by BDO AG Wirtschaftsprüfungsgesellschaft ("BDO"), independent auditors, who issued an independent auditor's report thereon.

Any reference to Birkenstock GmbH & Co. KG's "FY" in this offering memorandum means the financial year ended on September 30 of such year.

The label "unaudited" is used in this offering memorandum to indicate financial information that (i) has not been taken, but derived from the Audited Financial Statements, (ii) has been taken or derived from the Unaudited Interim Condensed Consolidated Financial Statements, (iii) has been taken or derived from the Company's accounting records or (iv) has been taken or derived from Birkenstock GmbH & Co. KG's internal management reporting systems. For example, certain financial information split by product, sales channel and regional hub are based on management accounts and are not subject to audit or review by our independent auditors. Our revenues split by product, sales channel and regional hub differ from our audited revenues as they exclude revenues not related to the sale of products, such as revenues from real estate rentals and sales from materials overstock, which are presented in a separate line item labelled "Other." Such financial information should be read in conjunction with our Financial Statements and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Comparability of the Financial Statements

Following the merger of the limited partnership shares in Footwear Distribution GmbH & Co. KG into, and the acquisition of shares in Footwear Beteiligungs GmbH by, Birkenstock GmbH & Co. KG (the "Birkenstock USA Reorganization"), we consolidated the balance sheets of the Birkenstock USA entities that had formerly been consolidated into the balance sheet of Footwear Distribution GmbH & Co. KG into our balance sheet as of September 30, 2017 and the income statements of Birkenstock USA entities were consolidated into our income statement for the first time in FY 2018. We present certain information for FY 2017 on a pro forma basis to reflect the effects of the Birkenstock USA Reorganization. Such pro forma adjustments are based on management information and have not been subject to any audit or review. Any financial information presented in this offering memorandum for any period prior to FY 2018 is presented for illustrative purposes only and investors should not place any undue reliance on such information.

The impact of the COVID-19 pandemic on our operations limits the comparability of our results for FY 2020 and the three months ended December 31, 2020 with the relevant corresponding periods in 2019, and may impact comparability with future periods. See "*—Key Factors Affecting Our Results of Operations—The COVID-19 Pandemic*" and "*Summary—Recent Developments—COVID-19 Update*."

In addition, none of the financial information in this offering memorandum has been adjusted to reflect the impact of any changes to the consolidated income statement, balance sheet and statement of cash flows that might occur as a result of the Acquisition. We will account for the Acquisition in accordance with German GAAP. See "*Summary of Certain Differences Between German GAAP Compared to IFRS—Business Combinations*." Only certain limited pro forma financial data of the Issuer is presented to give effect pro forma to the Transactions, including the Offering. See "*—Pro Forma Financial Information*" below and "*Capitalization*." In the future, we will report our consolidated financial condition and results of operations at the level of another entity in the holding structure. Due to these and other potential adjustments, future financial statements for the Group could be materially different and may not be comparable to our Financial Statements included elsewhere in this Offering Memorandum. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Financial Statements—Impact of the Transactions*" and "*Risk Factors—Risks Related to Our Business—The value of goodwill, brand names or other*

intangible assets reported in our financial statements may need to be partially or fully impaired as a result of revaluations."

Basis of Preparation

Our Financial Statements included elsewhere in this offering memorandum have been prepared in accordance with German GAAP, which differs in certain significant respects from International Financial Reporting Standards ("IFRS"). For a discussion of significant differences between German GAAP and IFRS, see "*Summary of Certain Differences Between German GAAP Compared to IFRS*." In the future, we may prepare our consolidated financial statements in accordance with IFRS and such change will be permitted under the Indenture. See "*Description of the Notes*."

Financial Information Presented for the Twelve Months ended December 31, 2020

The summary unaudited consolidated financial information for the twelve months ended December 31, 2020 set forth in this offering memorandum was derived by adding Birkenstock GmbH & Co. KG's consolidated financial information for FY 2020 to its consolidated financial information for the three months ended December 31, 2020 and subtracting its consolidated financial information for the three months ended December 31, 2019. The summary unaudited consolidated financial information for the twelve months ended December 31, 2020 has not been audited or reviewed and is not required by, or presented in accordance with, German GAAP and or any other generally accepted accounting principles and has been prepared for illustrative purposes only. This information is not necessarily representative of our results of operations for such period or any future period or any financial position at any past or future date. See also "*—Non-GAAP Financial Measures*."

Pro Forma Financial Information

This offering memorandum also includes certain unaudited pro forma financial information of the Issuer as of and for the twelve months ended December 31, 2020, including pro forma net senior secured indebtedness, pro forma net indebtedness and pro forma interest expense, which has been prepared to give effect to the Transactions as if they had occurred (i) on December 31, 2020, for the purposes of calculating pro forma net senior secured indebtedness and as adjusted net indebtedness and (ii) on January 1, 2020, for the purposes of calculating pro forma interest expense. The pro forma financial information as of and for the twelve months ended December 31, 2020 has been prepared for illustrative purposes only and does not represent what the Issuer's indebtedness or interest expense would have been had the Transactions occurred on December 31, 2020 or January 1, 2020, respectively, nor does it purport to project the Issuer's indebtedness or interest expense at any future date. The pro forma financial information as of and for the twelve months ended December 31, 2020 has not been prepared in accordance with German GAAP, IFRS, the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation or any other generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting pro forma financial information as of and for the twelve months ended December 31, 2020 have been audited or reviewed in accordance with any generally accepted auditing standards. See also "*—Non-GAAP Financial Measures*."

Non-GAAP Financial Measures

In this offering memorandum, we present certain financial measures that are not recognized by German GAAP or any other generally accepted accounting principles and that may not be permitted to appear on the face of the Financial Statements or footnotes thereto. The primary non-GAAP financial measures used in this offering memorandum include Adjusted EBIT, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Free Cash Flow, Adjusted Operating Cash Flow, Cash Conversion, EBIT, EBIT margin, EBITDA, maintenance capital expenditures, expansion capital expenditures, Adjusted Free Cash Flow, Cash Conversion, Adjusted Free Cash Flow Before Interest and Taxes, Operating Net Working Capital, Trade Working Capital and other figures (the "Non-GAAP Measures"). Each of the EBITDA-based and net income-based measures presented in this offering memorandum is defined and calculated differently from the definition of "Consolidated Net Income" and "Consolidated EBITDA" presented in the Indenture.

Our primary Non-GAAP Measures are as follows:

- "Adjusted EBIT" is defined as EBIT as adjusted for business scope adjustments, production shutdown due to the COVID-19 pandemic, other COVID-19 impacts, foreign exchange rate impacts and other adjustments, in each case, as further described in "*Summary—Summary Financial and Other Data*";

- "Adjusted EBITDA" is defined as Adjusted EBIT before amortization of intangible assets and depreciation of tangible assets;
- "Adjusted EBITDA margin" is defined as Adjusted EBITDA divided by revenues;
- "Adjusted Free Cash Flow" is defined as Adjusted Operating Cash Flow less maintenance capital expenditure;
- "Adjusted Free Cash Flow Before Interest and Taxes" is defined as Adjusted Free Cash Flow less expansion capital expenditures;
- "Adjusted Operating Cash Flow" is defined as Adjusted EBITDA less the change in Operating Net Working Capital from the prior period;
- "Cash Conversion" is defined as Adjusted Free Cash Flow divided by Adjusted EBITDA;
- "EBIT" is defined as group net income for the period before tax on income, interest and similar expenses and other interest and similar income;
- "EBIT margin" is defined as EBIT divided by revenues;
- "EBITDA" is defined as EBIT before amortization of intangible assets and depreciation on tangible assets;
- "expansion capital expenditures" is defined as prepayments of intangible assets and additions to assets under construction;
- "maintenance capital expenditures" is defined as additions to land and building, machinery and technical equipment, factory and office equipment, as well as concessions, patents, licenses or similar rights;
- "Operating Net Working Capital" is defined as Trade Working Capital less other working capital (defined as other assets plus prepaid expenses less other provisions and other liabilities);
- "Trade Working Capital" is defined as inventories plus trade receivables less trade payables; and
- revenues split by product, sales channel and regional hub.

These Non-GAAP Measures are presented in this offering memorandum because they are measures our management used to assess operating performance, because we believe that they and similar measures are widely used in our industry as a means of evaluating a company's operating performance and financing structure, and because we believe they present helpful comparisons of financial performance between periods by excluding the distorting effect of certain non-recurring items.

Our Non-GAAP Measures and ratios are not measurements of our performance or liquidity under German GAAP, IFRS or any other generally accepted accounting principles and should not be considered as alternatives to performance measures derived in accordance with German GAAP, IFRS or any other generally accepted accounting principles. Our Non-GAAP Measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools. They should not be considered in isolation or as a substitute for analysis of our operating results as reported under German GAAP. Some of the limitations of Non-GAAP Measures are that:

- they do not reflect our cash expenditures or future requirements for capital investments or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on our debt;
- they do not reflect any cash income taxes that we may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in our consolidated income statement;
- they do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and

- other companies in our industry and analysts may calculate these measures differently than we do, limiting their usefulness as comparative measures.

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

Key Performance Indicators

Certain key performance indicators and other non-financial operating data included in this offering memorandum are derived from management estimates and are not part of our financial statements or our accounting records. Our use or computation of these measures may not be comparable to the use or computation of similarly titled measures by other companies. Any or all of these measures should not be considered in isolation or as a substitute measure of performance under German GAAP, IFRS or other generally accepted accounting principles.

Our primary key performance indicators are defined as follows:

- "Implied average selling price" is defined as total amount of revenues (excluding revenues not related to the sale of products, such as revenues from real estate rentals and sales from materials overstock) divided by the number of units sold during such period;
- "Days inventory outstanding" or "DIO" is defined as average inventory divided by revenues and multiplied by the number of days;
- "Number of units sold" is defined as all products sold during a period, including pairs of footwear and other products;
- Number of units produced" is defined as all products produced during a period relating to the final assembly of cork sandals as well as EVA and PU products; and
- "Material Unit Cost" is defined as the cost of materials divided by the number of units produced during such period.

Rounding

Certain numerical figures set out in this offering memorandum, including financial data presented in million or thousand and percentage terms, have been subject to rounding adjustments and, as a result, the totals of the data in this offering memorandum may vary slightly from the actual arithmetic totals of such information. In addition, as a result of such rounding, the totals of certain financial information presented in tabular form may differ from the information that would have appeared in such totals using the unrounded financial information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in the Financial Statements contained in this offering memorandum, as applicable, and not using the numerical data in the narrative description thereof.

In respect of financial data set forth in the main body of this offering memorandum, a dash ("—") signifies that the relevant figure is not available, while a zero ("0") or nil signifies that the relevant figure is available but has been rounded to zero. By contrast, no such differentiation has been made in respect of the financial data set forth in the financial information section of this offering memorandum beginning on page F-1. In the financial information section, zero ("0") is used to signify both unavailable figures and figures which are either exactly zero or have been rounded to zero.

SUMMARY

The following summary contains basic information about us and this Offering and is qualified by, and should be read in conjunction with, the more detailed information appearing elsewhere in this offering memorandum. This summary is not complete and does not contain all the information that you should consider before investing in the Notes. For a more complete understanding of this Offering, we encourage you to read this entire offering memorandum carefully, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and the Financial Statements and the notes thereto contained elsewhere in this offering memorandum. In this offering memorandum, references to "BIRKENSTOCK," "we," "us," "our," or the "Group" are, prior to the consummation of the Acquisition, to Birkenstock GmbH & Co KG, Birkenstock Immobilien GmbH & Co. KG and Birkenstock Cosmetics GmbH & Co. KG, and their respective subsidiaries and, following the completion of the Acquisition, the Issuer and its consolidated subsidiaries, unless the context suggests otherwise.

Overview

We are an iconic brand globally renowned for crafting high quality, durable footwear that enriches the health and wellbeing of our customers' lives. With a proud heritage that dates back to our founding in 1774 in Langen-Bernheim, Germany, BIRKENSTOCK has evolved into one of the foremost footwear brands in the world, selling approximately 23 million units in nearly 100 countries worldwide and generating €753.8 million of revenues and Adjusted EBITDA of €213.3 million for the twelve months ended December 31, 2020.

We are best known as the inventors of the contoured footbed which, rooted in orthopedic theory, encourages proper foot wellbeing, reduces pressure points, and re-emphasizes natural walking. Today, we use this legendary footbed across all our footwear styles, several of which have developed significant global recognition and acclaim of their own. While we have a deep and diversified assortment comprised of hundreds of styles, our five "core classics"—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—generated nearly 75% of our annual revenues for FY 2020 and continue to enjoy significant global consumer demand today. In fact, the BIRKENSTOCK Arizona was the number one searched shoe in the world in Q2 2020, while our shearling-lined Boston clogs ranked as the number two most-searched women's shoe in Q4 2020, according to public industry sources.

We believe that how things are made matters as much as the product itself; we make our products with deep respect for German and European standards for ethical, social, and environmental responsibility. To that end, we maintain strict controls over our entire supply chain—from carefully selecting high quality, sustainable materials from our largely European supply base to hand-finishing our products in our five owned manufacturing facilities across Germany—and a relentless focus on creating well-made, functional, and durable products. As a consequence of our focus on quality craftsmanship, we proudly employ 3,137 skilled laborers across Germany and represent the largest employer in the German footwear industry.

Our unwavering commitment to creating functional products with integrity throughout our nearly 250-year history has enabled us to build an unparalleled brand reputation. Today, the BIRKENSTOCK brand has become synonymous with the highest standards of quality, durability, and craftsmanship, enabling us to engender best-in-class levels of consumer loyalty and trust. As one of the original inclusive brands, we are proud of the fact that our brand and products are worn and loved by consumers around the world, regardless of age, gender, income, and race.

The breadth of our brand and the loyalty of our global fan base have enabled us to operate from the peculiar but privileged position where demand for our products has historically exceeded supply. This dynamic has allowed us to create scarcity in the market and control our brand while simultaneously driving highly predictable and consistent growth—even through the COVID-19 pandemic—as demonstrated by the compound annual growth rate of our revenues of approximately 10% from FY 2017 (giving effect to the Birkenstock USA Reorganization) to FY 2020. This growth has been broad-based across most channels and geographies—though we have seen meaningful recent acceleration in our owned direct-to-consumer ("DTC") channels, which have rapidly expanded from approximately 18% of revenues in FY 2018 to approximately 32% of revenues in the twelve months ended December 31, 2020. We believe that DTC channels—in particular, our owned e-commerce channel—will continue to generate an increasing portion of our revenues and profits going forward.

Our Competitive Strengths

Timeless and iconic brand rooted in 250 years of orthopedic tradition

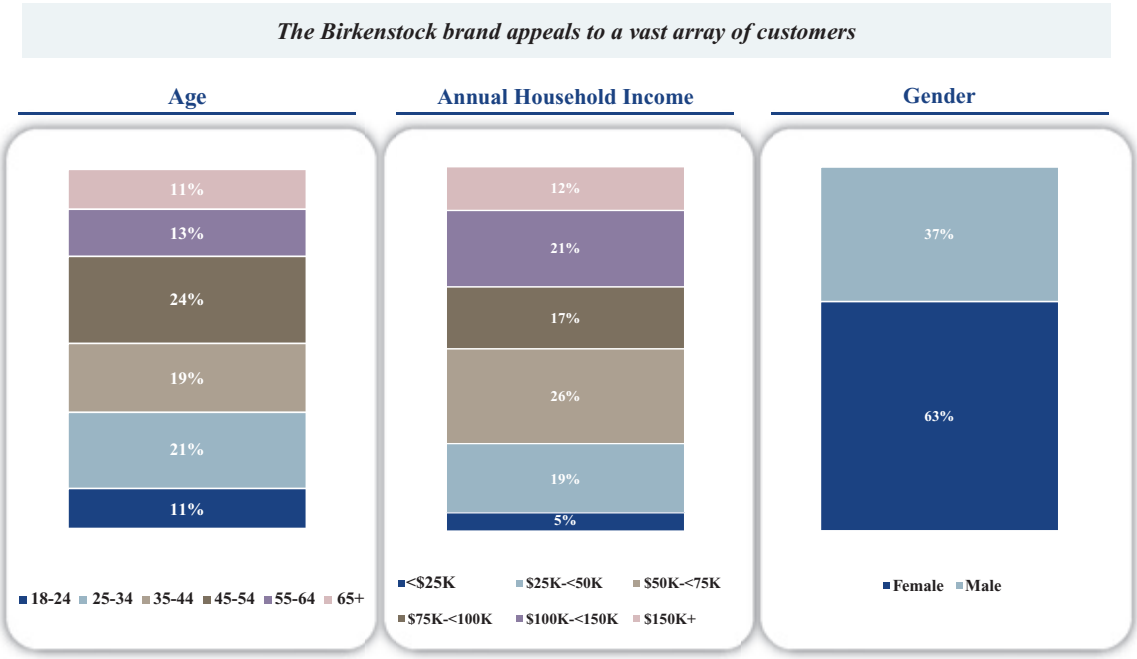
We are built on nearly 250 years of orthopedic tradition. BIRKENSTOCK was created in 1774 when cobbler Johann Adam Birkenstock was registered as "vassal and shoemaker" in the church archives in the small Hessian village of Langen-Bergheim, Germany.

In the late 1800s, Johann's great-great-grandson, master cobbler Konrad Birkenstock, invented the *Fußbett* ("footbed") a sole that supported the contours of the foot and promoted the wearer's orthopedic well-being . The footbed, which was adapted specifically for the growing factory manufactured footwear market, included contoured arch supports made from a baked mixture of cork and latex to produce a light, resilient material capable of supporting the body's weight. At a time when other foot supports were made of flat, unyielding metal, the footbed was revolutionary. In 1915, Konrad's son, Carl Birkenstock, joined the family business. Father and son became renowned orthopedic authorities, publishing numerous books and articles and traveling extensively throughout Europe conducting seminars and trainings on orthopedic theory.

In 1964, Carl's son, Karl Birkenstock, took his grandfather's footbed one step further by adding a sole and a leather strap that ran across the wearer's toes. And thus, the first modern BIRKENSTOCK sandal, the Madrid, was born. Originally launched as a fitness shoe, the design offered a multitude of ergonomic benefits to its wearers—including to activate the grip reflex of the toes as one walks, exercising one's foot and leg muscles. The Madrid became an instant classic.

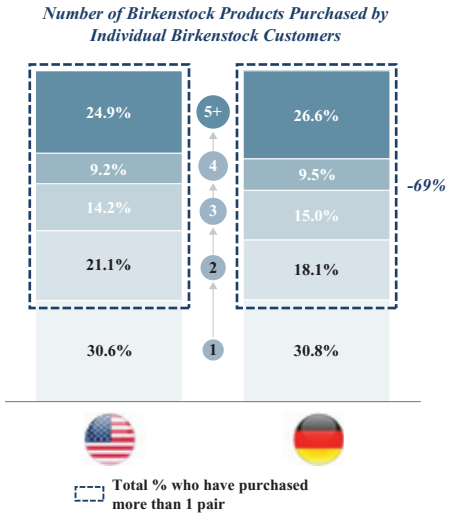
Over the subsequent decades, we have gone on to launch hundreds of new styles and silhouettes, but all have had one thing in common: the footbed. Konrad's footbed and, perhaps more importantly, his revolutionary foresight in creating products that enhance one's whole health and wellbeing, remain the foundation of the BIRKENSTOCK brand. Our origins and traditions still guide everything we do—from the way we select our materials to the way we craft our products.

We believe our approach to holistic health and wellbeing has global appeal. As one of the original inclusive brands, BIRKENSTOCK products are worn by people all over the world, regardless of age, income, race, or gender. Our most popular products are unisex in nature and we offer products across the pricing spectrum, ranging from €40 for our EVA products up to €400 for products from our premium 1774 collection. Most of our core classics sell in the €75-100 range, which we believe to be a democratic and achievable price point for much of the general population. The below chart illustrates the appeal of our brand to a broad array of customers in Germany and the United States.



Source: Third Party Survey of Birkenstock Customers in the United States. Gender data reflects Third Party Survey of Birkenstock Consumers in Germany.

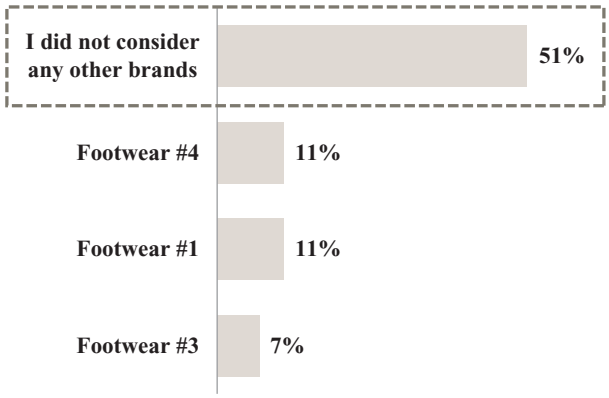
Our longstanding commitment to creating products of the highest quality has enabled us to establish a pristine brand reputation that has resulted in a highly engaged and loyal fan base. For many of these consumers, BIRKENSTOCK is more than just a brand, it is a way of life. In a third-party survey, approximately 69% of surveyed customers indicated they own more than one pair of BIRKENSTOCKs and approximately 90% of recent surveyed BIRKENSTOCK purchasers indicated a desire to repurchase our products. We are proud of our high retention rates as our customers' desire to repurchase is the ultimate testament to their satisfaction with our products. The below chart illustrates the number of BIRKENSTOCK products purchased by individual BIRKENSTOCK customers in Germany and the United States.



Source: Third Party Survey of Birkenstock Customers in the United States.

As time has enabled us to cement our reputation for producing high quality products, so too has it enabled us to become a dominate player in the sandal category. The distinctive and instantly recognizable aesthetic of our products—which we believe to be the perfect blend of function and design—have enabled us to create categories of our own, a phenomenon that has created enormous competitive advantages for our brand. To illustrate, approximately 51% of BIRKENSTOCK purchasers who participated in a third-party survey over the last two years did not consider purchasing any other brand. That is to say, for over half of such BIRKENSTOCK purchasers, *we do not compete against any other brand.*

Consideration of Other Shoe Brands During Last Purchase of Birkenstock, % Purchasers



Source: Third Party Survey of Birkenstock Customers in the United States, when asked "Thinking about the most recent time you purchased Birkenstock footwear, which of the following brands (if any) did you consider at any point of the shopping trip?" Note: "Footwear" players include Crocs, Sketchers, Vans, Clarks, Dr. Martens, Converse, Ugg and Timberland.

Our unique and ownable aesthetic have also resulted in significant unsolicited attention from various well-known brands seeking to create collaborations. For us, it is important that collaborations not only align with our brand values but also push the brand forward through infusing new creative ideas. Thus, we work selectively with brands—many with creative directors who are Birkenstock fans themselves—that we believe will craft original products that enhance the standing of our brand. Through our 1774 line, we have conceived of and launched multiple collaborations with labels as diverse as Stüssy, Rick Owens, and Valentino. These collaborations, profitable in and of themselves, also serve as differentiated marketing vehicles, enabling us to create a "halo" around BIRKENSTOCK, and to amplify our brand reach to new consumers in a cost-effective manner. We believe our distinctive and successful use of collaborations, along with organic, unpaid support from celebrities, have generated significant earned media.

Favored by societal megatrends towards casual styles, wellness, and sustainability

While "health and wellness" has been gaining traction with consumers over recent years, this way of thinking has been in our brand's DNA for centuries. Our products—specifically, our footbed—are rooted in the orthopedic theory pioneered by Konrad Birkenstock and designed to improve foot health and restore a natural gait.

The increased prioritization of health and wellness by the modern consumer has had dramatic and long-lasting impacts on lifestyle and consumption patterns. Within the broader soft goods category in which we operate, this has resulted, for example, in an increasing desire for comfort and function over "fashion". These preferences have fundamentally changed the way consumers dress today, not just at the gym or in their home but at the workplace as well. Between 2014 and 2018, the proportion of businesses with casual dress codes increased from approximately 30% to approximately 50% prior to the outbreak of COVID-19 according to public industry sources. We believe the shift towards more casual styles will only further accelerate as a result of the COVID-19 pandemic and the further blurring of "in-home" and "out-of-home" dress. As a brand that has prioritized health and wellbeing for centuries, we believe we are well positioned to benefit from this ongoing shift.

Similarly, the modern consumer is increasingly prioritizing sustainability and becoming more aware of and focused on the ESG profiles of the brands they purchase. Approximately 70% of consumers believe that sustainability is extremely or very important when purchasing fashion, according to public industry sources. In addition, approximately 65% of consumers state that they intend to buy more high-quality items that last longer according to McKinsey's Report: Consumer Sentiment on Sustainability in Fashion. For us, sustainability is not a matter of retrofitting our brand or labelling ourselves as "green" just to fit a consumer trend but is instead a genuine way of thinking that has been deeply embedded in our ethos and way of doing business for decades. As a result, we believe we are well-positioned to benefit from this ongoing emerging societal focus given the longstanding importance of both using sustainable materials as well as ethical production to the brand.

We utilize sustainable raw materials—most notably, cork, a naturally lightweight, breathable, and insulating material—in the production of our shoes. Cork is a highly versatile natural material that can be harvested multiple times without harming the tree. We source 100% of our cork—specifically, the waste byproduct of cork used to manufacture high-quality wine stoppers—from small, family-held farms in Portugal. We then bake a mixture of this cork with latex—in one of our two owned footbed production sites—to form our legendary footbeds.

Our vertically integrated supply chain represents a key source of competitive advantage and enables us to uphold high standards of ethical production. As with our cork, most of our raw materials are sourced from across Europe in accordance with our established Code of Conduct that lays out the strict ethical and social standards for our business. We include this Code of Conduct in all our supplier contracts to ensure that our suppliers consistently abide by these high standards. Furthermore, we produce nearly all our products in Germany through our five owned manufacturing facilities. See "*Business—Supply Chain—Production*." By fully controlling the production process, we know *where* and *how* our products are made, enabling us to maintain a clean and ethical supply chain.

Core product icons drive consistent and recurring growth supported by complementary diversification into adjacent footwear sub-categories

While we have a large product assortment comprised of hundreds of styles, our five core product families—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—still represent the vast majority of our revenue, contributing nearly 75% of our revenues in FY 2020. Apart from the Mayari, all these product franchises have been on the market for decades, providing us with a highly predictable and consistent sales base. At the same time, we have consistently demonstrated the ability to drive growth within a product family through color and material innovation, enabling us to expand and introduce newness into our assortment with minimal risk. Growth in our Arizona franchise, for instance, has been driven by both the core leather styles as well as through textile innovation (e.g., recent launch of shearling and EVA franchises, and the use of other seasonal materials and prints). As a result, revenues from sales of the Arizona silhouette have grown at a compounded annual growth rate of 23% between FY 2016 and FY 2020.

In recent years, we have specifically focused on growing our closed-toe shoe assortment, which represented approximately 4% of our revenues for the twelve months ended December 31, 2020. We believe our strategic focus on the closed-toe segment—which houses significant growth potential given higher average selling prices and broader applicability across different seasons and usage occasions—is now bearing fruit. For example, revenues from the Boston, a clog originally introduced in 1978, have grown at a compounded annual growth rate of 13% between FY 2016 and FY 2020, as we expanded the style count and more prominently showcased the Boston in our e-commerce and retail channels.

We also continue to invest in the orthopedic heritage of our brand, including recently forming a biomechanics team focused on driving new technical innovations. In particular, we see significant runway in functionally driven footwear categories such as the adventure / outdoor, orthopedic and professional segments. We believe that innovations in these sub-vertical markets will enable the BIRKENSTOCK brand to reach new customers and broaden its usage occasions, all while delivering on our legacy of quality, durability, and craftsmanship.

Profitable growth through evolution to owned distribution channels

Much of our recent growth may be attributable to our deliberate strategy of increasing DTC penetration, which enables us to purposefully and consistently express our brand identity while engaging directly with our global fan base. Our direct-to-consumer channels (comprised of our owned e-commerce and retail channels) represented approximately 18% of our revenues in FY 2018 and have grown to approximately 32% in the twelve months ended December 31, 2020.

The DTC acceleration has been driven primarily by our owned e-commerce channel, which has grown at a 47% compounded annual growth rate between FY 2018 and FY 2020 and comprised 28% of our overall group revenues for the twelve months ended December 31, 2020. Since 2016, we have invested a significant amount in our online platform in order to drive this channel shift and by the end of 2020 we had launched BIRKENSTOCK.com in 24 markets. Our e-commerce channel enables us to offer the broadest assortment as

well as a direct channel for communication with our consumers. E-commerce also has the added financial benefit of driving strong profit margins and enhancing the overall profitability of our overall business.

At approximately 4% of overall group revenues for the twelve months ended December 31, 2020, our retail channel represents a small, but complementary, segment of our DTC business. Most of our 52 retail locations are in Germany, given our brand history, where we operate a network of 35 locations as of November 2020. We have more recently embarked on a strategy of opening flagship retail locations, such as Soho and Brooklyn in New York City, Venice Beach in California and Soho in London. While retail represents an important channel where consumers engage physically with our brand and products, we remain extremely disciplined with our approach to managing our footprint and highly selective with respect to profitability and expected paybacks. Going forward, we may consider strategic additions to our retail footprint in brand appropriate locations, such as in the United States, where we only have three locations.

Finally, our wholesale channel, which represented 68.2% of our overall group revenues for the twelve months ended December 31, 2020, enables us to broaden our distribution network and reach. Wholesale, which spans our direct business with retail partners and our relationships with distribution partners in certain markets, plays an important role in providing physical distribution and increasing our brand awareness globally. For our wholesale partners, we represent an important, "must carry" brand within the footwear category given the strength of our brand name and the customers that we attract. As a result, we generate significantly more demand from existing and prospective new wholesale customers than we can supply, putting us in an enviable position where we can create scarcity in the market and control our brand image. This dynamic has also enabled us to focus on deepening our relationships with best-in-class retailers who strengthen our brand image and who extend our reach to new and attractive customer demographics.

The antecedent for our ability to drive DTC growth in a market is the conversion of that market from a distribution-led model to a company owned-and-operated model. Historically, the BIRKENSTOCK Group has operated primarily as a manufacturer and supplier of high-quality footwear, relying primarily on third-party distributors to market, sell, and expand the reach of the brand into new territories. However, today, as a result of our strategy to increase ownership of our distribution channels, our wholesale business is comprised of a combination of direct wholesale customers as well as legacy third-party distributors. Beginning with the distribution takeover of the U.S. market in 2007 and legal reorganization in 2009, and accelerating after the appointment of the first co-CEOs from outside the Birkenstock family in 2012 and our Managing Director of the Americas in the following year, we have focused on further vertically integrating these functions into our corporate organization to enable us greater control over the brand and distribution. Our distribution takeovers have been critical to our success, enabling us to build brand equity while driving accelerated sales and profitability growth. For example, in the U.S., we have grown revenues from approximately $42 million in FY 2012 to $349 million in FY 2020. Taking over direct distribution in the U.S. has allowed us to invest in relationships only with wholesalers that are aligned with and act as custodians of our brand while also enabling us to launch our e-commerce site in 2016 and open flagship retail stores in Soho and Brooklyn in, New York City and Venice Beach in, California.

Passionate, experienced, and proven management team delivering strong financial performance supported by a committed Sponsor

We benefit from the industry expertise and know-how of our passionate, experienced, and proven senior management team, which has an average of more than 15 years of industry experience. In 2012, for the first time in our history, we put executive leadership in place from outside the Birkenstock family. This was a pivot point for the business, turning BIRKENSTOCK from a family-run organization to a powerful, global business that has now experienced double digit growth for the last four years and has significantly increased profitability. Our management team is currently led by Oliver Reichert, our Chief Executive Officer; Philipp Türoff, our Chief Financial Officer; Markus Baum, our Chief Product Officer; Klaus Bauman, our Chief Sales Officer; and David Kahan, our Managing Director of Americas.

Our management team has been instrumental in delivering our growth and strong financial performance. We have experienced consistent and strong revenue growth during this period, demonstrating resilient growth even during the period impacted by the COVID-19 pandemic. Our revenues have grown at a compound annual growth rate of approximately 10% from €648 million for FY 2018 to €754 million for the twelve months ended December 31, 2020. Our growth reflects our increasing brand reputation and customer demand globally that has

been increasingly converted into revenue through our owned channels (i.e., owned retail stores and owned online channels). We have also experienced consistent improvement in our profitability, demonstrated by the increase in Adjusted EBITDA from €177.4 million for FY 2018 to €211.3 million for FY 2020, growing at a compound annual growth rate of approximately 9%. Our Adjusted Free Cash Flow increased from approximately €119 million in FY 2018 to approximately €239 million in FY 2020. Our stable Adjusted EBITDA margins of at least 25% from FY 2018 to the twelve months ended December 30, 2020 and our strong cash conversion reflects our brand strength and a diversified, vertically integrated business model with continued runway as distribution shifts further into our owned channels.

We also benefit from the market expertise, business relationships, knowledge, and experience of our new Sponsor. *L* Catterton is one of the largest and most experienced consumer-focused private equity groups in the world, with approximately $26 billion of equity capital under management and over 30 years of experience building iconic and enduring consumer brands. *L* Catterton was established in 2016 through a partnership among Catterton, LVMH and Groupe Arnault, and today the three firms actively collaborate in areas such as consumer insights, brand strategies, supply chain / distribution to leverage shared experiences and knowhow across the portfolio.

Our Strategies

We and our Sponsor have developed the following strategies, which reflect a continuation of the journey that we have been on over the last decade.

Building consumer awareness and familiarity globally

Our longstanding commitment to creating products of the highest quality has enabled us to establish our global, leading brand reputation. The BIRKENSTOCK brand has become synonymous with timeless, durable, and functional footwear with sustainability and health & wellbeing at its core. Without question, our brand is our greatest asset and has been key to our long-term sales growth and profitability margins.

As a result of our longstanding focus on creating sustainable, "better for you" products, we believe we are well-positioned to benefit from several of long-term secular shifts in consumer preferences, including the increasing focus on ESG and prioritization of health and wellness. The strong and longstanding alignment of our values with these changes in consumer purchase criteria will continue to drive outsized growth for our brand, as more consumers discover our products and learn about our brand ethos.

To reach even more new consumers and grow our global fan base, we will continue to launch high-profile collaborations with a diverse range of brands and creators across different industries and geographies. In the past, these collaborations have not only been profitable, but have also enabled us to increase our brand reach to new customers, including those in new demographics and geographies. While we have a robust pipeline of exciting collaborations, we remain highly selective, frequently turning down partnerships that we do not believe enhance the standing of our brand.

We have also identified several opportunities to build awareness in specific demographics. For example, while our presence is still nascent in Asia, we believe there is potential for significant growth based on a comparison to the success of some of our peers in the region who are relatively new market entrants. Finally, we are also expanding our range of kids and professional footwear, all of which we expect to drive accelerated growth in our business in coming years.

Accelerating the direct-to-consumer shift to continue to build brand equity and enhance margins

Our deliberate strategy of increasing DTC penetration—which is most evolved in the United States given our early distribution takeover of that market—enables us to express our brand identity purposefully and consistently while directly engaging with our global fan base. Our direct-to-customer acceleration has been driven primarily by our e-commerce channel, which has grown at a 47% compounded annual growth rate between FY 2018 and FY 2020 to comprise 25% of our overall group revenues for FY 2020, supported by our investments in our online platform in recent years. The increasing proportion of DTC sales has significantly contributed to our growing profit margins and profitability.

We intend to replicate the success of our U.S. DTC strategy across Europe and Asia, which we expect will lay the foundation for long-term, accretive growth. Our primary avenue of DTC will be through our e-commerce sales channel, which we have been rapidly growing through new online store openings since 2016, with the most recent being our online store in India added in 2020. Going forward, we may consider strategic additions to our retail footprint, and will focus on building profitable stores with short payback periods, focusing on a small footprint, with flexible leases in brand appropriate locations, such as in the United States, where we only have three locations.

Our ability to accelerate global DTC growth goes hand-in-hand with our ability to directly control distribution across the various markets in which we operate. As such, we plan to continue with our longstanding strategy to gradually takeover distribution in key markets to support our direct-to-consumer growth strategy and to increase control over our brand. While we have already taken over distribution in several of our critical markets, we still have distribution agreements with third-parties in place for several markets in Europe and Asia. Over the coming years, when it is strategically beneficial, we will look to convert certain of those distributor markets to company owned-and-operated, which will drive long-term accretive growth.

Diversifying product assortment and usage occasions

Our five core iconic product families—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—have, apart from the Mayari, been on the market for decades and provide us with a highly predictable and consistent sales base. In recent years, we have successfully driven growth within these iconic product franchises through the introduction of new materials and fabrications (e.g., shearling, vegan leather alternatives) and price bands (e.g., launch of opening price point EVA line and luxury collaborations through 1774 segment). Going forward, we will continue expanding these iconic product families through further design, construction, and materials updates.

We plan to drive future, incremental growth primarily through diversification into closed-toe shoes, which will enable us to serve different usage occasions for consumers, balance seasonality, and drive growth and profitability through higher average selling prices. We believe we have made substantial progress against this strategic effort in recent years, as demonstrated by the performance of the Boston silhouette. The Boston, a clog originally launched in 1978 has enjoyed a compound annual growth rate of 13% between FY 2016 and FY 2020 as we expanded the style count and more prominently featured the silhouette in our stores and e-commerce site.

We have identified runway in other functionally driven footwear categories, such as the adventure / outdoor, orthopedic, and professional segments. We are investing in the successful development of these products, and as an example, we have recently formed a biomechanics team that is focused on driving new technical innovations, such as non-slip treaded sole, solid steel toe cap, and oil, grease, and water-resistant materials. We believe that innovations in these niche markets will enable the BIRKENSTOCK brand to reach new customers and broaden its usage occasions, all while delivering on our legacy of quality, durability, and craftsmanship.

Investing in production and IT systems to enable the next decade of growth

Since we began manufacturing our first footbeds in the early twentieth century, we have always made our own products. In fact, up until the early-2010s we operated primarily as a manufacturer and supplier of high-quality footwear and largely relied on third-party distributors to sell our products. And though, over the years, we have continued to grow and scale our brand, we remain deeply committed to our roots of German manufacturing excellence.

Our vertically integrated supply chain represents a key source of competitive advantage and enables us to uphold our high standards of craftsmanship and ethical production. To this day, our products are handcrafted by the 3,137 skilled workers we employ in our owned production facilities in Germany. Over the past three years, almost all of our expansion capital expenditures have been invested in enhancing our in-house production capabilities to meet the demands of our growing business. For example, our in-house team of engineers have developed proprietary, leading-edge automation technologies that we are in the process of implementing, and that we expect will improve our manufacturing cost structure and further enhance the quality and consistency of our products. For the avoidance of doubt, our automation technologies are not meant to reduce or replace our manufacturing workforce; if anything, we will continue to invest in and scale our production capabilities in Germany.

Going forward, while our existing supply chain has the scale to support our growth plan, we have the potential to iterate our production and planning approach to increasingly support our shift to DTC. To that end, we plan to continue to strategically invest behind manufacturing innovations that will support a shift towards demand-based production as well as increase capacity for longer-term growth.

Similarly, while we believe we are well positioned to capitalize on our owned DTC channels, we plan to continue to invest in technology and systems to support owned channel growth and to optimize critical operational processes as our supply chain grows larger and more complex. For example, near-term investments may include CRM, forecasting and logistics management.

The Transactions

The Acquisition

On February 25/26, 2021, the Purchasers, consisting of entities indirectly controlled by the Sponsor, entered into the Sale and Purchase Agreement to acquire from the Sellers the Target Business. We currently expect the Acquisition to complete by April 30, 2021. The consummation of the Acquisition is, however, subject to the satisfaction of certain closing conditions, including customary antitrust and regulatory approvals. Under the terms of the Sale and Purchase Agreement, the Purchasers have agreed to take all necessary steps to obtain the required clearances following the signing of the Sale and Purchase Agreement. If closing has not occurred by July 31, 2021 (the "Acquisition Longstop Date"), unless the Sellers and the Purchasers have agreed in writing to postpone the Acquisition Longstop Date, the Sale and Purchase Agreement may be terminated.

The purchase price for the Acquisition and estimated repayment of the amounts outstanding under the Existing Credit Facility is approximately €3,700 million, as adjusted for certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement (the "Purchase Price"). In addition to the Purchase Price, on the Acquisition Closing Date, the German Newco will grant to the Birkenstock GmbH & Co. KG an earn-out note in an amount of €400 million, which shall become payable if certain conditions are met. BK LC Lux Midco S.à r.l. ("MidCo"), the direct shareholder of the Parent shall ultimately assume all obligations to pay the amount under the earn-out note from German Newco with full discharge.

An amount of the Purchase Price of €525 million (the "Deferred Purchase Price") will not become due and payable as of the Acquisition Closing Date and instead will be deferred by Birkenstock GmbH & Co. KG and distributed to certain of the Sellers (i) granted as an interest-bearing instrument issued by AB-Beteiligungs GmbH as lender to German Newco and then transferred by German Newco via the intermediate companies and ultimately to the Parent in the amount of €275 million (the "Shareholder's Note") and (ii) contributed by CB Beteiligungs GmbH & Co. KG ("CBB") into Midco (the "Shareholder Rollover") in the amount of €250 million, in each case, pursuant to the terms agreed between the Sellers and the Purchasers under the Sale and Purchase Agreement and subject to the entry into definitive agreements expected to be entered on the Acquisition Closing Date.

The Sale and Purchase Agreement contains customary warranties given by the Sellers as to capacity, title and certain business matters as well as customary interim operating covenants given by the Sellers regarding, among other things, the conduct of the business and the affairs of the BIRKENSTOCK Group pending closing of the Acquisition. The Sellers' liability for any breach of a warranty is subject to certain thresholds and limitations.

Furthermore, subject to certain customary exceptions, the Sellers have agreed that, for two years from the Acquisition Closing Date, neither they nor their affiliates will engage in the territory in which the Target Business is conducted as of the Acquisition Closing Date, directly or indirectly, in the field of activities in which the Target Business is active, or which the Target Business has specifically planned to become active in, as of the Acquisition Closing Date. In addition, certain members of the Birkenstock family have entered into an agreement with the Purchasers under which they undertake to comply with the non-compete obligation pursuant to the Sale and Purchase Agreement and grant the Purchasers the right to use the name "Birkenstock," subject to the Acquisition Closing Date having occurred. See "*Risks Related to Our Business—If the Birkenstock family were to start a business in competition with us and they would be entitled to use the Birkenstock name, or if our use of Birkenstock as part of our company name is blocked as a consequence of challenges raised by the Birkenstock family, our business may be materially adversely affected*."

The Issuer is indirectly acquiring the Target Business through its subsidiary, Lux SPV, which has acquired German Newco, a shell company formed by the Sellers' advisors for purposes of the Acquisition, from the

Sellers' advisors. German Newco will, directly or indirectly, acquire the Birkenstock Transferred Entities. See "*Summary—The Transactions*." Substantially all of the BIRKENSTOCK Group's operations and assets other than the Excluded Business are included in the Acquisition Perimeter. Prior to the Acquisition Closing Date, the Issuer will not have control over the board of directors of the Birkenstock Transferred Entities. Prior to the Acquisition Closing Date, the board of directors of the Birkenstock Transferred Entities will be required to manage the Group under its own responsibility and in a manner that is in the best interests of the Group. See "*Risk Factors—Risks Related to the Transactions—The Issuer does not currently control the Birkenstock Transferred Entities and will not control the Birkenstock Transferred Entities until the Acquisition Closing Date*."

Sources and Uses for the Acquisition

The funding for the Acquisition, the repayment of the Existing Credit Facility and the payment of related fees and expenses and other costs related to the Transactions consist of proceeds from the following sources:

- (i) equity contributions from the Sponsors and other co-investors in the form of subscription to ordinary equity shares equaling approximately €1,780 million and contributed to German Newco through intermediate holding companies (the "Equity Contribution") and (ii) the deferred consideration in the form of the Shareholder's Note and the Shareholder Rollover; and
- (i) drawings under the Senior Term Facilities in an aggregate amount of €1,077 million (equivalent) and (ii) the proceeds from the offering of the Notes offered hereby.

The notional sources and uses necessary to consummate the Acquisition are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including the actual Acquisition Closing Date, the actual purchase price for the Acquisition, the actual amounts outstanding under the Existing Credit Facility on the Acquisition Closing Date (including any accrued and unpaid interest thereon and any other prepayment premiums), any fluctuations in currency exchange rates for amounts not denominated in euro, the amount of the Equity Contribution or other available sources of cash and differences between estimated and actual fees and expenses. In particular, the purchase price under the Sale and Purchase Agreement is subject to certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement.

The table below should be read in conjunction with "*Description of the Notes*" and "*Capitalization*."

Sources of Funds	**Amount**	**Uses of Funds**	**Amount**
(in € million, unaudited)			
Senior Term Facilities[(1)]	1,077	Purchase Price and repayment of existing debt[(6)]	3,700
Notes offered hereby[(2)]	430	Cash to balance sheet	27
Shareholder's Note[(3)]	275	Transaction fees and expenses[(7)]	85
Shareholder Rollover[(4)]	250		
Equity Contribution[(5)]	1,780		
Total sources	**3,812**	**Total uses**	**3,812**

(1) Represents the euro-equivalent aggregate principal amount we expect to draw under the Senior Term Facilities on or about the Acquisition Closing Date. The Senior Term Facilities are comprised of the EUR TLB Facility in an amount of €375 million and the USD TLB Facility in an amount of $850 million (€702 million equivalent).

(2) Represents the aggregate principal amount of the Notes offered hereby.

(3) Represents a portion of the Deferred Purchase Price granted as the Shareholder's Note, the cash proceeds of which will be contributed to the Issuer in the form of equity and/or subordinated shareholder funding. See "*The Transactions*."

(4) Represents a portion of the Deferred Purchase Price contributed by one of the Sellers, CB Beteiligungs GmbH & Co. KG, into Midco, the cash proceeds of which will be contributed to the Issuer in the form of equity and/or subordinated shareholder funding. See "*The Transactions*."

(5) Represents the expected equity contributions from the Sponsor and other co-investors in the form of subscription to ordinary equity shares and/or subordinated shareholder funding.

(6) Represents the agreed consideration payable to the Sellers pursuant to the Sale and Purchase Agreement, as adjusted for our estimates of certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement, and the estimated

amount to prepay in full all outstanding indebtedness under the Existing Credit Facility. The Purchase Price will be paid in cash at closing, other than the Deferred Purchase Price which will be deferred pursuant to the terms of the Shareholder's Note and the terms of the rollover contributed by one of the Sellers to Midco. The Existing Credit Facility and any interest swaps related thereto will be terminated effective as of the Acquisition Closing Date. See "*The Transactions*."

(7) Represents estimated fees and expenses associated with the Transactions, including underwriting, financial advisory, legal, accounting, ratings advisory and other transaction costs and professional fees (but excluding net interest expense that will accrue on proceeds of the Notes to the extent that they are deposited into escrow).

Escrow Account

If the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering of the Notes into the Escrow Account in the name of the Issuer. To the extent the proceeds of the Offering are deposited into the Escrow Account, the Escrow Account will be controlled by the Escrow Agent and will be pledged on a first-priority basis in favor of the Trustee on behalf of the holders of the Notes. See "*Summary—The Offering—Collateral*." If and to the extent the Issue Date is expected to occur within three business days prior to the Acquisition Closing Date, the Issuer shall not be required to deposit cash equal to the gross proceeds of the Notes sold on the Issue Date into the Escrow Account.

The release of the Escrowed Property from the Escrow Account is subject to the satisfaction of certain conditions, including that the funds required to pay the consideration for the Acquisition will be applied promptly (and in any event within three business days). See *"Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*." If these conditions are not satisfied on or before the Escrow Longstop Date or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price for the Notes will be equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of such special mandatory redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Risk Factors—Risks Related to the Transactions—If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, but the Escrow Account may not have sufficient funds to cover such redemption without relying on funding from the Parent."*

In the event of a special mandatory redemption, the Parent will be required to fund the Issuer in such aggregate amounts as are required in order to enable the Issuer to pay any funding shortfall, including Escrow Account fees, negative interest on the Escrow Account's balances, costs and accrued and unpaid interest and additional amounts, if any, owing to the holders of the Notes on such special mandatory redemption date. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" *and "Risk Factors—Risks Related to the Transactions—If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, but the Escrow Account may not have sufficient funds to cover such redemption without relying on funding from the Parent.*"

The Issuer

BK LC Lux Finco 1 S.à r.l. is a private limited liability company (*société à responsibilité limitée*) incorporated and existing under the laws of Luxembourg. As of the date of this offering memorandum, the Issuer has no material assets or liabilities and has not engaged in any activities other than those related to its formation and the Transactions. The Issuer is indirectly controlled by the Sponsor. The Issuer is registered with the Luxembourg trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B252262. The Issuer's principal business address is 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg.

The Sponsor

L Catterton is one of the largest and most experienced consumer-focused investment firms in the world, with approximately $26 billion in equity capital under management. Since its founding in 1989, the firm has focused exclusively on building iconic and enduring consumer brands. *L* Catterton seeks to partner with differentiated brands in advantaged categories using a highly thesis-driven approach, focusing specifically on attractive and high-growth opportunities with long-term value creation potential. To date, *L* Catterton has invested in over 200 companies across its fund platforms, which include: (i) *L* Catterton Flagship—focused on growth / mature stage consumer opportunities in North America; (ii) *L* Catterton Asia—focused on growth /

mature stage consumer opportunities in Asia; (iii) *L* Catterton Growth—focused on early growth stage consumer and consumer technology opportunities in North America and Europe; (iv) *L* Catterton Latin America—focused on growth stage consumer opportunities in Latin America; (v) *L* Catterton Europe—focused on growth stage consumer opportunities in Europe; and (vi) *L* Catterton Real Estate—focused on mixed-use real-estate projects anchored by luxury retail.

L Catterton has established a highly differentiated network that is distinguished by the combination of its extensive global reach and its deep regional connectivity. The global success of *L* Catterton is driven by over 45 partners across 17 offices worldwide. Each partner has the extensive regional connectivity critical to identifying the next-generation of consumer-focused companies in their geographies, as well as the global sector outlook that is needed to build category-defining global leaders. These partners are supported by a team of over 155 investment and operational professionals who manage the sourcing and evaluation of opportunities and provide extensive transactional support. *L* Catterton has also developed a reputation as a long-term value-added partner, demonstrating a history of fully aligning with management teams. The firm has a pool of operational professionals across the globe to partner with portfolio companies to implement strategic growth plans, leverage deep consumer insights, provide operational excellence guidance, and introduce strategic partnership opportunities. In addition, *L* Catterton has a proprietary strategic relationship with LVMH Moët Hennessy Louis Vuitton ("LVMH"), the world's largest luxury conglomerate. LVMH is both a minority owner in *L* Catterton and a significant investor in the family of *L* Catterton funds. As part of the ongoing partnership, *L* Catterton enjoys a special relationship with LVMH and its family of over 75 global brands, with both organizations actively collaborating in areas such as consumer insights, brand strategies, retail expansion and economies of scale across the collective portfolio. Notably, LVMH is a shareholder of *L* Catterton and is committed to the success of the *L* Catterton platform.

L Catterton selected investments include Peloton, Restoration Hardware, Sweaty Betty, Gentle Monster, The Honest Company, the Miami Design District, Vroom, ThirdLove, Ganni, Equinox, and Savage X Fenty.

Recent Developments

Our Response to COVID-19

The global COVID-19 pandemic has had a material impact on economic activity across our markets in 2020. In response to COVID-19, we closed our production facilities in Germany in April 2020 and implemented wage and hour reductions through "short-time work" (*Kurzarbeit*) programs for manufacturing and logistics workers, pursuant to which the German government provided benefits that replaced at least 60% of employee wages for the time that they could not work. Three of our facilities started production again in late May and early June of 2020. Our Ürzell facilities, however, remained closed until September 2020. All of our facilities have reopened since then and since November 2020 all productions and distribution workers have returned to regular hours; only retail workers continue to have their hours reduced due to the new lockdowns. We also terminated relationships with temporary employees at the end of an assignment but were unable to re-hire much of the same talent upon re-opening. As a result, we incurred one-time training costs of €3.2 million for FY 2020 due to temporary workers hired on reopening and we paid one-time bonuses to employees in the amount of €1.2 million due to the additional efforts demonstrated by our employees during the COVID-19 pandemic. In addition, we furloughed employees in the United States in March of 2020. All employees were provided return offers. In total, we incurred unplanned idle costs of €16.7 million in FY 2020 (excluding idle costs assumed in budget or outside the shutdown period) reflecting personnel expenses, depreciation and other fixed costs related to the production facilities, and other additional costs associated with stocking raw materials in March 2020 in anticipation of delays and supply chain disruptions. We also incurred other costs of €0.4 million primarily related to disinfecting production sites and offices and purchasing face masks for our employees.

In FY 2020, our wholesale and retail channels were negatively impacted by the COVID-19 pandemic, including lockdown measures resulting in the temporary closures of retail stores. Sales volumes fell to 23.0 million units compared to 25.1 million units in the prior-year period. Despite the impact of COVID-19 on cross-border trading, the operation of retail stores and our production during the two-month shutdown of our facilities as a result of the pandemic, our revenues and Adjusted EBITDA for FY 2020 increased by 1.2% and 15%, respectively, compared to FY 2019. This increase was due to higher average sales prices achieved through increased e-commerce sales due to the expansion of our e-commerce channel in the Americas and Europe, our revenues from e-commerce sales growing by approximately 80% as compared to FY 2019. We expect the shift

from sales in our wholesale channel to sales in our e-commerce channel to continue during 2021. The growth was further driven by increased sales in the fourth quarter of FY 2020 from orders in wholesale and the re-opening of retail stores in some markets. We have seen continued momentum in our high-average selling price, high-margin online channel, and a rapid rebound in our wholesale channel, where demand for over 100% of the FY 2021 wholesale budget had already been booked, showing a strong increase versus the previous year, and providing solid earnings visibility for the remainder of FY 2021. However, due to charges resulting from the temporary closure of our production facilities and retail stores, particularly in the third quarter of FY 2020, our EBIT decreased by 10.6% to €143.3 million as compared to €160.3 million in FY 2019. Unavoidable fixed costs in production and sales also had a negative impact on earnings. In addition, the flexibility required to respond to workload peaks resulted in higher costs. This was offset by the positive impact of the early and comprehensive measures introduced in connection with COVID-19 to safeguard liquidity and earnings, the German government's support in the form of reduced hours compensation (*Kurzarbeitergeld*) and other measures aimed at reducing costs. EBIT margin fell by 2.6 percentage points to 19.6%, compared to 22.2% for the previous year. For the three months ended December 31, 2020, our Adjusted EBITDA and Adjusted EBITDA margin were €27.3 million and 21%, respectively.

Protecting the health and safety of our employees has been a key priority during the COVID-19 pandemic. We have put in place a number of safety protocols to prevent the spread of the virus, which have helped us limit the number of cases among our employees. We have provided employees the opportunity to work remotely when possible, and we developed a one-page policy outlining vacation protocols with COVID-19 testing and quarantining. We also have in place a mobile working policy which indicates that remote work may be provided to employees who have childcare responsibilities. In addition, we have developed policies that cover common precautions, including handwashing, sanitization of surfaces, and opening windows to increase air flow. Employees who experience any symptoms or who have been exposed to the virus by others are instructed to notify their manager. Masks are required for employees and visitors when entering our facilities, although employees can remove them once at their workstation given that they maintain an adequate distance from others. We actively track confirmed cases among our employees in a centralized database, and a root cause analysis and contact tracing is performed in each instance. We also follow the advice from the authorities with respect to the pandemic and invite regulators to our sites to review safety protocols. We conducted a risk assessment for the Markersdorf and Bernstadt facilities, detailing hazards related to COVID-19 and identifying recommended risk mitigation measures. Furthermore, all of our retail locations are adhering to requirements surrounding sanitization, social distancing, and the use of face coverings. In addition, we have taken steps to ensure that our Portuguese manufacturing partners are adequately protecting their employees. Since Portugal has been notably impacted by the pandemic over the last few months, we have performed targeted audits of these suppliers to ensure they are adhering to appropriate protocols.

Although the ultimate impact of the COVID-19 pandemic upon our business will depend upon the severity and duration of the pandemic as well as actions taken by governmental authorities and other third parties in response, each of which is uncertain, rapidly changing and difficult to predict, our business has remained resilient throughout the pandemic. For more information regarding the risks and associated uncertainties related to COVID-19 and its potential effect on our business and results of operations, see "*Risk Factors—Risks Related to Our Business—Our business, financial condition and results of operations have been, and may continue to be, adversely affected by the current COVID-19 public health pandemic*."

Recent Trading

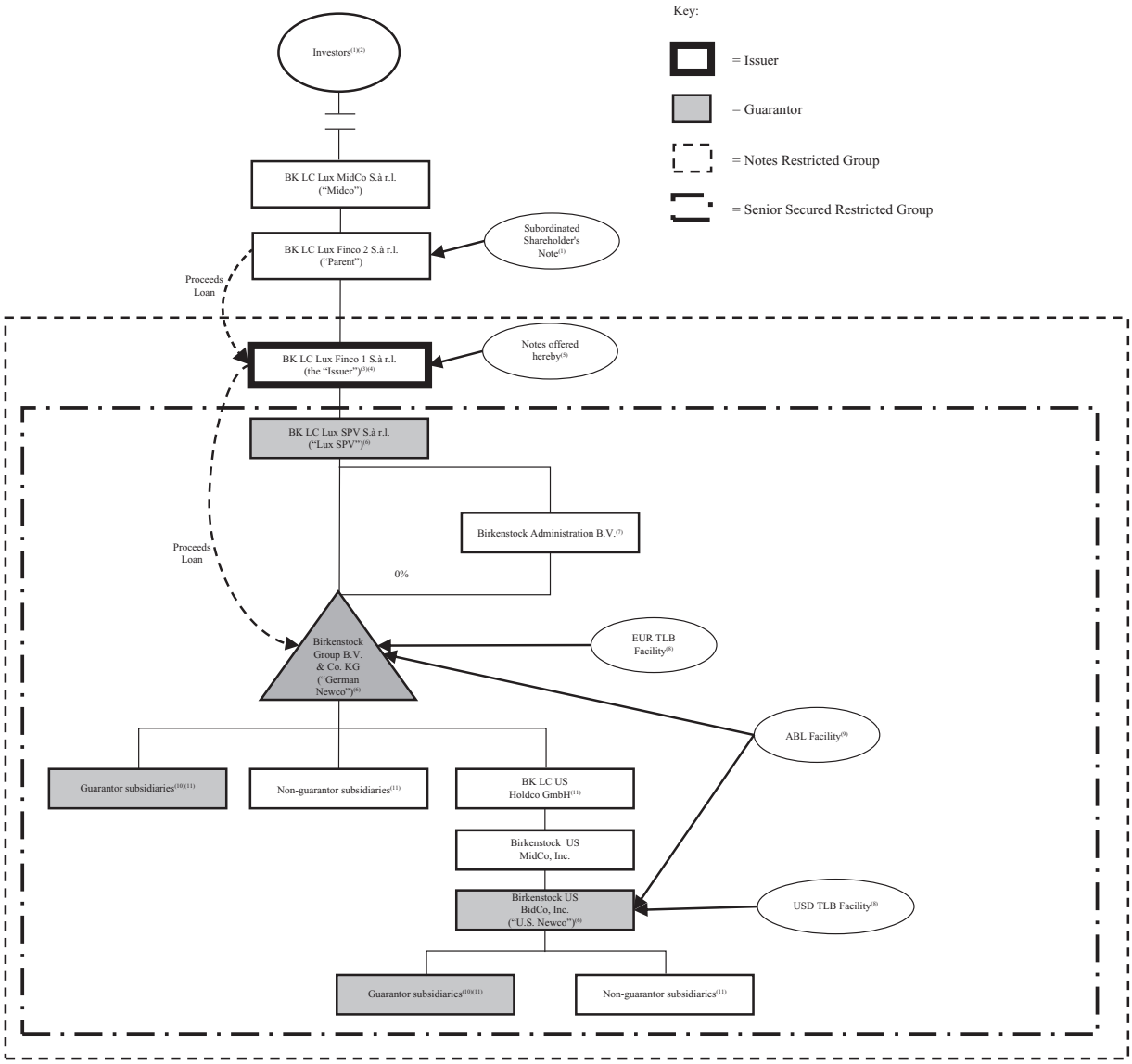
Our revenues increased by approximately €17.3 million, or 6.6%, from approximately €261.3 million for the five months ended February 29, 2020 to approximately €278.5 million for the five months ended February 28, 2021 primarily due to the continued momentum in the higher margin e-commerce sales channel. In our wholesale channel, demand for over 100% of the FY 2021 wholesale budget had already been booked, showing a strong increase versus the previous year, and providing solid earnings visibility for the remainder of FY 2021.

The preliminary financial data included in this section as of and for the five months ended February 29, 2020 and February 28, 2021 has been prepared by, and is the sole responsibility of, the Group's management. This preliminary finanical data is derived from management accounts which are not subject to an audit or review by our independent auditor. Accordingly, our independent auditor does not express an opinion or any other form of assurance with respect thereto. Such information has been derived from Birkenstock GmbH & Co. KG's preliminary management accounts and is subject to financial closing procedures which have

not yet been completed, and while we believe this information to be reasonable, our actual results could vary from these estimates and these differences could be material. As such, you should not place undue reliance on this information and this information may not be indicative of our performance in the remainder of the financial year or any future period. See "Forward looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this offering memorandum for a more complete discussion of certain of the factors that could affect our future performance. In addition, customers, including distributors, may cancel certain pre-orders, and our results are subject to any changes to such pre-orders. See "Risk Factors—Risks Related to Our Business—Our operating results depend on effectively managing inventory levels, and any excess inventories or inventory shortages could harm our business."

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following simplified chart sets forth certain aspects of our corporate and financing structure, adjusted to give effect to the Transactions. Please see "Capitalization," "Description of Certain Financing Arrangements," and "Description of the Notes." All entities shown below are 100% owned unless indicated. Actual amounts may vary from estimated amounts depending on several factors.



(1) On the Acquisition Closing Date, the Sponsor will acquire the Target Business through its indirect subsidiary, Lux SPV, which acquired German Newco, a shell company formed by the Sellers' advisors for purposes of the Acquisition, from the Sellers' advisors. German Newco will, directly or indirectly, acquire the Birkenstock Transferred Entities. CBB will defer part of the Purchase Price and contribute it in exchange for shares in Midco and the deeply subordinated Shareholder's Note. See "*—The Transactions*." In addition, the Sponsor intends to establish the structure for a management equity participation program at Midco following the Acquisition Closing Date. Pursuant to such management participation program, the subscribing managers will indirectly hold a percentage of the issued ordinary shares in Midco in an amount to be agreed. See "*Certain Related Party Transactions—Management Equity Participation Program*." Following the Acquisition Closing Date, it is expected that the Sponsor and any co-investors will hold approximately 85% of the ordinary shares in Midco, CBB will hold approximately 10% of the ordinary shares in Midco and management will indirectly hold up to 5% of the ordinary shares in Midco. The foregoing shareholding percentages are indicative and may be subject to variations. See "*Principal Shareholders*."

(2) On the Acquisition Closing Date, the Sponsor, and other co-investors and management, will indirectly through Midco provide the Equity Contribution in an aggregate amount of €1,780 million to German Newco.

(3) The Issuer was incorporated as a holding company for the purpose of the Acquisition, has no independent business operations, other than those in connection with their incorporation and the Transactions, and has no significant assets, other than the equity interest each of these companies holds in its subsidiaries and to the extent the Acquisition is expected to be consummated more than three business days

after the Issue Date, as of the Issue Date, the Escrowed Property pending consummation of the Acquisition. Prior to the Acquisition Closing Date, the restrictive covenants in the Indenture will only apply to the Issuer and the Issue Date Guarantors.

(4) On the Acquisition Closing Date, the Issuer intend to use the proceeds from Notes, together with borrowings under the Senior Term Facilities, the proceeds from the Seller's Note, the Shareholder Rollover and the Equity Contribution, (i) to fund the consideration payable for the Acquisition, (ii) for cash overfunding and (iii) to pay the fees and expenses incurred in connection with the Transactions. See "*Use of Proceeds*."

(5) The Issuer is offering €430 million in aggregate principal amount of its Notes. The Notes will be senior obligations of the Issuer and will (i) rank *pari passu* in right of payment with all of the Issuer's existing and future senior indebtedness, (ii) rank senior in right of payment to all of the Issuer's existing and future indebtedness that is expressly subordinated in right of payment to the Notes, (iii) be effectively subordinated to all of the Issuer's existing and future indebtedness that is secured by liens that do not secure the Notes, to the extent of the value of such property and assets securing such indebtedness and (iv) be structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that do not guarantee the Notes, including their obligations to trade creditors. On the Issue Date, the Notes and the relevant Note Guarantees will be secured (i) if the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, by a first-ranking pledge over the Escrow Account and (ii) subject to and in accordance with the Agreed Security Principles, (x) on a first-priority basis, by the SUN Collateral and (y) on a junior-priority basis, by security interests in the Shared Collateral. Upon the definitive release of the Escrowed Property, the first-priority security interests over the Escrowed Property (if any) will be released. The security interests in favor of the Notes and the Note Guarantees may be released under certain circumstances.

(6) On the Issue Date and subject to the terms of the Intercreditor Agreement and subject to and in accordance with the Agreed Security Principles, the Notes will be guaranteed on a senior subordinated basis by the Issue Date Guarantors. The validity and enforceability of the Note Guarantees and the security and the liability of each Guarantor and security provider will be subject to certain limitations. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*."

(7) German Newco is a limited liability partnership. In connection with the Transactions, Lux SPV purchased from the Sellers' advisor the limited partnership interests in German Newco, which correspond to 100% of the limited partnership interests in German Newco. Lux SPV acquired from the Sellers' advisors the general partner of German Newco, Birkenstock Holding Verwaltungs UG (*haftungsbeschränkt*), a German limited liability company (*Unternehmergesellschaft*). Prior to the Acquisition Closing Date, the German limited liability company will transfer its general partnership interest to Birkenstock Administration B.V., a Dutch limited liability company.

(8) In connection with the Transactions, the SFA Borrowers are expected to enter into the Senior Term Facilities Agreement, which will provide for committed facilities of €1,077 million (equivalent) in the form of (i) the EUR TLB Facility in an amount of €375 million and (ii) the USD TLB Facility in an amount of approximately $850 million (€702 million equivalent). On the Issue Date, all of the Issue Date Guarantors will guarantee the Senior Term Facilities on a senior basis, senior to the Note Guarantees of the Notes. Within 120 days from (and excluding) the Acquisition Closing Date, subject to and in accordance with the Agreed Security Principles, the Senior Term Facilities will be guaranteed by the Post-Closing Guarantors on a senior basis, senior to the Note Guarantees of the Notes. The Shared Collateral will also secure our obligations under the Senior Term Facilities on a first-ranking basis.

(9) In connection with the Transactions, the ABL Borrowers are expected to enter into the ABL Facility Agreement, which provides for committed facilities in an amount of approximately €200 million (equivalent). On the Issue Date, all of the Issue Date Guarantors will guarantee the ABL Facility on a senior basis, senior to the Note Guarantees of the Notes. Within 120 days from (and excluding) the Acquisition Closing Date, subject to and in accordance with the Agreed Security Principles, the ABL Facility will be guaranteed by the Post-Closing Guarantors on a senior basis, senior to the Note Guarantees of the Notes. The Shared Collateral will also secure our obligations under the ABL Facility on a senior basis to the Notes and the Notes Guarantees.

(10) Within 120 days from (and excluding) the Acquisition Closing Date, subject to and in accordance with the Agreed Security Principles and substantially simultaneously with the guarantees granted in favor of obligations under the Senior Secured Facilities, the Notes will be guaranteed by the Post-Closing Guarantors on a senior subordinated basis. The validity and enforceability of the Note Guarantees and the liability of each Guarantor will be subject to certain limitations. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*." As of and for the twelve months ended December 31, 2020, (i) all the members of the BIRKENSTOCK Group organized in the United States and (ii) the material members of the BIRKENSTOCK Group incorporated in Germany, in each case, which assets and shares (as applicable) are being transferred to the Purchasers pursuant to the Transactions, represented 80.8% of the consolidated revenues of the BIRKENSTOCK Group, such entities' unconsolidated assets represented 80.9% of the sum of the unconsolidated assets of the BIRKENSTOCK Group and such entities' unconsolidated EBITDA represented 92.4% of the consolidated EBITDA of the BIRKENSTOCK Group.

(11) On or prior to the Acquisition Closing Date, certain of the entities in the Group incorporated in Germany and the United States are expected to be renamed to include "Birkenstock" in their corporate name.

THE OFFERING

The following is a brief summary of certain terms of the Offering of the Notes. It may not contain all the information that is important to you. For additional information regarding the Notes and the Note Guarantees, see "Description of the Notes" and "Description of Certain Financing Arrangements—Intercreditor Agreement."

Issuer	BK LC Lux Finco 1 S.à r.l.
Notes Offered	€430,000,000 5.25% Senior Notes due 2029.
Issue Date	April 29, 2021.
Issue Price	100.000%
Maturity Date	April 30, 2029.
Interest Rate	5.25% per annum.
Interest Payment Dates	Interest on the Notes is payable semi-annually in arrears on April 30 and October 30 of each year, commencing on October 30, 2021. Interest on the Notes will accrue from the Issue Date.
Form and Denomination	The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof maintained in book-entry form.
Guarantors	The Notes are expected to be guaranteed on a senior subordinated basis (i) on the Issue Date, by Lux SPV, German Newco and US Newco and (ii) within 120 days from (and excluding) the Acquisition Closing Date, subject to and in accordance with the Agreed Security Principles and substantially simultaneously with the guarantees granted in favor of obligations under the Senior Term Facilities Agreement, by the Post-Closing Guarantors. As of and for the twelve months ended December 31, 2020, (i) all the members of the BIRKENSTOCK Group organized in the United States and (ii) the material members of the BIRKENSTOCK Group incorporated in Germany, in each case, which assets and shares (as applicable) are being transferred to the Purchasers pursuant to the Transactions, represented 80.8% of the consolidated revenues of the BIRKENSTOCK Group, such entities' unconsolidated assets represented 80.9% of the sum of the unconsolidated assets of the BIRKENSTOCK Group and such entities' unconsolidated EBITDA represented 92.4% of the consolidated EBITDA of the BIRKENSTOCK Group.
Ranking of the Notes	The Notes will: • be general senior obligations of the Issuer; • rank *pari passu* in right of payment with any of the Issuer's existing and future indebtedness that is not subordinated in right of payment to the Notes; • rank senior in right of payment to any of the Issuer's existing and future indebtedness that is expressly subordinated in right of payment to the Notes; • be effectively subordinated to any of the Issuer's and its subsidiaries' existing and future indebtedness or other liabilities that is secured by property or assets that do not secure the Notes (including obligations under the Senior Term Facilities and the ABL Facility), to the extent of the property and value of the assets securing such indebtedness or liabilities; and

- be structurally subordinated to any existing and future indebtedness and other liabilities, including preferred stock and obligations to trade creditors, of the subsidiaries of the Issuer that do not guarantee the Notes.

Ranking of the Note Guarantees . . . . . The Note Guarantees will:

- be general senior subordinated obligations of such Guarantor;
- be subordinated in right of payment to any existing and future senior indebtedness of that Guarantor, including its obligations under the Senior Term Facilities and the ABL Facility;
- rank *pari passu* in right of payment with any existing and future indebtedness of such Guarantor that is not subordinated in right of payment to the Note Guarantee of such Guarantor;
- rank senior in right of payment to any existing and future indebtedness of such Guarantor that is expressly subordinated in right of payment to the Note Guarantee of such Guarantor;
- be effectively subordinated to any existing and future indebtedness of such Guarantor and its subsidiaries that is secured by property or assets that do not secure the Notes or the Note Guarantees, or that is secured on a first-priority basis over property or assets that secure the Notes or the Note Guarantees on a junior-priority basis (including obligations under the Senior Term Facilities and the ABL Facility), to the extent of the value of the assets securing such indebtedness or liabilities; and
- be structurally subordinated to any existing and future indebtedness and other liabilities, including preferred stock and obligations to trade creditors, of the subsidiaries of such Guarantor that do not guarantee the Notes.

Collateral . . . . . If the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, on the Issue Date, the Notes and the Note Guarantees thereof will be secured on a first-priority basis by the Escrow Charge. Upon the definitive release of the Escrowed Property, the first-priority security interests over the Escrowed Property will be released.

In addition, on the Issue Date, subject to and in accordance with the Agreed Security Principles, the Notes and Note Guarantees thereof will be secured by:

- on a first-priority basis, (i) a share pledge in respect of all the shares of the Issuer pursuant to a Luxembourg law share pledge agreement, (ii) a pledge in respect of all the material bank accounts of the Issuer located in Luxembourg pursuant to a Luxembourg law governed bank account pledge agreement, and (iii) a security assignment in respect of any intercompany receivables owed to the Parent by the Issuer in respect of any proceeds loan or other shareholder loan (collectively, the "SUN Collateral"); and
- on a junior-priority basis, (i) a security assignment and/or receivables pledge agreement, governed by Luxembourg law, in respect of any structural intercompany receivables owed to the Issuer by German Newco and Lux SPV and (ii) a share pledge in respect of shares of Lux SPV pursuant to a Luxembourg law governed share pledge agreement (collectively, the "Shared Collateral" and, together with the SUN Collateral and the Escrow Charge, the "Collateral").

	On the Issue Date, the Notes and the Notes Guarantees will, pursuant to the Intercreditor Agreement, be secured by the Shared Collateral on a junior-priority basis to the Senior Term Facilities and the ABL Facility. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."
	The security interests may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. For more information on the security interests granted, see "*Description of the Notes—Security*," and for more information on potential limitations to the security interests, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*" and "*Risk Factors—Risks Related to the Notes*."
	The security interests may be released under certain circumstances. See "*Risk Factors—Risks Relating the Notes—There are circumstances other than the repayment or discharge of the Notes under which the Collateral securing the Notes and the Note Guarantees will be released automatically without your consent or the Trustee or the Security Agent obtaining your further consent*," "*Description of Certain Financing Arrangements—Intercreditor Agreement*," and "*Description of the Notes—Security—Release of Liens.*"
Use of Proceeds	The proceeds from the Offering of the Notes, together with borrowings under the Senior Term Facilities, the proceeds from the Shareholder's Note, the Shareholder Rollover and the Equity Contribution will be used (i) to fund the consideration payable for the Acquisition, (ii) to repay all amounts outstanding under the Existing Credit Facility, (iv) for cash overfunding and (v) to pay the fees and expenses incurred in connection with the Transactions. See "*Use of Proceeds*."
Additional Amounts	Any payments made by the Issuer or any Guarantor with respect to the Notes or Note Guarantees will be made without withholding or deduction for taxes unless required by law. If such withholding or deduction is required by law in any "relevant taxing jurisdiction," the Issuer or the relevant Guarantor, as applicable, will pay the additional amounts necessary so that the net amounts received after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction, subject to certain exceptions. See "*Description of the Notes—Withholding Taxes*."
Optional Redemption	All or a portion of the Notes may be redeemed at any time prior to April 30, 2024, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date plus a "make-whole" premium, as described in this offering memorandum. See "*Description of the Notes—Optional Redemption*."
	At any time prior to April 30, 2024, up to 40% of the aggregate principal amount of the Notes may be redeemed with the net proceeds of one or more specified equity offerings at a redemption price equal to 105.25%, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. See "*Description of the Notes—Optional Redemption*."
	At any time and from time to time on or before April 30, 2024, the Issuer may redeem all, but not less than all, of the outstanding Notes

	issued under the Indenture on the Issue Date (together with any Additional Notes) with the Net Cash Proceeds received from a Qualified IPO at a redemption price equal to 105.25% of the principal amount of such Notes, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date. The Notes may be redeemed at any time on or after April 30, 2024, at the redemption prices set forth under "*Description of the Notes—Optional Redemption*."
Optional Redemption for Tax Reasons	In the event of certain developments affecting taxation that become effective on or after the Issue Date, the Issuer may redeem the Notes in whole but not in part, at any time, upon giving written notice, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but excluding, the date of redemption. See "*Description of the Notes—Redemption for Taxation Reasons*."
Change of Control	Upon the occurrence of certain defined events constituting a change of control or upon certain asset sales, each holder of Notes may require the Issuer to repurchase all or a portion of the Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. See "*Description of the Notes—Change of Control*."
Escrowed Proceeds; Special Mandatory Redemption	If the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, concurrently with the closing of the Offering, and pending consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds of the Offering into the Escrow Account, held in the name of the Issuer. The Escrow Account will be controlled by the Escrow Agent, and pledged on a first-priority basis in favor of the Trustee on behalf of the holders of the Notes. The release of the proceeds deposited in the Escrow Account will be subject to the satisfaction of certain conditions, including that the funds required to pay the consideration for the Acquisition will be applied promptly (and in any event within three business days). Upon delivery to the Trustee and the Escrow Agent of an officer's certificate stating that the conditions to the release of the proceeds from escrow are satisfied, the Escrowed Property will be released to the Issuer and utilized as described in "*Use of Proceeds*" and "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*." If the conditions to the release of the Escrowed Property have not been satisfied on or prior to the business day immediately following the Escrow Longstop Date, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of the Notes will be equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, such special mandatory redemption date. In the event of a special mandatory redemption, the Parent will be required to fund the Issuer in such aggregate amounts as are required in order to enable the Issuer to pay any funding shortfall, including Escrow Account fees, negative interest on the Escrow Account's balances, costs and accrued and unpaid interest and additional

amounts, if any, owing to the holders of the Notes on such special mandatory redemption date.

In addition, the conditions applicable to the special mandatory redemption may be waived by holders of the Notes representing a majority in aggregate principal amount of the Notes outstanding.

See *"Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*," and "*Risk Factors—Risks Related to the Transactions—If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, but the Escrow Account may not have sufficient funds to cover such redemption without relying on the Escrow Equity Commitment*."

Certain Covenants . . . . . The Indenture will limit, among other things, the ability of the Issuer and the restricted subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain restricted payments;
- make certain investments;
- impose restrictions on the ability of their subsidiaries to pay dividends or make other payments to the Issuer;
- engage in certain transactions with affiliates;
- transfer, receive or sell certain assets including subsidiary stock;
- consolidate or merge with other entities; and
- impair the security interests for the benefit of the holders of the Notes.

Each of the covenants in the Indenture is subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*."

Certain of the covenants will be suspended if and for as long as we achieve investment grade ratings. See "*Description of the Notes—Certain Covenants—Termination of Covenants on Achievement of Investment Grade Status*."

U.S. Federal Income Tax Considerations . . . . . For a discussion of certain U.S. federal income tax considerations of an investment in the Notes, see "*Certain Tax Consequences—Certain U.S. Federal Income Tax Considerations*." You should consult your own tax advisor to determine the U.S. federal, state, local and other tax consequences of an investment in the Notes.

Transfer Restrictions . . . . . The Notes and the Note Guarantees thereof have not been registered under the Securities Act or the securities laws of any other jurisdiction and will not be so registered. The Notes are subject to restrictions on transferability and resale. See "*Transfer Restrictions*." Holders of the Notes will not have the benefit of any exchange or registration rights.

Risk Factors . . . . . Investing in the Notes involves substantial risks. You should consider carefully all the information in this offering memorandum and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section before making a decision whether to invest in the Notes.

No Prior Market	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers of the Notes have advised us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, there can be no assurance that an active trading market will develop for the Notes.
Listing	Application will be made to the Authority for the listing of the Notes on the Official List of the Exchange. There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained. The Exchange is not a regulated market pursuant to the provisions of Directive 2014/65/EU on markets in financial instruments, as amended.
Governing Law	The Indenture, the Notes and the Note Guarantees will be governed by the laws of the State of New York. For the avoidance of doubt, the application of articles 470-1 to 470-19 (inclusive) of the Luxembourg law on commercial companies, dated 10 August 1915, as amended, is expressly excluded. The Intercreditor Agreement will be governed by the laws of England and Wales. Each Security Document will be governed by applicable local laws.
Trustee	GLAS Trust Company LLC.
Security Agent	Goldman Sachs Bank USA.
Paying Agent	GLAS Trust Company LLC.
Transfer Agent	GLAS Trust Company LLC.
Registrar	GLAS Trust Company LLC.
Escrow Agent (if any)	GLAS Specialist Services Limited.
Listing Agent	Carey Olsen Corporate Finance Limited.

SUMMARY FINANCIAL AND OTHER DATA

The following tables present our summary financial information and have been derived from, and should be read in conjunction with, our Financial Statements that have been prepared in accordance with German GAAP and are included elsewhere herein and the sections entitled "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations, "Use of Proceeds" and "Capitalization."

The Issuer was incorporated in order to facilitate the Transactions and as of the date of this offering memorandum, has no material assets or liabilities, does not have any revenue-generating activities of its own and has not engaged in activities other than those related to its incorporation and in preparation of the Transactions. As a result, no historical financial information of the Issuer is included in this offering memorandum, except for certain limited pro forma financial data presented to reflect certain effects of the Transactions. The historical financial information presented in this offering memorandum is that of the BIRKENSTOCK Group. Following the Transactions, we will consolidate our financial results at a different entity. See "Presentation of Financial and Other Information."

We have extracted (i) the consolidated historical financial information of the BIRKENSTOCK Group as of and for the financial years ended September 30, 2018, 2019 and 2020 from the Audited Consolidated Financial Statements and (ii) the consolidated historical financial information of the BIRKENSTOCK Group as of and for the three months ended December 31, 2019 and 2020 from the Unaudited Interim Condensed Consolidated Financial Statements, in each case, included elsewhere in this offering memorandum.

The financial information for the twelve months ended December 31, 2020 presented below was derived by adding the BIRKENSTOCK Group's consolidated financial information for FY 2020 to its consolidated financial information for the three months ended December 31, 2020 and subtracting its consolidated financial information for the three months ended December 31, 2019. The summary unaudited consolidated financial information for the twelve months ended December 31, 2020 is not required by or presented in accordance with German GAAP or HGB has been prepared for illustrative purposes only and is not necessarily representative of our results of operations or our financial condition for any full year period or at any future date. See "Presentation of Financial and Other Information—Financial Information Presented for the Twelve Months ended December 31, 2020."

We also present certain unaudited pro forma financial information of the Issuer as of and for the twelve months ended December 31, 2020, including pro forma net senior secured indebtedness, as adjusted net indebtedness and pro forma interest expense, which has been prepared to illustrate the effect of the Transactions as if the Transactions had occurred (i) on December 31, 2020, for the purposes of calculating pro forma net senior secured indebtedness and pro forma net indebtedness and (ii) on January 1, 2020, for the purposes of calculating pro forma interest expense. The pro forma financial information as of and for the twelve months ended December 31, 2020, has been prepared for illustrative purposes only and does not represent what our indebtedness or interest expense would have been had the Transactions occurred on December 31, 2020, or January 1, 2020, respectively; nor does it purport to project our financial results, indebtedness or interest expense at any future date. The pro forma financial information as of and for the twelve months ended December 31, 2020, has not been prepared in accordance with German GAAP, IFRS or any other generally accepted accounting standards or in accordance with the requirements of Article 11 of Regulation S-X of the Securities Act, the Prospectus Regulation, or any other regulations of the U.S. Securities and Exchange Commission, or any other regulator. Neither the assumptions underlying the pro forma adjustments nor the resulting pro forma financial information as of and for the twelve months ended December 31, 2020, have been audited or reviewed in accordance with any generally accepted auditing standards.

We present below certain financial measures, certain performance indicators, ratios and other non-financial operating measures that are not recognized by German GAAP or any other generally accepted accounting principles and that may not be permitted to appear on the face of the Financial Statements or footnotes thereto or that may derived from management estimates and are not part of our financial statements or our accounting records. Prospective investors should bear in mind that Non-GAAP Measures, certain performance indicators, ratios and other non-financial operating measures that we report herein are not measurements of our performance or liquidity under German GAAP, IFRS or any other generally accepted accounting principles, should not be considered as substitutes to performance measures derived in accordance

with German GAAP, IFRS or any other generally accepted accounting principles, may not be comparable to other similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under German GAAP. See "Presentation of Financial and Other Information—Non-GAAP Financial Measures" and "Presentation of Financial and Other Data—Key Performance Indicators."

Summary Consolidated Income Statement Data

(in € million)	Financial Year ended September 30,			Three months ended December 31,		Twelve months ended December 31,
	2018	2019	2020	2019	2020	2020
					(unaudited)	
Revenues	**648.3**	**721.5**	**730.5**	**104.0**	**127.3**	**753.8**
Change in finished goods and work in progress	4.8	26.7	(32.5)	44.0	36.4	(40.1)
Other operating income	10.2	24.3	22.8	3.4	5.0	24.4
Cost of materials	(180.7)	(202.2)	(149.1)	(43.4)	(55.9)	(161.6)
Cost of raw materials, consumables and supplies and purchased merchandise	(150.6)	(178.5)	(135.0)	(39.2)	(46.7)	(142.5)
Cost of purchased services	(30.1)	(23.7)	(14.1)	(4.2)	(9.2)	(19.1)
Personnel expenses	(140.8)	(172.1)	(171.2)	(42.2)	(42.2)	(171.2)
Wages and salaries	(120.3)	(146.6)	(147.5)	(36.3)	(36.6)	(147.8)
Social security contributions, pensions and other benefits	(20.5)	(25.5)	(23.7)	(5.9)	(5.6)	(23.4)
Amortization of intangible assets and depreciation on tangible assets	(30.0)	(27.2)	(29.8)	(7.0)	(6.9)	(29.7)
Other operating expenses	(192.2)	(210.2)	(227.1)	(44.7)	(52.7)	(235.2)
Other interest and similar income	0.5	0.5	0.3	0.1	0.0	0.2
Interest and similar expenses	(2.1)	(3.4)	(3.2)	(0.3)	(0.5)	(3.4)
Taxes on income	(25.1)	(28.2)	(29.1)	(2.3)	(1.7)	(28.6)
Result after taxes	**92.9**	**129.5**	**111.5**	**11.7**	**8.9**	**108.7**
Other taxes	(0.8)	(0.3)	(0.2)	0.0	(0.1)	(0.3)
Group net income for the period	**92.1**	**129.2**	**111.2**	**11.7**	**8.8**	**108.4**
Minority interest share of group net income	(2.1)	(2.8)	1.2	(0.6)	(0.0)	1.8
Group retained earnings	**90.0**	**126.4**	**112.4**	**11.1**	**8.8**	**110.2**
Withdrawals from revenue reserves	20.9	5.8	0.0	0.0	0.0	0.0
Decrease/increase in the adjustment item for lower consolidated net income compared with the parent company	0.0	9.9	(1.9)	(3.3)	5.4	6.9
Net profit	**110.9**	**142.0**	**110.5**	**7.7**	**14.2**	**117.0**

Summary Consolidated Balance Sheet Data

(in € million)	As of September 30, 2018	2019	2020	As of December 31, 2020 (unaudited)
Assets				
Fixed assets	311.2	322.3	315.9	311.1
Current assets	350.9	371.1	394.2	390.3
Cash on hand and bank balances	48.3	40.4	104.7	80.1
Prepaid expenses	1.4	5.0	5.2	5.0
Deferred tax assets	6.1	8.7	7.6	10.2
Total Assets	**669.7**	**707.1**	**722.8**	**716.6**
Equity and liabilities				
Equity	378.9	443.3	455.5	461.8
Provisions	50.7	60.2	59.8	64.3
Liabilities	219.3	182.5	187.7	170.7
Deferred income	0.6	0.7	1.4	1.3
Deferred tax liabilities	20.1	20.2	18.4	18.5
Total Liabilities	**669.7**	**707.1**	**722.8**	**716.6**

Summary Consolidated Statement of Cash Flows Data

(in € million)	Financial Year ended September 30, 2018	2019	2020	Three months ended December 31, 2019	2020 (unaudited)	Twelve months ended December 31, 2020
Cash flow from operating activities	51.2	135.3	167.9	(59.9)	(4.1)	223.7
Cash flow from investing activities	(15.3)	(38.1)	(21.3)	(6.9)	(2.5)	(16.9)
Cash flow from financing activities	(15.4)	(105.6)	(81.1)	55.1	(17.3)	(153.5)
Net change in cash and cash equivalents	**20.4**	**(8.4)**	**65.6**	**(11.7)**	**(23.9)**	**53.4**
Changes in cash and cash equivalents due to currency conversion and measurement	(0.0)	0.5	(1.3)	(0.4)	(0.7)	(1.6)
Cash and cash equivalents at start of period	27.8	48.3	40.4	40.4	104.7	104.7
Cash and cash equivalents at end of period	**48.3**	**40.4**	**104.7**	**28.3**	**80.1**	**156.5**

Segmental Information

Revenues by sales channel

(in € million)	For the financial year ended September 30, 2018	2019	2020	For the three months ended December 31, 2019	2020 (unaudited)	For the twelve months ended December 31, 2020
E-commerce	86.4	103.2	185.9	21.2	46.0	211.5
Wholesale	522.4	577.4	514.5	75.2	76.4	515.4
Retail	28.8	36.7	30.7	7.1	5.3	29.0
Other[(1)]	10.7	10.2	0.6	0.5	0.4	(2.2)
Total	**648.3**	**721.5**	**730.5**	**104.0**	**127.3**	**753.8**

Revenues by regional hub

(in € million)	For the financial year ended September 30, 2018	2019	2020	For the three months ended December 31, 2019	2020	For the twelve months ended December 31, 2020
				(unaudited)		
Europe	284.7	301.6	299.6	33.0	42.4	309.0
Americas	257.8	315.8	345.7	43.0	68.2	370.9
ASPA[2] and MEAI[3]	95.1	100.1	85.8	28.4	17.1	74.4
Other[1]	10.7	4.1	(0.6)	(0.4)	(0.4)	(0.5)
Total	**648.3**	**721.5**	**730.5**	**104.0**	**127.3**	**753.8**

(1) Represents revenues not related to the sale of our products, such as revenues from real estate rentals and sales from materials overstock. See "*Presentation of Financial Information*."

(2) Our "ASPA" hub covers Asia, South Pacific and Australia.

(3) Our "MEAI" hub covers Middle East, Africa and India.

Other Financial and Operating Information

(in € million, unless otherwise stated)	As of and for the financial year ended September 30, 2018	2019	2020	As of and for the three months ended December 31, 2019	2020	As of and for the twelve months ended December 31, 2020
		(unaudited)			(unaudited)	
Adjusted EBITDA[1]	177.4	183.7	211.3	25.3	27.3	213.3
Adjusted EBITDA margin (%)[1]	27.4%	25.5%	28.9%	24.3%	21.4%	28.3%
Operating Net Working Capital[2]	222.0	247.1	210.5	n/a	n/a	n/a
Adjusted Operating Cash Flow[3]	128	159	248	n/a	n/a	n/a
Capital expenditures[4]	16.5	38.4	23.5	7.2	2.6	18.9
Maintenance capital expenditures[4]	9.5	8.5	8.8	0.3	0.1	8.6
Expansion capital expenditures[4]	7.0	29.9	14.7	6.9	2.5	10.3
Adjusted Free Cash Flow[5]	119	150	239	n/a	n/a	n/a
Cash Conversion (%)[6]	67.0%	81.8%	113.1%	n/a	n/a	n/a
Adjusted Free Cash Flow Before Interest and Taxes[7]	112	120	225	n/a	n/a	n/a
Number of units sold (in millions)[8]	23.5	25.1	23.0	3.6	3.6	23.0
Number of units produced (in millions)[9]	21.2	25.9	17.6	6.0	6.6	18.2
Implied average selling price (in €)[10]	27	29	32	29	36	33
DIO	124	129	111	261	188	127
Material Unit Cost (in €)[11]	8.5	7.8	8.5	7.3	8.5	8.9
Operating Net Working Capital as a percentage of revenue	34.3%	34.2%	28.8%	n/a	n/a	n/a

Pro Forma Financial Information of the Issuer

(in € million)	Twelve months ended December 31, 2020
	(unaudited)
Adjusted EBITDA[1]	213.3
Pro forma net senior secured indebtedness[12]	1,050.0
Pro forma net indebtedness[13]	1,481.6
Pro forma cash interest interest expense[14]	65.6
Ratio of Pro forma net senior secured indebtedness to Adjusted EBITDA[1][12]	4.9x
Ratio of Pro forma net indebtedness to Adjusted EBITDA[1][13]	6.9x
Ratio of Adjusted EBITDA to Pro forma cash interest expense[1][14]	3.25x

(1) For a definition of our Adjusted EBITDA-based metrics, see "*Presentation of Financial and Other Information—Non-GAAP Financial Measures*." We believe that our Adjusted EBITDA-based measures are useful to investors in evaluating our operating performance and our ability to incur and service our indebtedness. Our Adjusted EBITDA-based measures and ratios are not measurements of our performance or liquidity under German GAAP and should not be considered as alternatives to performance measures derived in accordance with German GAAP, IFRS or any other generally accepted accounting principles. Our Adjusted EBITDA-based measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under German GAAP. Because of these limitations, our Adjusted EBITDA-based measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to service our indebtedness. You should compensate for these limitations by relying primarily on our Financial Statements included elsewhere herein and using these non-GAAP measures only to supplement evaluation of our performance. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures*."

Set forth below is a reconciliation of each of EBIT, Adjusted EBIT and Adjusted EBITDA to group net income for the period which we believe is their closest comparable GAAP measure.

	Financial year ended September 30,			Three months ended December 31,		Twelve months ended December 31,
	2018	2019	2020	2019	2020	2020
(in € million)				(unaudited)		
Group net income for the period	**92.1**	**129.2**	**111.2**	**11.7**	**8.8**	**108.4**
Tax on income	25.1	28.2	29.1	2.3	1.7	28.6
Interest and similar expenses	2.1	3.4	3.2	0.3	0.5	3.4
Other interest and similar income	(0.5)	(0.5)	(0.3)	(0.1)	(0.0)	(0.2)
EBIT	**118.8**	**160.3**	**143.3**	**14.1**	**11.0**	**140.2**
Inventory fair value adjustment[(a)]	23.3	—	—	—	—	—
Normalized adjusted EBIT	**142.1**	**160.3**	**143.3**	**14.1**	**11.0**	**140.2**
Production shutdown (COVID-19)[(b)]	—	—	16.7	—	—	16.7
Other COVID-19 impacts[(c)]	—	—	2.9	—	5.1	8.0
Foreign exchange rate impacts[(d)]	6.2	(8.5)	15.6	3.0	6.3	18.9
Other adjustments[(e)]	(0.9)	4.7	5.4	1.2	(1.9)	2.3
Adjusted EBIT	**147.4**	**156.5**	**184.0**	**18.3**	**20.5**	**186.2**
Adjusted amortization of intangible assets and depreciation on tangible assets[(f)]	30.0	27.2	27.4	7.0	6.9	27.2
Adjusted EBITDA	**177.4**	**183.7**	**211.3**	**25.3**	**27.3**	**213.3**

(a) Reflects an adjustment to correct an extraordinary effect caused by the elimination of intercompany profits and the step-up of inventory revaluation during the acquisition of U.S. entities (Birkenstock USA LP (main operating entity), Birkenstock USA Digital LLC (online operating entity), Alpro ProFashion LP (inactive), Alpro Management Inc. (inactive), Birki LP (inactive), Birki Inc. (inactive), L+L Logic and Logistics LP (inactive) and Lservice Management Inc. (inactive) (collectively, the "Birkenstock USA entities")) to present historical EBIT after the first consolidation as if Birkenstock USA had always been part of the BIRKENSTOCK Group amounting to €23.3 million).

(b) Reflects exceptional costs incurred in connection with the temporary closure of our facilities during 2020 due to the COVID-19 pandemic, which resulted in unplanned idle costs of €16.7 million, including personnel expenses, depreciation and other fixed production costs incurred during the closure of our facilities, which was partially offset by short-time working (*Kurzarbeit*) compensation from the German government's employment agency (KUG) in the amount of €6.1 million for FY 2020.

(c) Reflects other exceptional costs incurred due to the COVID-19 pandemic, including (i) the payment of one-time bonuses to employees (€1.2 million in the twelve months ended December 31, 2020), (ii) one-time freight costs to expedite the shipment of inventory into the US as a result of delays from COVID-19 (€0.5 million in the twelve months ended December 31, 2020), (iii) one-time training costs for new workers hired upon the reopening of our production facilities (€1.3 million in FY 2020 and €3.2 million in the twelve months ended December 31, 2020), (iv) rent and other fixed costs incurred at our retail locations which were negatively impacted by COVID-19, particularly because of mandated store closures (€1.4 million in FY 2020 and €2.8 million in the twelve months ended December 31, 2020), and (v) one-time costs for cleaning and supplies, such as personal protective equipment (€0.2 million in FY 2020 and €0.4 million in the twelve months ended December 31, 2020).

(d) Represents (i) adjustments to exclude the impact of realized and unrealized gains and losses related to transactions denominated in currencies other than the euro (primarily the U.S. dollar), and (ii) translational gains and losses on EBITDA level related to the conversion of Birkenstock USA LP from the U.S. dollar to euro under the assumption of unchanged currencies compared to prior year.

(e) Represents: (i) extraordinary expenses related to the relocation of sales and administrative functions from our headquarters in Campus Rahm to Lenbach Palais in Munich, Ockenfels castle and our new offices in Cologne in FY 2020 and in the twelve months

ended December 31, 2020; (ii) severance and other restructuring costs associated with headcount reductions and other restructuring initiatives in FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020; (iii) start-up losses of €3.7 million in FY 2020 and €4.4 million in the twelve months ended December 31, 2020 for BS Cosmetics, which was consolidated beginning in FY 2020 and has minimal sales and is not yet profitable; (iv) extraordinary expenses related to customer orders fulfilled through an online marketplace no longer in use, including (x) a variable fee paid to list products on the marketplace in both FY 2020 and the twelve months ended December 31, 2020, and (y) outbound and inbound shipping and logistic costs associated with the higher level of returns compared to our own e-commerce channel; and (v) other adjustments of €(1.5) million in FY 2018, €3.6 million in FY 2019, €(3.5) million in FY 2020 and €(6.7) million in the twelve months ended December 31, 2020 relating to extraordinary professional fees for IT and other one-time projects, temporary reductions to consulting and travel expenses as a result of COVID-19, income and expenses from other periods, changes in accounting policies including to inventory, expenses from the set-up and income from the release of bad debt provisions due to their period unrelated nature, disposal of fixed assets, extraordinary costs related to the re-labeling of shoes by one of our distributors due to the wrongful re-labelling of certain of our shoes, expenses related to the write down of items lost related to an order from one of our customers and the reclassification of taxes.

(f) Represents reported amortization and depreciation expense (€30.0 million in FY 2018, €27.2 million in FY 2019, €29.8 million in FY 2020 and €29.7 million in the twelve months ended December 31, 2020) plus adjustments in FY 2020 and the twelve months ended December 31, 2020 in the amount of €(2.5) million and €(2.5) million, respectively, idle production costs incurred during plant shutdowns in response to COVID-19, and depreciation costs for the BS Cosmetics entity that was consolidated in the financial statements in FY 2020.

(2) Operating Net Working Capital is defined as Trade Working Capital less other working capital. Trade Working Capital is defined as inventories plus trade receivables less trade payables. Other working capital is defined as other assets plus prepaid expenses less other provisions and other liabilities. The breakdown of Operating Net Working Capital for FY 2018, FY 2019 and FY 2020 was as follows:

	As of September 30,		
(in € million)	**2018**	**2019**	**2020**
		(unaudited)	
Inventories	219.5	256.4	224.7
Trade receivables	53.0	44.9	55.4
Trade payables	(25.1)	(25.6)	(22.8)
Trade Working Capital	**247.3**	**275.6**	**257.3**
Other assets	30.1	29.4	9.4
Prepaid expenses	1.4	5.0	5.2
Other provisions	(41.7)	(47.1)	(42.5)
Other liabilities	(15.1)	(15.8)	(18.9)
Other Working Capital	**(25.3)**	**(28.5)**	**(46.8)**
Operating Net Working Capital	**222.0**	**247.1**	**210.5**

(3) Adjusted Operating Cash Flow is defined as Adjusted EBITDA less the change in Operating Net Working Capital from the prior period. Change in Operating Net Working Capital increased by €49.0 million in FY 2018 and €25.1 million in FY 2019 and decreased by €36.6 million in FY 2020.

(4) Capital expenditures is defined as investments in items of intangible and tangible fixed assets. Maintenance capital expenditures is defined as additions to land and building, machinery and technical equipment, factory and office equipment, as well as concessions, patents, licenses or similar rights. Expansion capital expenditures is defined as prepayments of intangible assets and assets under construction.

(5) Adjusted Free Cash Flow is defined as Adjusted Operating Cash Flow less maintenance capital expenditures.

(6) Cash Conversion is defined as Adjusted Free Cash Flow divided by Adjusted EBITDA, expressed as a percentage.

(7) Adjusted Free Cash Flow Before Interest and Taxes is defined as Adjusted Free Cash Flow less expansion capital expenditures.

(8) Number of units sold is defined as all products sold during a period, including pairs of footwear and other products. Our number of units sold in FY 2017 was 20.9 million.

(9) Number of units produced is defined as all products produced during a period relating to the final assembly of cork sandals as well as EVA and PU products.

(10) Implied average selling price is defined as total amount of revenues (excluding revenues not related to the sale of products, such as revenues from real estate rentals and sales from materials overstock) divided by the number of units sold during such period. Our implied average selling price in FY 2017 was €26.

(11) Material Unit Cost is defined as the cost of materials divided by the number of units produced during such period.

(12) Pro forma net senior secured indebtedness represents the sum of the pro forma consolidated senior secured financial debt of the Issuer (comprising drawings under the Senior Term Facilities) less the pro forma consolidated cash and cash equivalents of the Issuer, as set forth under "*Capitalization*." See "*Use of Proceeds*" and "*Capitalization*."

(13) Pro forma net indebtedness represents the pro forma consolidated financial debt of the Issuer (comprising drawings under the Senior Term Facilities, the existing real estate facilities and the Notes offered hereby) less the pro forma consolidated cash and cash equivalents of the Issuer, each as set forth under "*Capitalization*." See "*Use of Proceeds*" and "*Capitalization*."

(14) Pro forma cash interest expense represents the estimated cash interest expense (excluding any amortization under the USD TLB Facility and any amounts related to the undrawn commitments under the ABL Facility) of the Group on a pro forma basis for the twelve months ended December 31, 2020, after giving effect to the Transactions as if they had occurred on January 1, 2020, subject to the assumptions set forth under "*Use of Proceeds*." See "*Capitalization.*" Pro forma interest expense is presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Transactions occurred on January 1, 2020, nor does it purport to project our interest expense for any future period or our financial position at any future date.

RISK FACTORS

An investment in the Notes involves a high degree of risk. Prospective investors in the Notes should carefully consider the risks described below and the other information contained in this offering memorandum before making a decision to invest in the Notes. Any of the following risks, individually or together, could adversely affect our business, financial position, results of operations and prospects, and accordingly the value of the Notes. This section describes the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only ones that we face. Additional risks and uncertainties, including those of which we are currently unaware or those which we currently deem immaterial, may also result in decreased sales, assets and cash inflows, increased expenses, liabilities or cash outflows or other events that could result in a decline in the value of the Notes, or which could have a material adverse effect on our business, financial position, results of operations and prospects. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on our business, financial position, results of operations and prospects or on the trading price of the Notes.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in those forward-looking statements as a result of various factors, including the risks described below and included elsewhere in this offering memorandum. For more information, see "Forward-Looking Statements."

Risks Related to Our Business

Our business, financial condition and results of operations have been, and may continue to be, adversely affected by the COVID-19 pandemic.

The ongoing COVID-19 pandemic has had, and any possible future outbreaks could have, an adverse effect on us. The COVID-19 pandemic, and the reactions of governmental and other authorities to contain, mitigate or combat the pandemic, have severely restricted the level of economic activity around the world, have impacted, and are expected to continue to impact, our operations, and the nature, extent and duration of the impact of COVID-19 or any future disease or adverse health condition is highly uncertain and beyond our control. In response to the COVID-19 pandemic, the governments of many countries have taken preventative or protective actions, such as imposing lockdowns, curtailing travel, closure of schools, prohibitions of mass gatherings, mandatory remote working, and in some countries, the ability to access manufacturing facilities and office buildings. The COVID-19 pandemic has also caused significant economic dislocation in many of the countries in which we operate and sell our products, which has resulted in an unprecedented slow-down in economic activity and a related increase in unemployment. Were a recession to occur, we cannot predict the length of such recession or the short- and long-term impact it may have on the global economy or our business specifically. Resurgences or further outbreaks of COVID-19 are also likely to occur. We cannot predict when or where any further outbreaks may occur, their duration, how far into the future we may experience outbreaks nor can we predict with any certainty the impacts of such subsequent outbreaks, including the impacts of future national or local lockdowns or other measures implemented by national and/or local authorities. As of April 2021, COVID-19 outbreaks were significantly affecting many countries, including Germany and other countries in which we operate, with cases rising markedly and with new, more contagious strains of the virus emerging. Any or all such consequences may have an adverse impact on our business, financial condition and results of operations.

As a response to COVID-19, we initiated a shutdown of production at four of our production sites, Görlitz, Strödt, Bernstadt and Steinau-Ürzell beginning in April 2020. While production resumed at three of our sites in late May or early June of 2020, the downtime at the Steinau-Ürzell site continued until September 2020. The production shutdown resulted in unplanned idle costs of €16.7 million (excluding idle costs assumed in budget or outside the shutdown period). In the three months ended December 31, 2020, we significantly ramped up production to replenish depleted inventory levels. The average cost per unit increased significantly compared to normal levels in the period that our production sites were closed. We also incurred additional costs associated with stocking raw materials in March 2020 in anticipation of delays and supply chain disruptions. While we continue to monitor the situation, we do not currently envisage further disruption to our supply chain and distribution channels, and believe our inventory levels are sufficient; however, any future mandatory shutdowns, reductions in operations or other restrictions could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, during the course of the COVID-19 pandemic, all of our retail stores in Europe, America and Asia have been closed at times, resulting in a significant decrease in our revenues from our Retail channel. Due

to local government mandated "stay-at-home" orders, on March 29, 2020, we shut our two retail locations in the United States and laid off the retail staff. We also laid off certain corporate staff. We received short-time working (*Kurzarbeit*) compensation from the German government's employment agency (KUG) in the amount of €6.1 million for FY 2020. Such payments are subject to a final review (*Vorbehalt der Nachprüfung*) of the conditions for the payments by the Federal Labor Agency. While we believe we are in compliance with these requirements, this payroll relief could be clawed back by the government in the event that these eligibility criteria are not met. In addition, even though our locations in Europe were able to reopen, we have had to close again our retail stores in certain locations as governments reintroduced lockdown measures, and we cannot predict how long such lockdown measures will last or, if lifted, if they could be reintroduced in the future.

Many of our wholesale customers have also closed at times, with some rescheduling orders, resulting in deferred wholesale revenues (including distributor revenue) and requiring a build-up of inventory in order to mitigate any disruptions in our distribution channels. Despite proactive measures by us to address COVID-19 and the significant increase in revenues from our e-commerce channels during the course of the COVID-19 pandemic, our revenues in our retail was adversely affected. In the three months ended December 31, 2020, our retail sales declined by 26.0% compared to the three months ended December 31, 2019, respectively. As a precautionary matter, we also collected deposits from certain wholesale partners for potential defaults due to the COVID-19 pandemic, primarily related to our U.S. operations. Any further outbreaks of COVID-19 and related measures to contain such outbreaks could impact existing orders from customers and our ability to fulfill such orders.

Although we have implemented measures to mitigate the impact of the COVID-19 pandemic on our business, including disinfecting production sites and offices, purchasing face masks for our employees, actively tracking any confirmed cases of COVID-19 and performing root cause analysis, and inviting regulators to our sites to review safety protocol, these measures may not fully mitigate the impact of the COVID-19 pandemic on our business, or adequately protect against any outbreaks of COVID-19 at our production facilities. We have also incurred certain costs in connection with implementing these measures and with hiring replacement workers following the reopening of our production facilities. We have also taken steps to ensure that our manufacturing partners in Portugal are adequately protecting employees at their production sites and have performed COVID-19 audits on certain of our logistics partners, but may still be subject to business or reputation risks if such measures are inadequate. We cannot, however, predict the degree to, or the period over, which we will be affected by the COVID-19 pandemic and the need to continue implementing such measures. Given evolving government policies and the emergence of new variants of COVID-19 in several countries where we operate, and despite the development of a vaccine, there may be further impacts on the economies or the consumer purchasing power of the countries where we operate.

Any of the foregoing including any resulting deterioration in general economic conditions or change in consumer behavior, could have a material adverse effect on our business, financial condition results of operations and prospects.

To the extent the COVID-19 pandemic adversely affects our business, financial condition, liquidity or results of operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section. For more details on how COVID-19 has impacted, and may continue to impact, our business, see "*Summary—Recent Developments—COVID-19*."

Our business is dependent on the image and reputation of the Birkenstock brand.

Our business and financial performance is largely dependent on the image, perception and recognition of the Birkenstock brand, which, in turn, depends on many factors such as the distinctive character and quality of our products, product design, the image and presentation of our online and retail stores, our social media activities, advertising, public relations and marketing, and our general corporate and market profile, which can be adversely affected for reasons within and outside our control. For example, our products can be actively or mistakenly presented in a specific context not related to our brand (e.g., ethically, religiously, politically); we could experience customer dissatisfaction through our customer services in the direct to consumer or business to business segment; we could have issues relating to not properly maintained and monitored relationships with suppliers with respect to quality of products or conditions of the business of our suppliers; and we could receive negative publicity, including inaccurate adverse information, from our business partners, competitors or employees.

Our brand value also depends on our ability to maintain a positive consumer perception of our corporate integrity and culture, including with regard to the sustainability of our products. Negative claims or publicity

involving us or our products, or the production methods of any of our suppliers or the materials we source, could seriously damage our reputation and brand image, regardless of whether such claims or publicity are accurate. In addition, we have been increasing our online presence through our expanding e-commerce channel. Our social media presence amplifies consumer engagement with the Birkenstock brand but comes with less control due to consumer comments and hashtags compared to more traditional public relations and marketing methods, which could associate the brand with content which is not aligned with our values. Social media influencers or other endorsers of our products could engage in behavior that reflects poorly on our brand and may be attributed to us or otherwise adversely affect us. Further, our brand reputation could be harmed if it became associated with negative media, for example, if we or our senior executives may from time to time take positions on social issues that may be unpopular with some customers or potential customers, which may impact our ability to attract or retain such customers. Our brand reputation could also be harmed if we experience a cyber-attack or loss of consumer data. Adverse publicity could undermine consumer confidence in the Birkenstock brand and reduce long-term demand for our products, even if such publicity is unfounded.

Any failure to maintain favorable brand recognition could have a material adverse effect on our business, financial condition, results of operations and prospects. See also "*—Our sales and distribution channels are dependent on cooperation with third parties*," "*—We face risks arising from any future transformation of our operations through the conversion of wholesale distribution markets to owned and operated markets, as well as any productivity or efficiency initiatives we undertake"* and "*—Risks Related to the Transactions—We may be unsuccessful in preventing a member of the Birkenstock family from using their surname as a company name in the future*."

Our sales and distribution channels are dependent on cooperation with third parties.

The distribution of our products is based on business-to-business wholesale sales (both online and retail) and direct-to-consumer sales through our owned retail stores and owned e-commerce platforms. Therefore, we rely on our ability to work together with third parties in our wholesale sales channel, including wholesale customers and distributors, to ensure that our products are sold in environments and in a manner consistent with our brand image. For the twelve months ended December 31, 2020, sales through third-party channels accounted for 68.2% of our sales. Actions by these third-party distribution channels that vary from our policies, such as presenting our products in a manner inconsistent with our preferred positioning or offering our products alongside "lookalike" products, could damage our brand and reputation. If our third-party sales channels do not maintain the standards of quality, brand positioning and exclusivity we require, or if they otherwise misuse the Birkenstock brand, there is a risk that our reputation and the integrity of the brand may be damaged. This may in turn lead to a material adverse effect on our business, financial condition, results of operations and prospects.

We face risks arising from any future transformation of our operations through the conversion of wholesale distribution markets to owned and operated markets, as well as any productivity or efficiency initiatives we undertake.

We continuously assess opportunities to streamline operations, achieve cost savings, and fuel long-term profitable growth. For example, we are currently in the process of transforming our global distribution strategy, from cooperating with distributors to operating through owned individual offices and local entities, with a view to having further distribution control as well as driving revenue. The implementation of our transformation strategy presents a number of significant risks, including:

- actual or perceived disruption of service or reduction in service levels to customers and consumers;
- actual or perceived disruption to suppliers, distribution networks and other important operational relationships and the inability to resolve potential conflicts in a timely manner;
- difficulty in obtaining timely delivery of products of acceptable quality from suppliers;
- diversion of management attention from ongoing business activities and strategic objectives;
- disruption to our culture;
- failure to maintain employee morale and retain key employees; and
- actual or threatened claims and law suits from current and/or former distributors.

As our agreements with distributors are long term and typically require 18-24 months' notice prior to termination, any changes to our distribution channels require advanced planning to implement and lead times

may vary. Furthermore, if we experience adverse changes to our business, additional restructuring or reorganization activities may be required in the future. Due to these and other factors, we cannot predict whether we will fully realize the purpose and anticipated benefits or cost savings of any restructuring, productivity or efficiency initiatives and, if we do not, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business is influenced by economic conditions that impact consumer spending and our operations.

Our business is influenced by economic conditions that impact consumer spending. Many factors affect the level of consumer spending on our products, including the state of the economy as a whole, stock market performance, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, the availability of consumer credit, taxation, unemployment and other matters that influence consumer confidence. For example, discretionary spending generally declines during periods of economic uncertainty. In a prolonged economic downturn, we may experience declining sales as a result of general reduced consumer spending. These trends also affect the business of our wholesale customers, which in turn has an adverse impact on our revenues from these distribution channels.

Since early 2020, the primary factor in increased uncertainty globally from an economic and social perspective has been the COVID-19 pandemic, which has resulted, and may continue to result, in materially increased volatility and declines in financial markets and weaker demand in the global economy. Measures implemented, or intended to be implemented, by governments or governmental bodies in response to the COVID-19 pandemic have had, and could continue to have, an adverse effect on supply chains resulting, for instance, in plant closures or increases in the cost of raw materials, and generally impact business operations across the economy both as a result of weakened economic activity and the employees being affected. See "*—Our business, financial condition and results of operations have been, and may continue to be, adversely affected by the COVID-19 pandemic*." Furthermore, global economic conditions have been, and are likely to continue to be, affected by concerns over increased geopolitical tensions as well as political developments, such as the United Kingdom's decision to leave the European Union ("Brexit") on January 31, 2020, and the threat of escalated trade disputes on a global level. See also "*—Uncertainty surrounding the United Kingdom's withdrawal from the European Union could have a material adverse effect on our business*."

It is difficult to predict how economic conditions will develop, as they are impacted by macro movements of the financial markets and many other factors, including the stock, bond and derivatives markets as well as measures taken by various governmental and regulatory authorities and central banks. Uncertainty remains in the global markets and the global economy could experience another recession, or a depression, which could be more prolonged or have a greater financial impact than the global recessions that began in 2008. Any downturns in general economic conditions that impact consumer spending, particularly in the countries where we sell a significant portion of our products, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face intense competition from both established companies and newer entrants into the market, and our failure to compete effectively could have a negative impact on our sales and our reputation.

The footwear and accessories industries are very competitive, and we expect to continue to face intense competitive pressures. Competitive factors that affect our market position include our ability to predict and respond to changing consumer preferences and tastes in a timely manner, continuing to market and develop new products that appeal to consumers, our ability to accurately predict customer demand and ensure product availability, the strength and recognition of the Birkenstock brand, pricing our products competitively, managing the impact of the rapidly changing retail environment and the expansion of our online presence, and our marketing, advertising and distribution efforts.

Our competitors may have significantly greater financial resources, more developed consumer and customer bases, more comprehensive product lines and greater distribution capabilities, and may spend substantially more on product advertising and endorsements. Our competitors may also own more recognized brands, implement more effective marketing campaigns, adopt more aggressive pricing policies, make more attractive offers to potential employees and distribution partners, have a larger online presence or respond more quickly to changes in consumer preferences. Some of our competitors may be better able to take advantage of market opportunities and withstand market downturns better than we can. For example, we face competition from established competitors in the ASPA and MEAI hubs, where we are a relatively new market entrant. Additionally, the general availability of offshore footwear manufacturing capacity allows for rapid expansion by competitors and

new entrants in the footwear market. We may be unable to compete successfully in the future, and increased competition may result in price reductions, reduced profit margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand our development, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we encounter operational challenges relating to the distribution of our products, our business could be adversely affected

We rely on both our own and third-party logistics centers to warehouse and ship products to our wholesale channel, retail stores and e-commerce consumers throughout the world. These centers are subject to operational risks, including, among other things, mechanical and IT system failure, work stoppages, increases in transportation costs, and the impact of pandemics (including the COVID-19 pandemic), cross border trade barriers (including as a result of Brexit), natural disasters, political crises, civil unrest and other catastrophic events. Such disruption could have an adverse effect on the availability of our in-store and warehoused inventory and would divert financial and management resources from beneficial uses. In addition, distribution capacity is dependent on the timely performance of services by third parties, including the transportation of products to and from their distribution facilities. If we encounter problems with our distribution systems, whether our own or third-party, our ability to meet customer and consumer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. Additionally, the success of our e-commerce channel and the satisfaction of consumers depend on their timely receipt of products. The efficient flow of our products requires that our own and third-party operated distribution facilities have adequate capacity to support the current level of e-commerce channel and any anticipated increased levels that may follow from the planned growth of that channel. To the extent that any of these risks were to materialize, we could incur significantly higher costs and longer lead times associated with distributing our products to consumers and experience dissatisfaction from consumers, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we use independent distributors to sell our products in many of our markets. Failure by our distributors to meet planned annual sales goals or to make timely payments on amounts owed to us due to, for example, economic difficulties faced by such distributors could have an adverse effect on our business, results of operations and financial position, and it may be difficult and costly to locate an acceptable substitute distributor. If a change in distributor becomes necessary, we may experience increased costs, as well as substantial disruption and a resulting loss of sales and brand equity in the market where such distributor operates, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

If our relationship with one or more major wholesale partners deteriorates or terminates, our business could be adversely affected.

While our strategy is to continue to grow our DTC sales channel, and in particular our e-commerce channel, our ability to attract and retain strategic wholesale partners remains critical to our continued success and growth. For the twelve months ended December 31, 2020, our wholesale channel accounted for 68.2% of our revenues, with our top ten wholesale partners accounting for 16.7% of our revenues for the same period.

While our agreements with our wholesale partners generally run indefinitely as a form of framework agreement, purchases generally occur on an order-by-order basis. If any major wholesale partner decreases or ceases purchasing from us, cancels its orders, reduces the floor space, assortments, fixtures or advertising for our products or changes the manner of doing business with us for any reason, such actions could adversely affect our business. In addition, a decline in the performance or financial condition of a major wholesale partner, including bankruptcy or liquidation, could result in a material loss of revenues to us and cause us to limit or discontinue business with that customer, require us to assume more credit risk relating to our receivables from that customer or limit our ability to collect amounts related to previous purchases by that customer. As a precautionary matter in light of the COVID-19 pandemic, we have requested certain wholesale partners pay deposits for their orders. These measures and other measures we may adopt to mitigate credit risk, however, may not be successful. In addition, retail consolidation could lead to fewer wholesale partners, wholesale partners seeking more favorable price, payment or other terms from us and a decrease in the number of stores that carry our products. While we seek to insure credit risk, there can be no assurance that in the future we will be able to obtain credit risk insurance at commercially attractive terms or at all.

If our relationship with one or more major wholesale partners deteriorates or terminates, or if other changes occur in the wholesale channel that adversely impact our relationships with distributors and other third parties,

this could lead to a material adverse effect on our business, financial condition, results of operations and prospects.

Tariffs and other changes in foreign trade policy could adversely affect our business and results of operations in the future.

Materials and products imported into the European Union, the United States and other countries are subject to import duties. While we have implemented internal measures to comply with applicable customs regulations and to properly calculate the import duties applicable to imported products, customs authorities may disagree with our claimed tariff treatment for certain products, resulting in unexpected costs that may not have been factored into the sales price of such products and our expected margins. In addition, we cannot predict whether future domestic and foreign laws, regulations, or specific or broad trade remedy actions, or international agreements may impose additional duties or other restrictions on the importation of products from one or more of our sourcing venues. Any such changes in legislation and government policy may have a material adverse effect on our business, including the imposition of tariffs on certain materials which could increase our product costs. For example, in recent periods, the US government has announced various import tariffs on goods imported from certain trade partners, such as the European Union and China, which have resulted and may continue to result in reciprocal tariffs on goods exported from the United States to such trade partners. Trade barriers and other governmental action related to tariffs or international trade agreements around the world have the potential to decrease demand for our products, negatively impact suppliers and adversely impact the economies in which we operate. Trade barriers and other governmental action related to tariffs or international trade agreements could increase the cost of raw materials and components used in certain of our products, which could in turn increase our cost of goods sold, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any adverse events influencing either the sustainability of the supply chain or our relationship with any major supplier, or any increases in the costs of raw materials, could adversely affect our business.

Our ability to competitively price our products depends on the cost of components, services, labor, equipment and raw materials, including leather and materials used in the production of our products. The cost of services and materials is subject to change based on availability and market conditions that are difficult to predict. Various conditions, such as diseases affecting the availability of leather, affect the cost of the footwear marketed by us. In addition, fuel prices and numerous other factors, such as the possibility of service interruptions at shipping and receiving ports, affect our shipping costs. Most of our raw materials are natural products or have major natural ingredients (e.g., leather, cork, jute, latex). However, only very few are actually traded as commodities (e.g., steel, latex). We use certain indices as references for price developments, and factors such as weather and climate conditions, demand of competing industries (e.g., leather for car manufacturers, furniture) and general economic factors such as supply and demand and raw material price developments will affect the cost of our materials.

We source components and other raw materials (including leather, ethylene-vinyl acetate ("EVA"), cork, adhesives, natural latex, jute, copper, wool felt and brass buckles) from over 140 suppliers located mainly in Europe, but also in Turkey, the Americas and Asia. For the twelve months ended December 31, 2020, our top 14 suppliers accounted for approximately 60% of our supply costs of raw materials, semi-finished goods, auxiliary and packing. Generally, we aim to source our materials from multiple suppliers and have policies to prevent dependence on any single supplier. However, for certain materials, we may rely on specific suppliers that are able to meet the level of quality and supply we require. For example, although our leathers are sourced from different tanneries, our requirement for materials of high quality may result in reducing the pool of available tanneries that can meet such requirements. In addition, some of our products use materials of high technical complexity and high-quality standards, such as EVA granules, or that require specific IP rights, such as the EVA buckles. We also have some regional dependencies. For example, while we do have multiple cork suppliers, they are all based in Portugal, thus creating a specific geographical dependency, and we have similar regional dependencies for other of our raw materials. Our relationships with suppliers are either based on individual purchase orders, on purchase orders governed by a framework agreement, or on separate agreements governing the conditions for the supply of specific materials. Although our contracts with these suppliers contain provisions that ensure the supplier is not able to terminate the contract on short notice, should one or more of these suppliers be unable to supply or decide to cease supplying us with raw materials and components, or decide to increase prices significantly due to price increases, shortages or for other reasons that may be beyond our control, we may be unable to identify alternative suppliers of such materials at a reasonable cost or at all and, in any event, it may

take a significant period of time to receive any materials from alternative suppliers. Moreover, if we expand beyond the production capacity of our current suppliers as we continue to grow, we may not be able to find new suppliers with an appropriate level of expertise and capacity in a timely manner.

Our supply chain could also be materially adversely affected by a number of other factors, including, among other things, potential economic and political instability in countries where our suppliers are located, increases in shipping or other transportation costs, manufacturing and transportation delays and interruptions, whether as a result of natural disasters or force majeure events (including without limitation unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions, other catastrophes, epidemics or pandemics, such as the COVID-19 pandemic), industrial action in the supply chain or other factors, supplier compliance with applicable laws and regulations, adverse fluctuations in currency exchange rates, and changes in laws affecting the importation and taxation of goods, including duties, tariffs and quotas, or changes in the enforcement of those laws. We may also be subject to potential reputational damage if one or more of our suppliers violates or is alleged to have violated applicable laws or regulations including improper labor conditions or human rights abuses, fails to meet our requirements or does not meet industry standards and safety specifications.

Any of these risks, in isolation or in combination, could restrict the availability of merchandise or significantly increase the cost of such merchandise, require us to divert financial and management resources from more beneficial uses and subject us to reputational damage, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we are unable to effectively execute our direct-to-consumer growth strategy, our business and prospects may be harmed.

Since 2016, we significantly expanded our direct-to-consumer sales channels through the expansion of our e-commerce channel, particularly in the United States. For the twelve months ended December 31, 2020, e-commerce sales represented 28% of our revenues. It is one of our strategies to continue to increase the proportion of our revenues from our e-commerce channel.

The success of our e-commerce channel depends, in part, on our ability to offer attractive, reliable, secure and user-friendly online platforms for consumers across our markets, including by continuing to invest in our digital infrastructure and digital team. However, our e-commerce business also depends on factors over which we have limited control, including changing consumer preferences and buying trends. Any failure by us, or by any of our third-party digital partners, to provide attractive, reliable, secure and user-friendly online platforms could negatively impact the shopping experience of consumers, resulting in reduced website traffic, diminished loyalty to the Birkenstock brand and lost sales. In addition, as we continue to expand and increase the global presence of our e-commerce channel, sales from our retail stores and wholesale channel in areas in which we introduce online stores may decline due to changes in consumer shopping habits and digital cannibalization.

We are also subject to certain additional risks and uncertainties associated with our e-commerce platforms, including changes in required technology interfaces; website downtime and other technical failures; costs and technical issues from website software upgrades; data and system security; computer viruses; and changes in applicable federal and state regulations. We also must keep up to date with competitive technology trends, including, among other things, the use of new or improved technology, creative user interfaces and other e-commerce marketing tools, such as paid and unpaid search, and mobile applications, which may increase our costs, and which may not succeed in increasing sales or attracting consumers. In addition, the use of credit and debit cards in our online platform, which are handled by external service providers, are subject to rules relating to the processing of credit card payments.

Any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects. See also "*—Our operations, products, systems and services rely on complex information technology ("IT") systems and networks that are subject to the risk of disruption and security breaches*."

Our business is affected by seasonality and weather conditions, which could result in fluctuations in our operating results.

Our products, particularly our sandals, are suited for warm weather. If the weather conditions vary significantly from typical conditions, such as an unusually cold summer, consumer demand for our products could be adversely affected. As a result, our business is subject to seasonal peaks. Between October and March,

we manufacture sandals and shoes for the wholesale channel, and during the first few months of the calendar year we rely on our built-up stock for our sales to wholesale partners. Starting in March and during the warmer months of the year, demand for our products from direct-to-consumer channels increases. In the year ended September 30, 2020, 54.9% of our sales occurred in the second half of the financial year (March to September). We incur significant additional expenses in advance of and during this period in anticipation of higher sales during that period, including the cost of additional inventory, which is stored on palettes in our warehouses until shipped, fixed cost such as rent and lease agreement for retail shops and outlets as well as depreciation and amortization of production plants that were temporarily closed.

Lower demand may result in excess inventory, which may require us to sell these products at discounted prices or to build up more finished goods inventory than expected incurring additional costs, which could, in turn, adversely affect our results of operations. At the same time, if we fail to manufacture a sufficient quantity of merchandise, we may not have an adequate supply of products to meet consumer demand or if weather conditions permit us to sell seasonal products early in the season, this may reduce inventory levels needed to meet customers' needs later in that same season, which could have a negative impact on our sales during our busiest season. In addition, we are currently pursuing a strategy to reduce our amount of inventory by transitioning to a more demand-based production model rather than pre-production based on internal estimates, which may increase this risk in the short-term as we make this transition. Any inability to effectively manage seasonality and weather conditions could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our operating results depend on effectively managing inventory levels, and any excess inventories or inventory shortages could harm our business.

Efficient inventory management is a key component of our business success and profitability, and our ability to manage our inventories effectively is an important factor in our operations. Inventory shortages can impede our ability to meet demand, adversely affect the timing of shipments to customers, and, consequently, diminish brand loyalty and decrease sales. We are currently pursuing a strategy to reduce our amount of inventory by transitioning to a more demand-based production model rather than pre-production based on internal estimates, which may increase these risks in the short-term as we make this transition. Conversely, excess inventories can result in lower gross margins if we lower prices in order to liquidate excess inventories. In addition, inventory may become obsolete as a result of changes in consumer preferences or otherwise. Also, if our production decisions do not accurately predict customer trends or purchasing actions, we may have to take unanticipated markdowns to dispose of the excess inventory, which also can adversely impact our financial results. In addition, customers, including distributors, may cancel certain pre-orders, which could increase this risk if a large amount of cancellations were to occur. Any inability to effectively manage our inventory could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks associated with international markets.

As we market, sell and manufacture our products in many countries, we face a variety of risks generally associated with doing business in international markets and importing merchandise from these regions including, among others, changes in the rate of economic growth, political instability resulting in the disruption of trade, trade disputes, expropriation or other governmental action, quotas and other trade regulations, export license requirements, delays associated with customs procedures, including increased security requirements applicable to foreign goods and measures related to COVID-19, Brexit, social unrest, war, terrorist activities or other armed conflict, imposition of confiscatory taxation or adverse taxes, other charges and restrictions on imports, currency and exchange rate risks, changes in double tax treaties, risks related to labor practices increasing minimum wages and inflationary pressures, national and regional labor strikes, bribery and corruption, environmental matters or other issues in the foreign countries or factories in which our products are manufactured, risk of loss at sea or other delays in the delivery of products caused by transportation problems, and increased costs of transportation.

We also sell our products and have operations in emerging markets, including Brazil, India and certain countries in Africa. Our operations in countries with less developed or less predictable legal systems present several risks, including legal uncertainty, bribery and corruption, civil disturbances, economic and governmental instability, different business and operating practices, differing consumer behaviors and preferences and the imposition of exchange controls. The uncertainty of the legal environment in these countries, in particular with respect to the enforcement of intellectual property rights, could limit our ability to enforce our rights and grow our business. In addition, we or any of our distributors or wholesale partners may be subject to legal proceedings regarding bribery and corruption in these countries, and we are unable to monitor the lawful conduct of our distributors and wholesale partners' operations.

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

If we are unable to adequately protect, maintain and enforce our trademarks and other intellectual property rights, or if we infringe the intellectual property rights of third parties, our business would be materially adversely affected.

We own a large portfolio of international intellectual property ("IP") rights. Our business is dependent on our ability to protect and promote our trademarks and other IP rights. The BIRKENSTOCK brand is our most material IP asset. We strictly enforce against any products and fake shops that might be infringing our IP rights, including seizure measures. We cannot be sure that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to protect our rights, or that any of our intellectual property will not be challenged or held invalid or unenforceable, and we may not be able to prevent imitation of our products by others or to prevent others from seeking to block sales of our products as a violation of the trademarks and proprietary rights of others. Third parties have in the past and may in the future attempt to counterfeit our brand and trademarks, otherwise infringe our intellectual property rights or try to challenge the validity of our intellectual property. In addition, third parties may try to sell their counterfeited products through online platforms and marketplaces, taking advantage of business practices applicable to open market operating models. Should counterfeit products be successfully sold on e-commerce platforms managed by third parties, our brands and reputation could be severely damaged, and our revenues could be impacted. In addition, we have refrained, and we may in the future refrain, from using third party websites to distribute our products due to the selling of counterfeited products in such platforms. As a result, there could be a material adverse effect on our business, financial condition, results of operations and prospects.

We may not always be able to secure protection for, or stop infringements of, our intellectual property, and may need to resort to litigation to enforce our intellectual property rights. Our failure to protect our trademarks could diminish the value of our brands, and could cause customer or consumer confusion. Any litigation or dispute involving the scope or enforceability of our intellectual property rights, however, as well as any allegation that we infringed upon the intellectual property rights of others, could be costly and time-consuming and, if determined adversely to us, result in harm to our business, financial condition, results of operations and prospects.

Furthermore, we cannot be certain that the conduct of our business does not and will not infringe, misappropriate or otherwise conflict with the intellectual property rights of others, and our efforts to enforce our trademark and other intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our trademark and other intellectual property rights. Any action to prosecute, enforce or defend any intellectual property claim, regardless of merit or resolution, could be costly and may divert the efforts and attention of our management and technical personnel. We may not prevail in such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If we are found to have infringed, misappropriated or otherwise violated rights of third parties, we could be required to pay substantial damages, obtain licenses, cease the manufacture, use or sale of certain intellectual property, or cease making or selling certain products. There can be no assurance that licenses will be available on commercially reasonable terms, if at all. If we are unsuccessful in protecting and enforcing our intellectual property, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business is subject to changes in consumer preferences, and if we are unsuccessful in adapting to any such changes, it may adversely impact our business.

Our continued success depends in part on the continued attractiveness of the design, styling, production, merchandising and pricing of our products to consumers. Our products must appeal to a consumer base whose preferences cannot be predicted with certainty and are subject to change as our industries are subject to sudden shifts in consumer trends and spending. Over the brand's 250 year history, we have experienced fluctuations in consumer demand for our products, and our success depends in large part on our ability to develop, market and deliver innovative and stylish products at a pace, intensity, and price competitive with other brands in the markets in which we sell our products. Failure on our part to adequately predict and respond timely to consumer demand and market conditions and to regularly and rapidly develop innovative and stylish products and update core products could limit sales growth, adversely affect consumer acceptance of our products, and if consumer demand for our iconic footwear decreases in the future, our business, financial condition, results of operations and prospects could be materially adversely affected.

In addition, to ensure adequate inventory supply, we must forecast inventory needs and place orders with our suppliers based on our estimates of future demand for particular products. If we misjudge the market for our products, we may be faced with excess inventories for some products and missed opportunities for others. If we are unable to predict or respond to sales demand or to changing styles or trends successfully, our sales could be lower. We may also experience inventory shortfalls on unexpectedly popular products, which would also result in reduced sales. In addition, there can be no assurance that we will be able to distribute and market new products efficiently or that any product category that we may expand or introduce will achieve sales levels sufficient to generate profits. Any of these outcomes could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our future growth depends on our successful marketing efforts, and any failure in our ability to increase or enhance our marketing activities and capabilities could adversely affect demand for our products.

Our success and future growth depends on our ability to attract and retain consumers, which in part depends on our marketing practices. Our future growth efforts depend, in part, upon the effectiveness and efficiency of our marketing efforts, including our ability to continue to improve brand awareness, identify the most effective brand messaging and efficient levels of spending in each market, determine the appropriate creative messages and media mix for marketing and promotional expenditure, and effectively manage marketing costs. In particular, we may need to increase our marketing spend in order to take advantage of growth opportunities in our growth markets, particularly in Asia. We may also be required to increase marketing spend in order to develop our e-commerce channel consistent with our strategy. Any factors adversely affecting our ability to increase or enhance our marketing activities and capabilities could adversely affect demand for our products and in turn have a material adverse effect on our business, results of operations, financial condition and prospects.

Our ability to successfully operate retail stores depends on many factors.

Our ability to successfully operate our retail stores depends on many factors, including, among others, our ability to negotiate acceptable lease terms, including desired rent and tenant improvement allowances; achieve brand awareness, affinity and purchase intent in our markets; achieve increased sales and gross margins at our stores; hire, train and retain store associates and field management; assimilate store associates and field management into our corporate culture; and source and supply sufficient inventory levels. Even after COVID-19 pandemic lockdown measures are lifted, social distancing measures may continue to remain in place, which would negatively affect the operations of our retail stores and the attractiveness of the retail experience for our customers. If we are unable to successfully operate any of our retail stores due to our failure to satisfy any of these factors, our business, results of operations, financial condition and prospects could be materially adversely affected. Any failure to successfully operate our retail stores could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our non-footwear products face distinct risks, and our failure to successfully manage these businesses could have a negative impact on our profitability

In addition to our core footwear products, our product offering includes accessories, cosmetics and furniture. The successful operation and expansion of these products are subject to certain business and operational risks that are different from those we experience with our footwear products, including an intense competitive environment, where we face a number of large and specialized competitors with an established market presence. A failure to successfully manage these products could result in increased costs and a reduction of sales affecting our profitability, as well as damage to our reputation and brands, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

Our success depends substantially on our ability to attract, hire, train and retain experienced management and personnel.

Our management team has substantial expertise and industry experience and the loss of key members of management could adversely affect our ability to implement our strategic objectives. Further, we are also dependent on personnel that are highly skilled and qualified in the consumer goods industry as well as in design, merchandising and digital activities.

Our success in attracting and retaining such personnel depends on a variety of factors, including the supply of qualified candidates in the relevant market, as well as our compensation and benefit programs, work environment, career development opportunities, commitment to diversity and public image. Competition for

qualified personnel is increasing. There can be no assurance that we will be successful in attracting and retaining experienced management and key technical personnel and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are exposed to currency exchange rate fluctuations.

We operate and sell products globally, and, as a result, we generate a portion of our sales and incur a portion of our expenses in currencies other than our functional currency, euro, which are primarily U.S. dollars, Japanese yen, British pounds and Canadian dollars. As a result of our significant presence in the United States, we are particularly exposed to fluctuations in the exchange rate of the U.S. dollar, and following the Transactions, a large portion of our indebtedness will be denominated in U.S. dollars. In the twelve months ended December 31, 2020, approximately 52% of our sales were in currencies other than euro. Accordingly, movements in exchange rates between any of these currencies and the euro could have a negative effect on our results of operations and financial condition to the extent there is a mismatch between our earnings in any foreign currency and our costs that are denominated in that currency.

Where possible, we manage foreign currency risk by matching same currency revenues to same currency expenses. However, we are exposed to risk as a result of the increasing amount of invoicing being done in local currency, particularly our subsidiaries in the United States. Such currency risks are monitored by our senior management in the context of annual budgeting and the hedging strategy is adjusted from time to time during the course of the year. In the past three years the hedging arrangements for euro to U.S. dollar covered approximately between 50% to 70% of the expected U.S. dollar exposure. There is no guarantee that our hedging strategy will be successful.

In addition, while we report our results in euro, we have revenues, expenses, assets and liabilities in other currencies, primarily as the result of our ownership of our subsidiaries located in other countries. Our subsidiaries' assets and liabilities are converted based on the exchange rate on the balance sheet date, and income statement items are converted based on the average exchange rate during the relevant financial period. Exchange rates have seen significant fluctuation in recent years, and significant increases in the value of the euro relative to such currencies could have a material adverse effect on our reported financial results. As a result, any fluctuations in currency exchange rates could have a material adverse effect on our business, financial condition, results of operations and prospects.

Unforeseen business interruptions at our production facilities or other operational problems may lead to production bottlenecks or project delays.

Our success depends on the uninterrupted and reliable operation of our manufacturing operations. Unforeseen disruption of a production facility could be caused by a number of events, including a maintenance outage, power or equipment failure, fires, floods, earthquakes or other natural disasters, social unrest or terrorist activity, work stoppages, public health concerns (including pandemics), regulatory measures or other operational problems. For instance, four of our manufacturing facilities experienced temporary shutdowns due to COVID-19 in 2020.

A prolonged disruption at a manufacturing facility could result in production downtimes or temporary operation at reduced capacity preventing us from completing production in a timely manner, leading to loss of business volume, and reduced productivity or profitability at a particular production site. Even less severe problems involving our production facilities, such as missed shipment dates, split shipments, defective software or materials, or logistics problems, could lead to delays.

Any unplanned production downtime, stoppage at our facilities or project sites, serious accidents or other operational problems and delays, if significant, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our reliance on services arrangements with third-party service providers exposes us to a range of potential operational risks.

We have entered into a number of services arrangements with third-party service providers for the operation of distribution centers. In addition, we have entered into a service agreement with a third-party provider in Portugal, for the outsourcing of closed shoes production. In the event the services of these service providers are disrupted or terminated and we do not engage suitable replacements on commercially acceptable terms or in a timely manner, we may not be able to effectively deliver our products to consumers and wholesale partner, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to various regulations governing the use and processing of personal data, and any failure to protect confidential information could harm our reputation and expose us to litigation.

We collect, process, transmit and store personal, sensitive and confidential information, including our proprietary business information and that of consumers (including users of our websites) and our wholesale partners, distributors, employees, suppliers and business partners. The protection of customer, employee and company data is critical to us. Customers have a high expectation that we will adequately protect their personal information from cyberattack or other security breaches. A significant breach of customer, employee, or company data could damage our reputation and result in lost sales, fines, or lawsuits. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Any such breach or attack could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Because the methods used to obtain unauthorized access change frequently and may not be immediately detected, we may be unable to anticipate these methods or promptly implement preventative measures. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, disrupt our operations and the services we provide to customers and damage our reputation, which could adversely affect our business, revenues and competitive position.

In addition, in light of our collection, use and processing of personal data, we are subject to a number of laws relating to privacy and data protection, including the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), the California Consumer Privacy Act, and other applicable data protection and privacy laws across our various markets. Such laws govern our ability to collect, use and transfer personal data, including relating to consumers and business partners, as well as any such data relating to employees and others. We routinely transmit and receive personal, confidential and proprietary information (including debit or credit card details of consumers) by electronic means and therefore rely on the secure processing, storage and transmission of such information in line with regulatory requirements. Therefore, we are exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws which could lead to the imposition of fines or regulatory action, together with associated negative publicity. For example, breaches of the GDPR can result in significant fines based on percentages of our annual global turnover. Any perceived or actual failure by us, including our third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection or other consumer protection laws or regulations may harm our reputation and credibility, adversely affect revenue, reduce our ability to attract and retain customers and consumers, result in litigation or other actions being brought against us and the imposition of significant fines and, as a result, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Compliance with existing laws and regulations or changes in any such laws and regulations could affect our business

We operate in a range of international markets and are subject to a variety of laws and regulations and we routinely incur costs in complying with these laws and regulations. New laws or regulations or changes in existing laws and regulations, particularly those governing the sale of products or in other regulatory areas such as consumer credit, labor and employment, tax, competition, health and safety or environmental protection, may conceivably require extensive system and operating changes that may be difficult to implement and could increase our cost of doing business. See also "*—We are subject to various regulations governing the use and processing of personal data, and any failure to protect confidential information could harm our reputation and expose us to litigation*."

For example, we are subject to laws and regulations relating to the use of hazardous materials in our footwear production processes. If we fail to comply with these laws and regulations, we may face fines, penalties or other sanctions, as well as resulting in damage to our image and brand. In addition, we could incur future expenditures to remediate past compliance failures that could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which we currently operate can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging. Various governments and intergovernmental organizations could introduce proposals for tax legislation, or adopt tax law, that may have an adverse effect on our worldwide effective tax rate, or increase our tax liability, the carrying

value of deferred tax assets, or our deferred tax liabilities. Changes in laws and regulations in the future could have an adverse economic impact on us by tightening restrictions, reducing our freedom to do business, increasing our costs of doing business, or reducing our profitability. In addition, the compliance costs associated with such evolving laws and regulations may be significant. Failure to comply with applicable laws or regulations can lead to civil, administrative or criminal penalties, including but not limited to fines or the revocation of permits and licenses that may be necessary for our business activities. We could also be required to pay damages or civil judgments in respect of third-party claims.

Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Incidents at our production sites or finishing and distribution centers may cause environmental or other third party damages.

We directly operate five production facilities and two distribution warehouses in Germany, and rely on three warehouses managed by external partners in Germany, in addition to a distribution network managed by third parties with warehouses in the United States, Canada, Brazil, China and Japan. Incidents at our production facilities and warehouses could result in injury to our employees, third parties, or environmental damage, such as damage resulting from the accidental discharge of hazardous materials used in our production process.

Our product development and manufacturing processes involve the use of chemicals and other hazardous materials, such as (but not limited to) zinc oxide, drain star, acetate, diesel, and steel care sprays. These programs and processes expose us to risks of accidental contamination, events of non-compliance with environmental, health and safety laws and regulatory enforcement, personal injury, property damage and claims and litigation. If an accident occurs, or if contamination is discovered, we could be liable for clean-up obligations, damages or fines and could incur significant capital expenditures, which could have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, the environmental laws of the jurisdictions in which we operate may impose obligations to clean up contaminated sites. These obligations may relate to sites that we acquire, own or operate, that we formerly owned or operated, or for which we may otherwise have retained liability or where waste from our operations was disposed. Were such environmental clean-up obligations to arise, they could significantly reduce our profitability. In particular, any financial accruals which we may make for these obligations might be insufficient if the assumptions underlying the accruals prove to be incorrect, or if we are held responsible for additional contamination.

We are also subject to various foreign and local laws and regulations pertaining to occupational health and safety that require us to maintain a safe workplace environment, maintain documentation of work-related injuries, illnesses and fatalities, complete workers' compensation loss reports, review the status of outstanding workers' compensation claims and complete certain annual filings and postings. Failure to comply with these and other applicable occupational health and safety requirements could result in fines and penalties, and could require us to undertake certain remedial actions or be subject to suspension of certain operations. From time to time, our employees are involved in health and safety-related incidents at our production facilities. These incidents have resulted and could result in the future in regulatory investigations and penalties, as well as regulatory and private claims. For example, the Rhineland-Palatinate Structure and Approval Directorate, a regional government agency, conducted in 2019 an inspection at our Strödt production facility, after a safety incident involving a riveting machine. Following the inspection, the governmental agency required us to implement certain remediation actions, which we promptly instituted.

Stricter environmental, health and safety laws and enforcement policies could result in substantial costs and liabilities for us, and could result in the handling, manufacture, use, reuse or disposal of substances or pollutants being subject to greater scrutiny by relevant regulatory authorities than is currently the case. Compliance with these laws could result in significant capital expenditures, as well as other costs, thereby potentially having a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on our suppliers, agents and distributors to comply with employment, environmental and other laws and regulations.

We have put in place policies and procedures, including audits and our Code of Conduct, to ensure that our suppliers are in material compliance with our business terms, as well as employment, environmental and other relevant laws and regulations generally. We include the Code of Conduct as a mandatory component of all new

and extended procurement agreement and we also implement similar procedures as part of new distribution and wholesale agreements. However, we can give no assurance that our suppliers, agents and distributors are or will remain in compliance with such contractual terms, laws or regulations, or that our audits will be sufficient in scope or frequency for us to become aware of any such non-compliance on a timely basis or at all. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of these individuals or entities could lead to financial penalties, adverse publicity or a decline in public demand for our products, which could have a material adverse impact on our brand or reputation. Furthermore, any non-compliance could require us to incur expenditures or make changes to our supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our operations, products, systems and services rely on complex information technology ("IT") systems and networks that are subject to the risk of disruption and security breaches.

We heavily rely on IT systems and networks to support our e-commerce channel and for research, procurement, manufacturing, sales, logistics, business and other processes including, among others, inventory tracking, and transaction recording and processing. The consistent, efficient and secure operation of IT is therefore critical to the successful performance of our operations and the products we sell.

Despite IT maintenance and security measures, our IT systems and networks are exposed to the risk of malfunctions and interruptions from a variety of sources, including equipment damage, deficient database design, power outages, computer viruses and a range of other hardware, software and network problems. We have experienced temporary outages in our IT systems in the past. Although we have countermeasures in place to prevent malfunctions and interruptions, any such malfunctions or interruptions could compromise the operational integrity of these systems and networks should our countermeasures fail in the future.

In addition, we rely on systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding our consumers, customers, suppliers, employees and others, including credit card information and personal information. We also store data in third-party data centers and use third-party servers or applications by means of cloud computing. As the importance of our e-commerce channel continues to increase, the salience of this risk has increased.

Our systems, websites, data (wherever stored), software or networks, and those of third parties (including data centers), are vulnerable to security breaches, including unauthorized access (from within our organization or by third parties), computer viruses or other malicious code and other cyber threats that could have a security impact. We may not be able to anticipate evolving techniques used to effect security breaches (which change frequently and may not be known until launched), or prevent attacks by hackers, including phishing or other cyber-attacks, or prevent breaches due to employee error or malfeasance, in a timely manner, or at all. Cyber-attacks have become far more prevalent in the past few years, leading potentially to the theft or manipulation of confidential and proprietary information or loss of access to, or destruction of, data on our or third-party systems, as well as interruptions or malfunctions in our or third parties' operations.

In addition, our IT systems have been in the past, or in the future may be, the target of cyber-attacks or other security breaches. For instance, we use order, fulfillment and customer relationship management systems as part of our e-commerce operations and other sales channel, and human resource management systems as part of our employee services and payroll processes, and such systems may be subject to security breaches. We implement mitigation measures from time to time, as we identify new threats and risks. We cannot assure you that such measures will be effective or that breaches or other cyber-attacks, including industrial espionage or ransomware attacks will not occur in the future. Failure to effectively prevent, detect and remediate security breaches, including attacks on our IT infrastructure by hackers, viruses, employee error or misconduct, or other disruptions could seriously harm our operations and the operations of our customers. Such breaches may result, among other things, in unauthorized access to trade secrets, confidential business information and personal information, data losses, business interruptions, non-compliance with legal requirements, legal claims or proceedings, deterioration in customer relationships and reputational harm. See also "*—We are subject to various regulations governing the use and processing of personal data, and any failure to protect confidential information could harm our reputation and expose us to litigation*." In addition, due to the constantly evolving nature of security threats, we cannot predict the form and impact of any future incident, and the cost and operational expense of implementing, maintaining and enhancing protective measures to guard against increasingly complex and sophisticated cyber threats could increase significantly. While we regularly review our network security, backup and disaster recovery, enhanced training and other security measures to protect our systems and data, security measures

cannot provide absolute security or guarantee that we will be successful in preventing or responding to every breach or disruption on a timely basis.

Furthermore, certain measures we may undertake to update our IT systems may be subject to works councils' codetermination rights. While works councils have been co-operative in the past, a potentially extensive exercise of these co-determination rights may result in operational difficulties and in us being prevented from implementing planned policy or IT system changes. See "*—We are dependent on good relationships with our employees and employee representative bodies and stakeholders*."

Any disruptions of our IT systems, including as a result of cyber-attacks and industrial espionage, may disrupt operations, or result in legal liability. The materialization of any of the above risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

The pricing of cross border transactions is often the subject of negotiation with tax authorities, and any adjustments imposed may lead to the greater or double taxation of profits.

Most national tax authorities follow the Organization for Economic Cooperation and Development or United Nations guidelines when considering the arm's length nature of cross border pricing of goods and services. Adjustments made by a national tax authority may not lead to a corresponding adjustment in the other tax jurisdiction. Also, even where a corresponding tax adjustment is allowed, national tax rates may be different and may therefore increase our overall burden of taxation. Our cross border trade is increasing and, although we benchmark our intercompany pricing regularly, the risk of an adverse adjustment will require constant monitoring, which may require a substantial amount of management resources. Potential discrepancies in the adjustments made by the tax authorities in certain jurisdictions may result in an increased tax burden on our Group.

We may be exposed to transfer price risks in connection with our operating activities.

We take advantage of our international network and centralize our strategic functions. In particular, we transfer and provide goods and services among the companies of the Group by adopting a corporate tax transfer frame model for the billing of intercompany services. There is a risk that tax authorities in individual countries will assess the relevant transfer prices differently from our tax transfer pricing model and address retroactive tax claims against one of our companies. While our tax transfer pricing model has been agreed between the competent authorities in certain countries, in others such model is still under discussion with the authorities. For example, transfer pricing agreements are currently under discussion between the German and the Italian tax authorities. There can be no assurance that our transfer prices will be accepted by all the relevant authorities. If they fail to be accepted, this could have a material adverse effect on our financial condition, results of operations and ability to perform our obligations under the Notes.

We are subject to complex tax laws, and changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.

Changes in tax laws could adversely affect our tax positions, including our effective tax rate or tax payments. We often rely on generally available interpretations of applicable tax laws and regulations. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our services to track and collect such taxes, which could increase our costs of operations and have a negative effect on our business, financial condition, operating results and cash flows.

We are exposed to tax risks, which could arise in particular as a result of tax audits or past measures.

Due to the global nature of our business, we are subject to income and other taxes in multiple jurisdictions. Significant judgement and estimation are required in determining our calculation and provision for income, sales, value-add and other taxes, including withholding taxes. In the ordinary course of our business, there are various transactions, including, for example, intercompany transactions based on cross-jurisdictional transfer pricing and transactions with specific documentation requirements, for all of which the ultimate tax assessment or the timing of the tax effect is uncertain. We are regularly audited by tax authorities, and our tax calculations and our interpretation of laws are reviewed by tax authorities which may disagree with our tax estimates or judgements. We are currently undergoing a tax audit with respect to the FY 2016 and FY 2017. Although we believe our tax estimates are reasonable, the final determination of any such tax audits or reviews could differ from our tax

provisions and accruals and any additional tax liabilities resulting from such final determination or any interest or any penalties or any regulatory, administrative or other sanctions relating thereto could have a material adverse effect on our business, financial condition, results of operations and prospects.

While we attempt to assess in advance the likelihood of any adverse judgments or outcomes to these proceedings or claims it is difficult to predict final outcomes with any degree of certainty. The final determination of any tax investigation, tax audit, tax review, tax litigation, and appeal of a tax authority's decision or similar proceedings may differ materially from our estimate or which is reflected in our financial statements. An adverse outcome could have a material adverse effect on our business, financial condition and result of operations. In addition, changes in tax legislation or guidance could result in additional taxes and/or affect our tax rate, the carrying value of deferred tax assets or our deferred tax liabilities. Any tax audit, tax proceeding or changes in tax legislation or guidance could, as a result of the realization of any of the above risks, have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, certain entities in our Group were in the past or are currently part of fiscal unities, tax groups and other tax consolidation schemes. We cannot ensure that these entities will not be held liable for unpaid taxes of the members of such tax consolidation schemes (including members outside of our group) under statutory law or the contracts which formed or form the basis for the tax consolidation schemes. Furthermore, should such tax consolidation schemes not be accepted by the tax authorities and/or a tax court, taxes, interest and penalties may be imposed against entities of our group. Such liabilities may be substantial and could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We are subject to the risk of litigation and other claims.

In the ordinary course of our business we are, or may from time to time become, involved in various litigation matters and governmental or regulatory investigations, prosecutions or similar matters arising out of our current or future business, including personal injury, wrongful death claims, property damages and product liability claims, warranty obligations claims, alleged violations of environmental, health and safety laws criminal proceedings (such as those relating to injuries suffered by our employees, which could result in criminal liabilities of our legal representatives and administrative penalties against us), labor law related claims by employees, temporary workers, or other external workers, claims by distributors, advisors and others. In addition, third-party litigation, including litigation related to competition law, anti-trust law, tax law and patent law could have an indirect, materially adverse impact on us and the market environment in which we operate. When we determine that a significant risk of a future claim against us exists, we record provisions in an amount equal to our estimated liability. As of September 30, 2020, we set aside total provisions for disputes in an amount of €1.5 million. Our insurance or indemnities or amounts we have provisioned may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation.

As of the date of this offering memorandum and generally in the ordinary course of business, we are involved in several general litigation claims, as described in "*Business—Legal Proceedings*." As a result of the proceedings described therein, the amount of total provisions for disputes in our financial statements for future periods could increase. There can be no assurance that we will be successful in defending ourselves in pending or future litigation claims or similar matters under various laws or that product specific provisions will be sufficient to cover litigation costs. Moreover, it may be difficult for us to obtain and enforce claims related to existing litigation under the laws of certain countries in which we operate at affordable costs and without any materially adverse effects on our business in such country. In the aftermath of public health measures implemented in the jurisdictions in which we operate as well as our temporary personnel initiatives due to the impact of COVID-19, we could be subject to an increase in litigation, in particular in relation to our suppliers and our employees, including with respect to health and safety measures.

Any of these risks could result in considerable costs, including damages, legal fees and temporary or permanent bans on the marketing of certain products and this could have a material adverse effect on our business, financial condition, results of operations and prospects.

We have to rely on a compliance system to prevent irregularities in business activities. Failure to comply with anti-corruption regulations and economic sanctions programs could result in fines, criminal penalties and an adverse effect on our business.

We operate and sell products in, and source materials from, a number of countries throughout the world, including countries known to have a reputation for corruption. We are subject to the risk that we, our affiliated

entities or our or their respective officers, managers, directors, employees and agents may take action determined to be in violation of anti-corruption laws, including the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010 and others. Our employees may be tempted to win business with illegal practices, in particular corruption, certain sales incentives or violation of antitrust laws. In some of the countries in which we operate, such practices may be the custom or expected, and our competitors may undertake such practices, increasing the pressure on us and our employees. In addition, we are required to comply with various economic sanctions programs, including those administered by the United Nations Security Council and the United States, including Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"). These programs restrict us from conducting certain transactions or dealings involving certain sanctioned countries or persons.

Although we maintain and regularly update our internal policies and procedures, which are designed to ensure compliance with applicable anti-corruption laws and sanctions regulations, including by means of online and in-person compliance internal trainings, there can be no assurance that such policies and procedures will be sufficient or that our employees, directors, managers, officers, partners, agents and service providers will not take actions in violation of our policies and procedures (or otherwise in violation of the relevant anti-corruption laws and sanctions regulations) for which they or we may ultimately be held responsible. Violations of anti-corruption laws and sanctions regulations could lead to financial penalties being imposed on us, limits being placed on our activities, authorizations or licenses being revoked, damage to our reputation and other consequences that could have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management. In addition, litigation or investigations relating to alleged or suspected violations of anti-corruption laws or sanctions regulations could be costly. We cannot guarantee that our compliance and internal controls will protect us against actions taken by our officers, managers, directors, employees and agents that might be determined to be in violation of law.

Our insurance coverage may not be sufficient and insurance premiums may increase.

We maintain insurance coverage in relation to a number of risks associated with our business activities, including third-party (product) liability, property damage and business interruption, environmental damage, directors and officers liability, and transport and vehicle insurance. These insurance policies may not cover all losses or damages resulting from the materialization of any of the risks we are subject to. There can moreover be no assurance that our insurance providers will continue to grant coverage on commercially acceptable terms or at all. In addition, there are risks left intentionally uninsured (such as, but not limited to, customer or supplier insolvency, industrial disputes or specific natural hazards), and we therefore have no insurance against these events. Further, agreed limits and other restrictions (for example, exclusions) within the insurance coverage may prove to be too low or inadequate for compensating potential damages or losses, ultimately resulting in a gap in the insurance coverage. If we sustain damages for which there is no or insufficient insurance coverage, or if we have to pay higher insurance premiums or encounter restrictions on insurance coverage, this may have a material adverse effect on our results of operations, financial position, results of operations and prospects.

We are dependent on good relationships with our employees and employee representative bodies and stakeholders.

We are dependent on good relationships with our employees, employee representative bodies such as works councils (*Betriebsräte*) and other stakeholders to successfully operate our business. Personnel expenses make up a significant portion of our costs and we are obliged to comply with various works council and other agreements that are in place with works councils and other employee representative bodies. In addition, we have a collective bargaining agreement in one of our facilities in Germany. Employees at our German locations have traditionally been heavily unionized and we regularly conduct, or are involved in, negotiations with the relevant employee representative bodies. Any deterioration of these relationships could adversely impact our business operations.

While we believe that we have good relations with unions and employees generally, there can be no assurance that our relations will not deteriorate and that we will not experience labor disputes in the future. We have faced strikes or similar types of conflicts with trade unions and our employees in the past and may face them again in the future. In particular, these could come up when current collective agreements expire or are to be negotiated. Any such strikes, conflicts, work stoppages or other industrial actions may disrupt our production and sales activities, damage our reputation and adversely affect our customer relations, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that our employees will not make claims or that we will not incur work stoppages in the future, which if they occurred, would have a material adverse effect on our business, financial condition, results of operations and prospects.

Works council and collective agreements may impose obligations and restrictions on us that may adversely affect our flexibility to undertake adjustments to our workforce, restructurings, reorganizations and similar corporate actions. In addition, certain measures we undertake are generally subject to works councils' codetermination rights, in particular in relation to occupational pension schemes, the implementation and use of IT systems, variable remuneration schemes and working time systems. Potentially extensive exercise of co-determination rights by the work councils may result in operational difficulties and in us being prevented from implementing planned policy or IT system changes.

Natural disasters, public health crises, political crises, civil unrest and other catastrophic events or events outside of our control may adversely affect our business.

Natural disasters, such as fires, earthquakes, power shortages or outages, floods or monsoons, public health crises, such as pandemics and epidemics, political crises, such as terrorism, war, civil unrest, political instability or other conflict, or other events outside of our control, have in the past, and may in the future, adversely impact our sales. For example, both the COVID-19 pandemic and the civil unrest in the United States in 2020, led to reduced footfall at our retail stores as well as at other stores that are supplied by our wholesale partners in Europe and the United States, and adversely impacted our results for the year ended September 30, 2020. In particular, our result may be materially adversely affected by events that could generally deter consumers from shopping in store, both in relation to retail stores directly managed by us as well as in relation to stores or outlets supplied by our wholesale partners. Such events could also disrupt the internet or mobile networks and may also prevent or deter consumers from shopping through our e-commerce channel, which could materially adversely affect our sales.

In addition, if any of our facilities, including our distribution facilities, our own retail stores, the facilities or stores of our wholesale partner, or the facilities of our suppliers, distributors or any of our other third-party service providers, are affected by any such natural disasters, catastrophic events or other events outside of our control, our business and results of operations could be materially adversely affected. Moreover, these types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Leasing of significant amounts of real estate exposes us to possible liabilities and losses.

We lease certain of our production sites, office spaces, retail spaces and storage spaces. Accordingly, we are subject to all of the risks associated with leasing real estate. Store leases generally require us to pay a fixed minimum rent and sometimes a variable amount based on a percentage of annual sales at that location. For certain leases, if sales targets are not achieved or if the sales-based rent amount decreases below a certain minimum, the lessor may terminate the lease agreement, unless we agree to an increased fixed fee rent. Moreover, in relation to lease agreements entered into for retail space in shopping or outlet centers, we also entered into a service and marketing agreement, specific to that specific shopping or outlet center, which may contain conditions that differ from the marketing practices we usually adopt. Many lease agreements provide for a fixed initial term, and an option for us as lessee to extend such term. If an existing or future store is not profitable, and we decide to close it, we may be committed to perform certain obligations under the applicable lease including, among other things, paying rent for the balance of the applicable lease term. As each of our leases expires, if we do not have a renewal option, we may be unable to negotiate a renewal on commercially acceptable terms, or at all, which could cause us to close stores in desirable locations. Any of the above could have a material adverse effect on our business, financial condition, results of operations and prospects.

The value of goodwill, brand names or other intangible assets reported in our financial statements may need to be partially or fully impaired as a result of revaluations.

As of December 31, 2020, our carrying amount of intangible assets, including goodwill, recorded on our consolidated statements of financial position was €192.3 million. We will account for the Acquisition in accordance with German GAAP. Due to any potential adjustments, future financial statements for the Group could be materially different and may not be comparable to our Financial Statements included elsewhere in this offering memorandum, including but not limited to, risk of impairment of goodwill and intangible and tangible assets, increased depreciation and amortization expenses over the remaining lives of the acquired assets and recognition of temporary differences at the acquisition date. This could in turn have a material adverse effect on our business, financial condition, results of operations and prospects. None of the financial information in this offering memorandum has been adjusted to reflect the impact of any changes to the consolidated statement of

financial position, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows that might occur as a result of the Transactions. See "*Presentation of Financial and Other Information—Historical Financial Information—Comparability of the Financial Statements*."

Uncertainty surrounding the United Kingdom's withdrawal from the European Union could have a material adverse effect on our business.

On June 23, 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union (commonly referred to as "Brexit"). On March 29, 2017, the UK government invoked Article 50 of the Lisbon Treaty to begin the process of formally leaving the European Union, and on January 31, 2020, the United Kingdom withdrew its membership in the European Union and entered into a transition period which expired on December 31, 2020. On December 24, 2020, the European Union and United Kingdom announced that they had reached the EU—UK Trade and Cooperation Agreement, which was implemented on December 31, 2020 and entered into force provisionally on January 1, 2021. Despite the implementation of the EU—UK Trade and Cooperation Agreement, there remains significant uncertainty as to how the agreement will affect relations between the United Kingdom and the European Union. While the EU and the United Kingdom agreed a comprehensive, zero-tariff, zero-quota free trade pursuant to the EU—UK Trade and Cooperation Agreement, the end of the transition period on that date has, among other things, led to increased customs, health and safety checks at the border, which has delayed and disrupted the movement of goods between the EU and the United Kingdom and may undermine bilateral cooperation in key policy areas, significantly disrupt trade between the United Kingdom and the EU and cause political and economic instability in other countries of the EU. Additionally, following the end of the transition period, the United Kingdom has ceased to be a member of the EU single market, which has ended the free movement of services and workers between the United Kingdom and the EU and may make it more difficult for our United Kingdom operations to do business with customers or suppliers that are based in the EU. For the twelve months ended December 31, 2020, the United Kingdom generated 2.2% of our sales and we imported less than 1% of our raw materials from the United Kingdom. The impact of the new trade agreement between the United Kingdom and the European Union and the resulting effects on the political and economic future of the United Kingdom, remain uncertain. Economic instability and uncertainty in Europe, has and may continue to have a material adverse effect on our business, financial condition, results of operations and prospects.

Climate change and related regulatory responses may adversely impact our business.

There is increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity and duration of extreme weather conditions could, among other things, disrupt the operation of our supply chain, increase our product costs and impact the types of products that consumers purchase. For example, certain of our retail locations in Europe and the UAE could fall below the flood line in the next twenty years. As a result, the effects of climate change could have a long-term adverse impact on our business, financial condition, results of operations and prospects.

In many of the countries in which we operate, governmental bodies are increasingly enacting legislation and regulations in response to the potential impacts of climate change. For example, in Germany, we are required to undergo energy audits every four years. In addition, the German government has set broader long-term carbon-reduction targets as well, and pursuant to such regulation, our business falls under the broad "industry" sector, a category that will need to reduce greenhouse gas emissions by 50.7% (from 1990 levels) by 2030. These laws and regulations, which may be mandatory, have the potential to impact our operations directly or indirectly as a result of required compliance by us, as well as by our suppliers, wholesale partners and distributors. In addition, our manufacturing processes may be affected by new regulations in response to climate change. If we are perceived to be a contributor of greenhouse gas emissions or global warming, or if we are perceived as not taking appropriate steps to mitigate our effect on the environment, this could result in damage to our image and brand, which is particularly focused on socially conscious individuals.

In addition, we have and may continue to take voluntary steps to mitigate our impact on climate change. As a result, we may experience increases in energy, production, transportation and raw material costs, capital expenditure or insurance premiums and deductibles.

Any of these events could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to the Transactions

The Acquisition is subject to certain conditions and risks and, if it is not consummated, the Issuer will redeem the Notes at 100% of the issue price, plus accrued and unpaid interest.

On February 25/26, 2021, the Purchasers entered into the Sale and Purchase Agreement to acquire, directly or indirectly, from the Sellers the Target Business. The Acquisition is subject to the satisfaction of certain closing conditions, including, customary antitrust and regulatory approvals. If the Issue Date occurs more than three business days prior to the Acquisition Closing Date, pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering into the Escrow Account on the Issue Date. The release of the Escrowed Property is subject to the satisfaction of certain conditions, including that the funds required to pay the consideration for the Acquisition will be applied promptly (and in any event within three business days). As of the date of the offering memorandum, we do not yet know whether the Acquisition will complete. If the Acquisition is expected to occur three business days prior to the Acquisition Closing Date, pending the consummation of the Acquisition, the proceeds of the Notes will not be subject to any escrow arrangements or security.

If the conditions precedent to the Acquisition are not satisfied or waived, as applicable, by the Escrow Longstop Date, then the Acquisition will not be consummated. If the conditions to the release of the Escrowed Property, as more fully described under "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" have not been satisfied on or prior to the Escrow Longstop Date or upon the occurrence of certain other events, the Notes will be subject to a Special Mandatory Redemption as described in "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and you may not obtain the return you expect to receive on the Notes.

In addition, your decision to invest in the Notes is made at the time of purchase. Changes in the business or financial position of the Target Business, or the terms of the Acquisition, between the Issue Date and the Escrow Release Date, may have an impact on our creditworthiness, and you will not be able to rescind your decision to invest in the Notes as a result thereof.

If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, but the Escrow Account may not have sufficient funds to cover such redemption without relying on funding from the Parent.

The Escrowed Property will be limited initially to the gross proceeds of the Offering and will not be sufficient to pay the Special Mandatory Redemption Price, which is equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the Special Mandatory Redemption Date. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*." In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, the Parent will be required to fund the Issuer with an amount sufficient to cover the difference between the Special Mandatory Redemption Price and the amount of the Escrowed Property, including accrued interest and additional amounts (if any) due with respect to the Notes from the Issue Date to the Special Mandatory Redemption Date and any negative interest which has accrued on the Escrow Account.

Holders of the Notes will not have any direct right to enforce directly against the Parent, and must rely on the Issuer's right to enforcement. There can be no assurance that the relevant entities providing such commitment will have sufficient funds to make this payment, and the Issuer may not have access to the funds necessary to allow it to pay the full amount of the required redemption price in the event of a Special Mandatory Redemption.

The Issuer does not currently control the Birkenstock Transferred Entities and will not control the Birkenstock Transferred Entities until the Acquisition Closing Date.

As of the date of this offering memorandum, the Issuer does not, directly or indirectly, hold any issued and outstanding common shares of the Birkenstock Transferred Entities. As a result, the Issuer's ability to influence the management of the Birkenstock Transferred Entities is limited. In particular:

- The Sellers may not operate the business of the Birkenstock Transferred Entities until the Acquisition Closing Date in the same way that the Issuer and the Sponsor would.
- The Acquisition has required, and will likely continue to require, substantial time and focus from the management of the Birkenstock Transferred Entities, which could adversely affect their ability to operate the business of the Birkenstock Transferred Entities. Likewise, employees may be uncomfortable with the Acquisition.

- In addition, the board of the entities in the Target Business is required to manage the business of the entities in the Target Business under its own responsibility and in a manner that is in the best interest of the entities in the Target Business.
- Prior to the Acquisition Closing Date, the Issuer cannot assure you that the Birkenstock Transferred Entities will fully comply with the covenants described in "*Description of the Notes*" to be included in the Indenture. As such, we cannot assure you that, prior to such date, the Birkenstock Transferred Entities will not take any action that would otherwise have been prohibited by the Indenture had those covenants been applicable.

We cannot assure you that the Acquisition will be consummated given it is dependent on certain closing conditions, including receipt of antitrust and regulatory approvals. If we are not able to satisfy or waive these conditions, as applicable, the Acquisition Closing Date will not occur and the Acquisition will not be consummated.

Any of the risks associated with the Issuer's lack of control over the Birkenstock Transferred Entities until the occurrence of the Acquisition Closing Date could have a material adverse effect on our business, financial position and results of operations.

The Sponsor's opportunity to conduct due diligence with respect to the Target Business was limited, and their due diligence may not have revealed all facts that may be relevant in connection with the Acquisition.

Before making investments, the Sponsor conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances of an investment, to identify possible risks associated with that investment and to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence, the Sponsor typically evaluates a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. Outside consultants, legal advisors, accountants and investment banks are involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Sponsor relies on resources available to them, including information provided by the target of the investment and, in some circumstances, third party investigations.

Instances of bribery, fraud, accounting irregularities, contingent liabilities and other improper, illegal or corrupt practices can be difficult to detect, and fraud and other deceptive practices can be widespread in certain jurisdictions.

There may be liabilities that the Sponsor failed or was unable to discover in the course of performing due diligence investigations into the Target Business in connection with the Acquisition. Following the Acquisition, we may learn of additional information about the Target Business that adversely affect us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial position and results of operations.

We cannot be certain that the Sponsor's due diligence investigation has revealed or highlighted all relevant facts (including fraud, bribery and other illegal activities and contingent liabilities) that may be necessary or helpful in evaluating the merits of investing in the Target Business. We also cannot be certain that the Sponsor's due diligence investigations will result in the investment in the Target Business being successful or that the actual financial performance of such investment will not fall short of the financial projections the Sponsor used when evaluating that investment.

We may be unsuccessful in preventing a member of the Birkenstock family from using their surname as a company name in the future.

Our brand is named after the Birkenstock family that originally founded the business. Following the Transactions, we will own and control the Birkenstock trademark as applied to goods and services, and to the extent rights have inured to the Group. Under German trademark law, the members of the Birkenstock family are permitted to use their family name within a company name, provided the respective family member takes measures (i.e., such as adding their first name or other deviating features) to reduce the risk of confusion with existing competing businesses who use "Birkenstock" in their company name. However, such measures might not always prevent confusion. Although in the past German courts have imposed sanctions for abuses of

prominent brand names through the licensing of family names, the entitlement to use one's family name may include allowing a third party to use the name "Birkenstock" as part of a company name, including potentially in a competing business if not done in a misleading manner. While we have entered into an agreement with certain members of the Birkenstock family through which they have consented to our use of the Birkenstock family name in our corporate name for an indefinite period of time, if such agreement were to be terminated, challenged or otherwise held invalid, or if, in the future, we had any material unresolved disputes with the Birkenstock family, we may not be able to adequately protect our company name or may be prevented from using the Birkenstock name for our legal entities. In addition, as of the date of this offering memorandum, at least one member of the Birkenstock family uses the Birkenstock name in connection with an independent business. See also "*—Risks Related to Our Business—Our business is dependent on the image and reputation of the Birkenstock brand*." Any or all of these circumstances could have a material adverse effect on our business, financial condition, results of operations and prospects.

The Acquisition will entitle the Group's customers and certain other business partners of the entities in the Target Business to terminate their agreements as a result of change of control provisions and the transfer of certain agreements to other acquisition entities.

The Acquisition will constitute a change of control under certain agreements entered into by the entities in the Target Business. For example, the Issuer has identified change of control provisions in certain local facilities and guarantee agreements. As a result of the Acquisition, these counterparties will be entitled to terminate their agreements with us. Some of these counterparties may exercise their termination rights, which could have an adverse effect on our business, financial position and results of operations. Given the structure of the Acquisition, certain supplier and customer agreements as well as lease agreements must be transferred from the Sellers to new legal entities of the Group. These counterparties must grant their consent to the transfer of any agreements. The counterparties may, in their sole discretion, withhold their consent in which case the respective agreement would remain with the respective Seller. The Sale and Purchase Agreement provides that to the extent that a third party consent has not been obtained by the closing date, the parties shall put themselves economically in the same position, as they would have been if the consent had been obtained.

Risks Related to Our Capital Structure

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

Following the completion of the Transactions, we will be highly leveraged and have significant debt service obligations. As of December 31, 2020, after giving *pro forma* effect to the Transactions, we would have had total indebtedness in the amount of €1,508.6 million (equivalent), consisting of the Notes, drawings under the Senior Term Facilities and certain existing real estate facilities. See "*Capitalization*," "*Description of Certain Financing Arrangements*" and "*Description of the Notes*." We anticipate that our high leverage will continue to exist for the foreseeable future.

The degree to which we will be leveraged following completion of the Transactions could have important consequences for holders of the Notes, including, but not limited to:

- making it more difficult for the Issuer and its subsidiaries to satisfy their respective obligations with respect to the Notes, the Senior Secured Facilities and other debt and liabilities we may incur;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, product research and development, or other general corporate purposes;
- restricting us from pursuing acquisitions or exploiting business opportunities;
- limiting our flexibility in planning for, or reacting to, changes in our business, the competitive environment and the industry in which we operate;
- negatively impacting credit terms with our suppliers and other creditors;

- increasing our exposure to interest rate increases because some of our indebtedness bears a floating rate of interest;
- placing us at a competitive disadvantage compared to our competitors that are not as highly leveraged;
- limiting our ability to obtain additional financing to fund future operations, capital expenditures, business opportunities, acquisitions and other general corporate purposes and increasing the cost of any future borrowings; and
- limiting our ability to obtain additional capacity for issuance of bid, advance payment, performance and warranty guarantees for operative business purposes and increasing the cost of any future guarantee issuances.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our obligations, including under the Notes and the Senior Secured Facilities.

The Issuer is a holding company that has no revenue generating operations of its own and will depend on cash from the operating companies of the Group to be able to make payments on the Notes and the Note Guarantees.

The Issuer is a holding company with no business operations other than management of the equity interests it holds in its subsidiaries. Following consummation of the Acquisition, the Issuer will be dependent upon the cash flow from its operating subsidiaries in the form of dividends or other distributions or payments to meet its obligations, including its obligations under the Notes and the Note Guarantees. Given the Group's international operations, it has a large number of operating subsidiaries and business participations, which individually contribute to our Group's results. The amounts of dividends and distributions available to the Issuer will depend on the profitability and cash flows of its subsidiaries and the ability of each of those subsidiaries to declare dividends under applicable law or transfer profits under profit and loss transfer agreements, if applicable. The Issuer's subsidiaries, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to the Issuer to make payments in respect of its indebtedness, including the Notes and the Note Guarantees.

Various agreements governing our debt may restrict and, in some cases may actually prohibit, the ability of these subsidiaries to move cash within the restricted group. In particular, the Senior Secured Facilities limit the ability to upstream cash to the Issuer subject to certain exceptions. Applicable tax laws may also subject such payments to further taxation. Applicable law as well as profit and loss transfer agreements between several entities of the Group may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments. In particular, the ability of the Issuer's subsidiaries to pay dividends to the Issuer will generally be limited to the amount of distributable reserves available to each of them and the ability to pay their respective debt when due. The subsidiaries of the Issuer that do not guarantee the Notes have no direct obligation to make payments with respect to the Notes or the Note Guarantees.

While the Indenture limits the ability of the Issuer's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments, these limitations are subject to significant qualifications and exceptions, including exceptions for restrictions imposed by agreements in existence on the Issue Date and applicable law.

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

Despite our substantial leverage, we may incur substantial additional debt in the future. We will have the ability to borrow up to approximately €200 million (equivalent) under our ABL Facility, which will be secured in part by the Shared Collateral, and the Senior Secured Facilities Agreements and the Indenture will also permit the incurrence of additional debt thereunder. The Indenture and the Senior Secured Facilities Agreements will also permit us to incur a substantial amount of indebtedness at subsidiaries that do not guarantee the Notes and to incur indebtedness that shares in the Collateral or that benefits from security interests over assets that do not secure the Notes. Any debt that our subsidiaries incur could be structurally or effectively senior to the Notes to the extent that such subsidiaries do not guarantee the Notes, such debt is secured by liens that do not secure the Notes, to the extent of the value of such property and assets securing such debt, and other debt could be secured or could mature prior to the Notes. Although the Senior Secured Facilities Agreements and the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of

significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to the Issuer's and its subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the Senior Secured Facilities Agreements and the Indenture will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. Our inability to service our debt could have a material adverse effect on our business, financial position, results of operations and our ability to fulfil our obligations under the Notes and the Note Guarantees.

Following the consummation of the Transactions, we will be subject to restrictive covenants that will limit our operating and financial flexibility.

The Senior Secured Facilities Agreements and the Indenture will contain covenants which impose significant operating and financial restrictions on us. These agreements will limit our ability to, among other things:

- incur or guarantee additional indebtedness or issue certain preferred stock;
- make certain restricted payments and investments;
- transfer or sell assets;
- enter into transactions with affiliates;
- create or incur certain liens;
- make certain loans, investments or acquisitions;
- issue or sell share capital of certain of our subsidiaries;
- create or incur restrictions on the ability of our subsidiaries to pay dividends or to make other payments to us;
- take certain actions that would impair the security interests in the Collateral granted for the benefit of the holders of the Notes;
- merge, consolidate or transfer all or substantially all of our assets; and
- pay or redeem subordinated debt or equity.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*." The covenants to which we will be subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, the Senior Secured Facilities Agreements will require us to comply with certain affirmative covenants while amounts under the Senior Term Facilities remain outstanding. See "*Description of Certain Financing Arrangements—Senior Term Facilities Agreement*." Our ABL Facility is expected to contain a springing financial covenant requiring compliance with a certain fixed charge coverage ratio (the "ABL Springing Covenant"). See "*Description of Certain Financing Arrangements—ABL Facility Agreement*." A breach of any of the covenants or restrictions under the Senior Secured Facilities Agreements, including our failure to comply with the ABL Springing Covenant (if tested) could result in an event of default under the relevant Senior Secured Facilities Agreements. Upon the occurrence of a payment event of default that is continuing under the Senior Secured Facilities Agreements, subject to the applicable cure period, and upon the acceleration of indebtedness with respect to any other event of default by the creditors under our Senior Secured Facilities Agreements, the relevant creditors could cancel the availability of the Senior Secured Facilities and elect to declare all amounts outstanding under the Senior Secured Facilities, together with accrued interest, immediately due and payable. In addition, a default under the Senior Secured Facilities could lead to an event of default and acceleration under other debt instruments that contain cross default or cross acceleration provisions, including the Indenture. If our creditors, including the creditors under the Senior Secured Facilities, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries that would be due and payable and to make payments to enable us to repay the Notes. In addition, if we are unable to repay those amounts, our creditors could proceed against any Collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to service our debt and sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Senior Secured Facilities and our obligations under the Notes, and to fund our ongoing operations and future capital expenditures, will depend on our future performance and ability to generate cash, which, to a certain extent, is subject to the success of our business strategy as well as general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these "*Risk Factors*," many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated growth, cost savings or efficiencies will be realized or that future debt financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs including the repayment at maturity of the then outstanding amount under the Facilities. At the respective maturities of the Senior Secured Facilities, the Notes or any other debt that we may incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, we may be required to refinance or restructure our indebtedness.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

The type, timing and terms of any future financing, restructuring, asset sales or other capital raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In such an event, we may not have sufficient assets to repay any portion or all of our debt.

Any failure to make payments on the Notes on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes and the Senior Secured Facilities, will limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business, financial position and results of operations. There can be no assurances that any assets that we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

Due to restrictions on the deductibility of interest expenses or forfeiture of interest carry forwards under applicable law, we may be unable to fully deduct interest expenses on our financial liabilities.

A certain amount of our annual financing expenses (primarily including interest payments) is not deductible under existing interest limitation rules, especially the German interest barrier rules (*Zinsschranke*) as further described below. Subject to certain requirements, the German interest barrier rules impose certain restrictions on the deductibility of interest expense for German tax purposes. The German interest barrier rules generally provide for a limitation on the deduction of net interest expenses in excess of 30% of tax adjusted EBITDA. For purposes of the interest barrier rules, all entities that are part of the same fiscal unity (*Organschaft*) for corporate income and trade tax purposes are treated as one single business. Any non-deductible amount exceeding the threshold of 30% is carried forward and may be, again subject to the interest barrier rules, deductible in future financial years. Any interest carryforward may be forfeited in part or in full in connection with certain measures, such as a change of the ownership structure. Upon closing of the Acquisition, certain Group companies, in particular in Germany, may forfeit their existing interest carryforwards on the Acquisition Closing Date. Furthermore, on June 20, 2016, the Council of the European Union adopted the Directive (EU) 2016/1164 (ATAD I) laying down rules against tax avoidance practices that directly affect the functioning of the internal market. The Anti-Tax Avoidance Directive contains five legally binding anti abuse measures, which member states are generally required to apply against common forms of aggressive tax planning since January 1, 2019. Part of the package of measures is the implementation of an interest limitation in line with German rules. The restriction of the deductibility of interest expenses for tax purposes may have adverse consequences for our financial position and results of operations. The Council of the European Union has also adopted Directive (EU)

2017/952 (ATAD II) targeting mismatches which needed to be implemented by December 31, 2019, but have not been enacted in Germany to date. The German ministry of finance issued a new draft bill on the implementation of the aforementioned directives on December 10, 2019, and published updates of such draft bill on March 24, 2020 and November 17, 2020. Amongst others, according to this draft bill, expenditures for intercompany financing may be disallowed in the current and future tax periods. The draft bill intends to broaden the existing rules on corresponding inclusions and deductions of income and expenses and introduces provisions to counter tax shortfalls due to mismatches from the use of hybrid financial instruments or hybrid entities or due to dual tax residency and, furthermore, introduces new arm's length provisions on intercompany financing that may ultimately limit the deduction of interest expenses on intercompany loans. If the draft bill is enacted and depending on the final wording of the new legislation, the introduction of aforesaid rules could result in higher taxable income and a higher tax burden for corporate income tax and trade tax purposes in the current and future tax periods. Further measures may follow as part of the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting Project.

The interest limitation rules deriving from ATAD I have been implemented in Luxembourg. According to the Luxembourg interest limitation rules, net borrowing costs incurred during a given fiscal year may only be deductible up to the greater of (i) 30% of the taxpayer's EBITDA and (ii) €3,000,000.

In addition, certain of our German subsidiaries have considerable tax loss carryforwards which have partially been capitalized as deferred tax assets in our Financial Statements. The use of such existing tax loss carryforwards and ongoing losses for German corporate income and trade tax purposes may be forfeited in case of a direct or indirect transfer of shares, subject to certain limited exceptions. Such restriction, applying to both corporate income and trade tax, depends on the percentage of share capital or voting rights transferred within a five year period to one acquirer or person(s) closely related to the acquirer or a group of acquirers with a common interest. Under current rules, if more than 50% of the share capital or voting rights are transferred to such an acquirer, tax loss carryforwards and current losses will be forfeited to the extent no exception from the general forfeiture rules can be applied, such as the built-in gains exemption pursuant to which tax loss carryforwards survive to the extent taxable built-in gains are available at the level of the loss-carrying entity. To the extent that the utilization of tax losses is restricted, they cannot be set off against future tax profits which would result in higher future tax burdens compared to the situation in which tax loss carryforwards can be used to lower the actual tax burden on profits. Such restriction may require a write down of the deferred tax assets in our consolidated financial statements and would negatively affect our financial position and results of operations.

Furthermore, upon the creation of a fiscal unity for German corporate and trade tax purposes, any tax loss carryforwards and interest carry forwards for German corporate income and trade tax purposes of a subsidiary, which have been incurred before the creation of the fiscal unity, will be excluded from use for the duration of the fiscal unity.

Some of our indebtedness, including the Senior Secured Facilities, will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow.

Debt under the Senior Secured Facilities will bear interest at a variable rate based on the Euro Interbank Offered Rate (EURIBOR), London Interbank Offered Rate (LIBOR) for US Dollar loans and Sterling Overnight Index Average (SONIA) (in each case, subject to a zero floor if less than zero (or in the case of the USD TLB, a 0.50% floor if LIBOR is less than zero)) plus an applicable margin. These interest rates could rise significantly in the future, increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. Neither the Senior Secured Facilities Agreements nor the Indenture contain a covenant requiring us to hedge all or any portion of our floating rate debt.

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

Following allegations of manipulation of LIBOR, a different measure of interbank lending rates, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of daily EURIBOR or the calculation of LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. In addition, LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be

"benchmarks" are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or LIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including but not limited to the Senior Term Facilities whose interest rates are linked to LIBOR and EURIBOR). Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest. These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

The interests of the Sponsor may conflict with your interests as a holder of the Notes.

The Sponsor indirectly controls the Issuer. As a result, the Sponsor has and will continue to have, directly or indirectly, the power to affect our legal and capital structure as well as the ability to elect and change our management and to approve other changes to our operations and to influence the outcome of matters requiring action by our shareholder. Our Sponsor's interests in certain circumstances may conflict with your interests as noteholders, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, the Sponsor could vote to cause us to incur additional indebtedness. The Sponsor is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. The Sponsor may also pursue acquisition opportunities that are complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, the Sponsor may hold interests in our suppliers or our customers. The Sponsor and its affiliates could also have an interest in pursuing acquisitions, divestitures (including one or more divestitures of all or part of our business or sales of our shares which would result in changes to our shareholding structure), financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes.

Risks Related to the Notes

Your right to receive payment under the Note Guarantees is contractually subordinated to senior ranking debt of the Guarantors.

The obligations of the Guarantors under their respective Note Guarantee are general senior obligations of such Guarantors and will be contractually subordinated in right of payment to the prior payment in full in cash of all existing and future obligations in respect of senior ranking debt of such Guarantor. Such debt includes their obligations under the Senior Secured Facilities. Although the Indenture will contain restrictions on the ability of the Guarantors to incur additional debt, any additional debt incurred may be substantial and rank senior to the Note Guarantee.

Upon any payment or distribution to creditors of a Guarantor under the Indenture in respect of an insolvency event, the holders of senior ranking debt of such Guarantor will be entitled to be paid in full from the assets of such Guarantor before any payment may be made pursuant to such Note Guarantee. Until the senior ranking debt of such Guarantor is paid in full, any distribution to which holders of the Notes would be entitled but for the subordination provisions included in the Intercreditor Agreement shall instead be made to holders of senior ranking debt of such Guarantor as their interests may appear. As a result, in the event of insolvency of a Guarantor under the Indenture, holders of senior ranking debt of such Guarantor may recover more, ratably, than the holders of the Notes, in respect of the Guarantor's Note Guarantee.

In addition, the subordination provisions in the Intercreditor Agreement relating to the Note Guarantees will provide:

- customary turnover provisions by the Trustee and the holders of the Notes for the benefit of the holders of senior ranking debt of such Guarantor;

- that if a payment default on any senior ranking debt of a Guarantor has occurred and is continuing, Guarantor may not make any payment in respect of its Note Guarantee until such default is cured or waived;
- that if any other default occurs and is continuing on any designated senior ranking indebtedness that permits the holders thereof to accelerate its maturity and the Trustee receives a notice of such default, such Guarantor may not make any payment in respect of the Notes, or pursuant to its Note Guarantee, until (among others) the earlier of the waiver or cure of such default and 179 days after the date on which the applicable payment blockage notice is received; and
- that the holders of the Notes and the Trustee are prohibited, without the prior consent of the Majority Senior Secured Creditors or the Majority Super Senior Creditors, from taking any enforcement action in relation to such guarantee, except in certain circumstances.

The Indenture will also provide that, except under very limited circumstances, only the Trustee will have standing to bring an enforcement action in respect of the Notes and the Note Guarantees. Moreover, the Intercreditor Agreement and the Indenture will restrict the rights of holders of the Notes to initiate insolvency proceedings or take legal actions against each of the Guarantors under the Indenture and by accepting any Note each such holder will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse under the Note Guarantees in the event of a default by the Issuer or a Guarantor under the Indenture.

The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries, including the claims of trade creditors, and effectively subordinated to liabilities that are secured on assets that do not secure the Notes.

The Notes will be structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that do not guarantee the Notes, including its obligations to trade creditors, and effectively subordinated to all of the Issuer's existing and future indebtedness that is secured by liens that do not secure the Notes, including the Senior Secured Facilities, to the extent of the value of such property and assets securing such indebtedness. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt ranking senior or equal in right of payment to the Notes will be available to pay obligations on the Notes on a *pro rata* basis with debt ranking equal in right of payment to the Notes only after the senior secured debt has been repaid in full from these assets. There may not be sufficient assets remaining to pay amounts due on any or all of the Notes then outstanding. The Indenture will not prohibit us from incurring additional secured debt, nor will it prohibit any of our subsidiaries from incurring additional liabilities.

Generally, claims of creditors, including depositors, trade creditors and preferred stockholders (if any) of non-Guarantor subsidiaries of the Issuer, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to their respective parent entity or the creditors of the Issuer and the Guarantors. Accordingly, in the event that any non-Guarantor subsidiary of the Issuer becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer and the Guarantors (including the holders of the Notes) will have no right to proceed against the assets of such non-Guarantor subsidiary; and
- creditors of such non-Guarantor subsidiary, including depositors, trade creditors and preferred stockholders (if any) will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Guarantor, as a direct or indirect shareholder (as applicable), will be entitled to receive any distributions from such subsidiary.

As such, the Notes and the Note Guarantees will be structurally subordinated to the creditors, including depositors, trade creditors and any preferred stockholders (if any) of the non-Guarantor subsidiaries of the Issuer. In addition, the Indenture will, subject to certain limitations, permit these non-Guarantor subsidiaries to incur substantial additional indebtedness without such incurrence constituting a default under the Indenture, and such indebtedness may also be secured. The Indenture will not contain any limitation on the amount of other liabilities, such as deposits and trade payables that may be incurred by these subsidiaries.

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

The Security Documents relating to the Notes will allow the Collateral providers to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral to

the extent that it relates to their assets. So long as no acceleration event has occurred and subject to certain conditions, the Collateral providers may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness.

The Shared Collateral secures the Senior Secured Facilities on a senior priority basis, and your rights to recover on such Shared Collateral will be limited.

A portion of the Collateral, the Shared Collateral, will be pledged to the Security Agent for the benefit of the lenders under the Senior Secured Facilities, as well as to the Security Agent for the benefit of holders of the Notes. Under the Intercreditor Agreement and the Security Documents, the Senior Secured Facilities are secured by prior ranking security interests in the Shared Collateral (with the Senior Term Facilities having first priority) and the proceeds of any sale of the Shared Collateral on enforcement will be applied first to repay all debt of the lenders under the Senior Secured Facilities. Consequently, you may not be able to recover on such Shared Collateral because the lenders under the Senior Secured Facilities will have a prior claim on all proceeds realized from any enforcement of such Shared Collateral.

The Notes will be secured only to the extent of the value of the Collateral that will be granted as security for the Notes and future secured debt may be secured by certain assets that do not secure the Notes.

The Notes will be secured only to the extent of the value of the Collateral described in this offering memorandum. See "*Description of the Notes—Security*." In addition, a portion of the Collateral, the Shared Collateral, will also secure the Senior Term Facilities and the ABL Facility on a senior-priority basis and the Notes on a junior-priority basis, and may secure additional debt ranking senior to or *pari passu* with the Notes and the Note Guarantees. Although the pledge over the shares of the Issuer will secure the Notes and the Note Guarantees thereof on a first-priority basis and will not secure the Senior Secured Facilities, such pledge may secure additional debt ranking *pari passu* with the Notes, to the extent permitted by the terms of the Indenture and the Intercreditor Agreement. The rights of the holders may therefore be diluted by any increase in the debt secured by the Collateral or a reduction of the value of the Collateral securing the Notes. In addition, pursuant to the Intercreditor Agreement, the proceeds of an enforcement of the Collateral will be applied in repayment of any Super Senior Liabilities (to the extent the Designation Date has occurred), followed by (or unless the Designation Date has not occurred) any lenders under the Senior Term Facilities, among others, before repayment of the Notes and Note Guarantees. To the extent the claims of the holders of the Notes exceed the value of the Collateral securing the Notes and the Note Guarantees, those claims will generally rank equally with the claims of the holders of all other existing and future senior debt ranking *pari passu* with the Notes and the Note Guarantees. As a result, if the value of the assets pledged as Collateral is less than the value of the claims of the holders of the Notes, those claims may not be satisfied in full. In addition, not all of our assets will secure the Notes, and the Indenture will allow the Issuer and its restricted subsidiaries to secure certain types of debt permitted to be incurred under the Indenture (which may be structurally senior to the Notes and the Note Guarantees) with the property and assets of the restricted subsidiaries that do not secure the Notes. The value of such assets and property could be significant. If an event of default occurs and the obligations under the Notes are accelerated, the Notes and the Note Guarantees will not benefit from the assets securing such secured debt and will rank equally with the holders of unsecured debt of the Issuer and its restricted subsidiaries with respect to any property or assets that is excluded from the Collateral securing the Notes.

The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such Collateral may be reduced or diluted under certain circumstances.

If we default on the Notes, holders of the Notes will be secured only to the extent of the value of the Collateral granted in favor of holders of the Notes and, in respect of the Shared Collateral, only after lenders under the Senior Term Facilities have been paid in full. In the event of an enforcement of the pledges in respect of the Notes, the proceeds from the sale of the assets underlying the pledges may not be sufficient to satisfy the Issuer's obligations with respect to the Notes including due to the reasons described in the preceding sentence. No appraisal of the value of the Collateral has been made in connection with this Offering. The value of the assets underlying the pledges will also depend on many factors, including, among other things, whether or not the business is sold as a going concern, regulatory restrictions that could affect such sale, the ability to sell the assets in an orderly sale and the condition of the economies in which operations are located and the availability of buyers.

The Collateral that is pledged or assigned for the benefit of the holders of the Notes may provide for only limited repayment of the Notes, in part because most of such Collateral may not be liquid and its value to other parties may be less than their value to us. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in the liquidation thereof. Industry regulations in certain jurisdictions in which we operate, such as Germany, include restrictions on persons who may hold certain of our licenses, authorizations and consents that are necessary to operate our business. In the event of foreclosure, the transfer of our business operations may be prohibited or only permitted to a limited group of investors eligible to hold such assets, thereby decreasing the pool of potential buyers. Furthermore, entry into the Security Documents, enforcement of the Collateral and any transfer of our operations may require, in certain jurisdictions, governmental or other regulatory consents, approvals or filings or might otherwise be challenged. Such consents, approvals or filings may take time to obtain or may not be obtained at all. As a result, enforcement may be delayed, a temporary shutdown of operations may occur and the value of the Collateral may be significantly decreased. Most of our assets will not secure the Notes and it is possible that the value of the Collateral will not be sufficient to cover the amount of indebtedness secured by the Collateral. With respect to any shares of our subsidiaries pledged to secure the Notes and the Note Guarantees thereof, such shares may also have limited value in the event of bankruptcy, insolvency or other similar proceedings in relation to the entity's shares that have been pledged because all of the obligations of the entity whose shares have been pledged must first be satisfied, which may leave little or no remaining assets in the pledged entity. As a result, the creditors secured by a pledge of the shares of these entities may not recover anything of value in the case of an enforcement sale. In addition, the value of the Collateral may decline over time. If the proceeds of the Collateral are not sufficient to repay all amounts due on the Notes, the holders of the Notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only a senior unsecured, unsubordinated claim against the Issuer's and the Guarantors' remaining assets.

The Indenture will also permit the granting of certain liens other than those in favor of the holders of the Notes on the Collateral. To the extent that holders of other indebtedness or third parties enjoy liens, including statutory liens, whether or not permitted by the Indenture or the Security Documents, such holders or third parties may have rights and remedies with respect to the Collateral which, if exercised, could reduce the proceeds available to satisfy our obligations under the Notes. Moreover, if we issue additional Notes under the Indenture, holders of such Notes would benefit from the same collateral as the holders of the Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Collateral.

Not all of the Guarantors will initially guarantee the Notes.

On the Issue Date, the Notes will only be guaranteed by the Issue Date Guarantors. Subject to and in accordance with the Agreed Security Principles, the Post-Closing Guarantors are expected to become guarantors of the Notes by executing and delivering to the Trustee supplemental indentures substantially in the forms attached to the Indenture within 120 days from (and excluding) the Acquisition Closing Date, substantially simultaneously with the guarantees granted in favor of obligations under the Senior Term Facilities. As of and for the twelve months ended December 31, 2020, (i) all the members of the BIRKENSTOCK Group organized in the United States and (ii) the material members of the BIRKENSTOCK Group incorporated in Germany, in each case, which assets and shares (as applicable) are being transferred to the Purchasers pursuant to the Transactions, represented 80.8% of the consolidated revenues of the BIRKENSTOCK Group, such entities' unconsolidated assets represented 80.9% of the sum of the unconsolidated assets of the BIRKENSTOCK Group and such entities' unconsolidated EBITDA represented 92.4% of the consolidated EBITDA of the BIRKENSTOCK Group. There can be no assurance that we will be successful in procuring such additional Note Guarantees within the time period specified. The Issue Date Note Guarantees by the Issue Date Guarantors and Post-Closing Guarantees by the Post-Closing Guarantors will be limited as set forth in "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*."

Holders of the Notes may not control certain decisions regarding the Collateral.

The Notes will be secured by the Shared Collateral which will also secure the obligations under the Facilities. In addition, under the terms of the Indenture, we will be permitted to incur significant additional *pari passu* indebtedness and other obligations that may be secured by the same Collateral. The Intercreditor Agreement will provide that the security agent, who will serve as the Security Agent for the secured parties with respect to the Collateral, will act only as provided for in the Intercreditor Agreement. The Security Agent may refrain from enforcing the Collateral unless otherwise instructed by the Instructing Group. For the purposes of enforcement, "Instructing Group" means, in the context of our capital structure upon consummation of the

Transactions, more than 50% by value of the total senior secured credit participations under the relevant Senior Secured Facilities (as described further in "*Description of Certain Financing Arrangements—Intercreditor Agreement*"), certain hedge counter-parties at that time, any other additional pari passu indebtedness that may be secured on such collateral (the "Majority Senior Secured Creditors"). The Majority Senior Secured Creditors may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for the holders of the Notes to do so. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Security*."

The granting of the Note Guarantees and security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening or voidance periods for such security interests in accordance with the laws applicable in certain jurisdictions.

The granting of the Note Guarantees and security interests to secure the Notes may create hardening or voidance periods for such Note Guarantees and security interests in certain jurisdictions. The granting of shared security interests to secure future permitted debt may restart or reopen such hardening or voidance periods in particular, as the Indenture will permit the release and retaking of security granted in favor of the Notes in certain circumstances including in connection with the incurrence of future debt. The applicable hardening or voidance period for these new security interests can run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening or voidance period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*."

The same rights also apply following the issuance of the Notes in connection with the accession of further subsidiaries as additional guarantors and the granting of security interest over their relevant assets and equity interests for the benefit of holders of the Notes, as applicable.

Enforcing your rights as a holder of the Notes or under the Note Guarantees thereof or the Collateral across multiple jurisdictions may prove difficult.

The Issuer is organized under the laws of Luxembourg, the entities expected to provide Notes Guarantees are organized under the laws of Luxembourg, Germany and the United States and the Collateral includes the shares of the Issuer and Lux SPV, which are entities incorporated under the laws of Luxembourg, and certain present and future intercompany loan receivables held by the Issuer. In the event of bankruptcy, insolvency, administration or a similar event, proceedings could be initiated in any of these jurisdictions. Your rights under the Notes, the Note Guarantees and the Collateral are likely to be subject to insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex proceedings. In addition, the multi-jurisdictional nature of enforcement over the Collateral may limit the realizable value of the Collateral.

The insolvency, administration and other laws of the jurisdiction of organization of the Issuer and the Guarantors may be materially different from, or conflict with, each other and with the laws of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, the ability to obtain post-petition interest, the duration of proceeding and preference periods. The application of these laws, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affect your ability to enforce your rights under the Note Guarantees and the Security Documents in these jurisdictions or limit any amounts that you may receive.

The Escrow Charge (if any) will be granted to the Trustee and the security interests in the remaining Collateral will be granted to the Security Agent, in each case, rather than directly to the holders of the Notes. The ability of the Trustee or the Security Agent, as applicable, to enforce the Collateral may be restricted by local law.

The security interests that will secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Note Guarantees thereof (including the Escrow Charge (if any)) will not be granted directly to the holders of the Notes but to the respective Trustee or Security Agent, as applicable, and thus the holders of the Notes will not have any independent power to enforce, or have recourse to, any of the Security Documents or to exercise any rights or powers arising under the Security Documents except through the relevant Trustee or Security Agent, as applicable, including as may be provided in the Intercreditor Agreement. By accepting a Note,

you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against us in the event of a default. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

In addition, the ability of the Security Agent to enforce the security interests in the Collateral (excluding the Escrow Charge) will be subject to mandatory provisions of the laws of each jurisdiction in which security interests over such Collateral are taken. For example, the laws of certain jurisdictions may not allow for the appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in a security document will be validly secured. In certain jurisdictions, including Luxembourg, due to the laws and other jurisprudence governing the creation and perfection of security interests and the enforceability of such security interests, the Intercreditor Agreement will provide for the creation of "parallel debt" obligations in favor of the relevant Security Agent ("Parallel Debt") mirroring the obligations of the Issuer and the Guarantors owed to holders of the Notes under or in connection with the Indenture ("Principal Obligations"). All or part of the pledges and other security interests in such jurisdictions will be granted to the Security Agent as security interests for the Parallel Debt and will not directly secure the Principal Obligations. Under the provisions of the Intercreditor Agreement, the Parallel Debt will be at all times in the same amount and payable at the same time as the Principal Obligations and any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. In respect of the security interests granted to secure the Parallel Debt, the holders of the Notes will not have direct security interests and will not be entitled to take enforcement actions in respect of such security interests except through the relevant Security Agent. Therefore, the holders of the Notes will bear the risk of insolvency or bankruptcy of the relevant Security Agent. In addition, the Parallel Debt construct has not been tested under law in certain of these jurisdictions and to the extent that the security interests in the Collateral created under the Parallel Debt construct are not validly granted, are unenforceable or are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of such security interests in the Collateral. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*."

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor of the security, as applicable. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we fail or are unable to take the actions necessary to perfect any of these liens. The creation of a valid security interest under a Luxembourg law governed pledge agreement in relation to certain assets are subject to perfection requirements such as the registration of the pledge in the shareholder's register of the company whose shares are pledged for a pledge over shares and the entry into the pledge agreement by the parties for a pledge over claims. Any failure to perfect any security interest in the Collateral may result in the invalidity of the relevant security interest or adversely affect the priority of such security interest in favor of the Notes against third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. Neither the Trustee nor the Security Agent will be under any obligation or responsibility to take any steps or action to perfect, or ensure the perfection of, any such liens.

There are circumstances other than the repayment or discharge of the Notes under which the Collateral securing the Notes and the Note Guarantees will be released automatically without your consent or the Trustee or the Security Agent obtaining your further consent.

Under a variety of circumstances, the Collateral securing the Notes will be released automatically, including a sale, transfer or other disposal of such Collateral in a transaction that does not violate the asset sale covenant of the Indenture and in connection with an enforcement sale permitted under the Intercreditor Agreement. The Indenture will also permit us to designate one or more restricted subsidiaries that are Guarantors as unrestricted subsidiaries. If we designate a Guarantor as an unrestricted subsidiary for purposes of the Indenture, all of the liens on the Collateral owned by such subsidiary and any Note Guarantees by such subsidiary will be released under the Indenture, subject to certain conditions. Designation of an unrestricted subsidiary as such will reduce the aggregate value of the Collateral securing the Notes to the extent of liens securing the shares of such unrestricted subsidiary or of its subsidiaries. See "*Description of the Notes—Note Guarantees—Note Guarantees Releases*" and "*Description of the Notes—Security—Release of Liens*."

The insolvency laws of Luxembourg and other applicable jurisdictions may not be as favorable to you as the insolvency laws of the United States or those of another jurisdiction with which you are familiar; other limitations on the Note Guarantees and the Security Interests (as defined herein), including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

On and after the Issue Date or within 120 days from (and excluding) the Acquisition Closing Date, as applicable, our obligations under the relevant Notes will be guaranteed by the relevant Guarantors and secured by security interests over the relevant Collateral (the "Security Interests"). The Issuer is organized under the laws of Luxembourg and the entities expected to provide Notes Guarantees are organized under the laws of Luxembourg, Germany and the United States. With respect to the Issuer and any Guarantor organized under the laws of a member state of the European Union, there is a rebuttable presumption that the "centre of main interest" as defined in the Council of the European Union Regulation No. 2015/848 on Insolvency Proceedings (recast) is the jurisdiction where the registered office is situated. In addition, the Collateral will include a pledge over the shares in the Issuer and Lux SPV, which are entities organized under the laws of Luxembourg, and security interests in certain present and future intercompany loan receivables held by the Issuer.

The insolvency laws of other jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In the event that any one or more of the Issuer, the Guarantors or any other of the Issuer's subsidiaries experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Although laws differ among the jurisdictions, in general, applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Notes against the Issuer, the enforceability of a Note Guarantee against a Guarantor and the enforceability of the Security Interests. In certain circumstances the court may also void the Security Interest or the Note Guarantee if the company is close to or near insolvency. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction's fraudulent transfer and insolvency statutes.

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency administrator may challenge the Note Guarantees and the Security Interests, and intercompany obligations generally, as preferences, transaction at an undervalue, invalid charges, fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a Guarantor's obligations under its Note Guarantee or the Security Interests provided by such security provider;
- direct that the Issuer and the holders of the Notes return any amounts paid under a Note Guarantee or any Security Interest to the relevant Guarantor or security provider or to a fund for the benefit of the Guarantor's or security provider's creditors; and
- take other action that is detrimental to you.

If we cannot satisfy our obligations under the Notes and any Note Guarantee or Security Interest is found to be a preference, transaction at an undervalue, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes. In addition, the liability of each Guarantor or security provider under its Note Guarantee or the Security Interests will be limited to the amount that will result in such guarantee or Security Interests not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside. The amount recoverable from the Guarantors and security providers under the Security Documents will also be limited. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each. There is also the possibility that the entire Note Guarantee or Security Interest may be set aside, in which case the entire liability may be extinguished. See also "*—Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Note Guarantees and the Collateral may adversely affect the validity and enforceability of the Note Guarantees and the Collateral*."

In order to initiate any of these actions under fraudulent transfer or other applicable principles, courts would, for example, need to find that, at the time the Note Guarantees were issued or the Security Interests created, the Guarantor or security provider:

- issued such Note Guarantee or created such Security Interest with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others, or created such security after its insolvency;
- issued such Note Guarantee or created such Security Interest in a situation where a prudent business person as a shareholder of such Guarantor or security provider would have contributed equity to such Guarantor or security provider or where the relevant beneficiary of the Note Guarantee or Security Interest knew or should have known that the Guarantor or security provider was insolvent or a filing for insolvency had been made; or
- received less than reasonably equivalent value for incurring the debt represented by the Note Guarantee or Security Interest on the basis that the Note Guarantee or Security Interest were incurred for our benefit, and only indirectly the Guarantor's or security provider's benefit, or on some other basis and (i) was insolvent or rendered insolvent by reason of the issuance of the Note Guarantee or the creation of the Security Interest, or subsequently became insolvent for other reasons; (ii) was engaged, or was about to engage, in a business transaction for which the Guarantor's or security provider's assets were unreasonably small; or (iii) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due.

Different jurisdictions evaluate insolvency on various criteria, but a Guarantor or security provider generally may, in different jurisdictions, be considered insolvent at the time it issued a Note Guarantee or created any Security Interest if:

- its liabilities exceed the fair market value of its assets;
- it cannot pay its debts as and when they become due;
- the present saleable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute; or
- its liabilities exceed the liquidation value of its assets, unless it has a positive going concern prognosis.

Although we believe that both the Issuer and the Guarantors are solvent, and will be so after giving effect to the Transactions, there can be no assurance as to which standard a court would apply in determining whether a Guarantor or security provider was "insolvent" as of the date the Note Guarantees were issued or the Security Interests were created or that, regardless of the method of valuation, a court would not determine that a Guarantor or security provider was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor or security provider was insolvent on the date its Note Guarantee was issued or the Security Interests were created, that payments to holders of the Notes constituted fraudulent transfers on other grounds.

For an overview of certain insolvency laws and enforceability issues as they relate to the Note Guarantees and Security Interests, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests*."

Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Note Guarantees and the Collateral may adversely affect the validity and enforceability of the Note Guarantees and the Collateral.

Certain of the entities expected to provide a Note Guarantee are organized under the laws of Luxembourg, Germany, and the United States. Enforcement of the obligations under a Note Guarantee against, and/or any Collateral provided by, as applicable, any such Guarantor will be subject to certain defenses available to the Issuer or the relevant Guarantor, as the case may be. These laws and defenses may include those that relate to fraudulent conveyance, financial assistance, corporate benefit, capital maintenance, liquidity maintenance or similar laws as well as regulations or defenses affecting the rights of creditors generally, particularly by limiting the amounts recoverable under the Note Guarantees and Collateral, as applicable, and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed or secured by a particular Guarantor or security provider under the applicable laws of each jurisdiction, to the extent that the granting of such Note Guarantee or Collateral is not in the relevant Guarantor's or security provider's corporate interests, or the burden of such Note Guarantee or Collateral exceeds the benefit to the relevant Guarantor or security provider, or such

Note Guarantee or Collateral would be in breach of capital maintenance, liquidity maintenance or thin capitalization rules or any other general statutory laws and/or would cause the directors or managers of such subsidiary Guarantor or security provider to contravene their fiduciary duties and incur civil or criminal liability.

The Note Guarantees and/or security interests granted by a German limited liability company (*Gesellschaft mit beschränkter Haftung*, "GmbH") or a partnership with a GmbH as liable partner (i.e., a GmbH & Co. KG) for the purpose of guaranteeing or securing liabilities of its direct or indirect shareholders or a subsidiary of such shareholders (excluding direct or indirect subsidiaries of such GmbH or GmbH & Co. KG) are considered to constitute a benefit for such shareholder and therefore are subject to certain capital maintenance and liquidity maintenance rules. Therefore, any Note Guarantees provided by a GmbH will be subject to certain contractual limitations (so called "limitation language") contained in the Indenture (or any other document under which any Note Guarantee is granted) and that are or will be contained in the Security Documents, respectively, designed to ensure compliance with applicable capital maintenance, liquidity maintenance or any other general statutory laws. These principles apply *mutatis mutandis* to a GmbH & Co. KG.

Any guarantee and/or security interest granted by a GmbH or any other entity incorporated/established under the laws of Germany (including by German NewCo) may be held invalid pursuant to Section 138 BGB and would therefore not be enforceable if, at the time of the creation or enforcement of any such guarantee and/or security interest, among others, the third party creditor and the affiliate have acted in fraudulent conveyance (*kollusives Zusammenwirken*) to the detriment of the GmbH or other third party creditors of the GmbH.

As a result, the Guarantor's or security provider's liability under its Note Guarantee or Collateral could be materially reduced or eliminated, depending upon the law and contractual enforcement restrictions applicable to it. This could lead to a situation in which such Note Guarantee or Collateral cannot be enforced at all. It is possible that a Guarantor or security provider, or any of their creditors, or the bankruptcy trustee or other insolvency office holder in the case of a bankruptcy/insolvency of a Guarantor or security provider, may contest the validity and enforceability of the Guarantor's Note Guarantee or the security provider's Collateral on any of the above grounds and that the applicable court may determine that the Note Guarantee or Collateral should be limited or voided. To the extent that any limitations on the relevant Note Guarantees or Collateral apply, the Notes would be to that extent effectively subordinated to all liabilities of the applicable Guarantor or security provider, including trade payables of such Guarantor or security provider. Future Note Guarantees and Collateral may be subject to similar limitations.

See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests.*"

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

Because the Notes and the Note Guarantees have not been, and will not be, and are not required to be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold in the United States except to QIBs in accordance with Rule 144A, to non U.S. persons in offshore transactions in accordance with Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes in the United States and other countries comply with applicable securities laws. See "*Transfer Restrictions*."

The Notes will initially be held in book entry form and therefore investors 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 certificated form and held through Euroclear and Clearstream, as applicable.

Interests in the global Notes will trade in book entry form only, and Notes in definitive registered form, or Definitive Registered Notes (as defined herein), will be issued in exchange for book entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or holders of Notes. The common depositary, or its nominee, for Euroclear and/or Clearstream, as applicable, will be the registered holders 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 Paying Agent, which will make payments to Euroclear and/or Clearstream, as applicable. Thereafter, these payments will be credited to participants' accounts that hold book entry interests in the global Notes representing the Notes and credited by

such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, as applicable, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book entry interests. Accordingly, if investors own a book entry interest, they must rely on the procedures of Euroclear and/or Clearstream, as applicable, and if investors are not participants in Euroclear and/or Clearstream, as applicable, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if an investor owns a book entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear and/or Clearstream, as applicable. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all book entry interests, if investors own book entry interests, they will be restricted to acting through Euroclear and/or Clearstream, as applicable. The procedures to be implemented through Euroclear and/or Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "*Book Entry, Delivery and Form*."

There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any such disruption may have a negative effect on you, as a holder of Notes, regardless of our prospects and financial performance.

The Initial Purchasers have advised that they intend to make a market in the Notes after completing the Offering. However, they have no obligation to do so and may discontinue market making activities at any time without notice. In addition, such market making activity will be subject to limitations imposed by the U.S. Securities Act and other applicable laws and regulations. As a result, there may not be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

We may redeem the Notes at any time, which may adversely affect your return.

As described under "*Description of the Notes—Optional Redemption*," we have the right to redeem the Notes in whole or in part beginning on April 30, 2024, at the redemption prices set forth in this Offering Memorandum. At any time prior to April 30, 2024, we may also redeem up to 100% of the Notes at a redemption price of 100% of their principal amount plus a make-whole premium and accrued interest. In addition, at any time (i) prior to April 30, 2024, we may redeem up to 40% of the aggregate principal amount of the Notes with the net cash proceeds of certain equity offerings and (ii) at any time on or before April 30, 2024, we may redeem all, but not less than all, of the outstanding Notes (together with any Additional Notes) with the net cash proceeds from a Qualified IPO, at a redemption price equal to 105.250% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to, but excluding the redemption date. We may choose to exercise these redemption rights when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Investors may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and certain of the Guarantors (together, the "Non-U.S. Obligors") are organized or incorporated outside the United States, and their business is substantially conducted outside the United States. A majority of

the directors, managers and executive officers of the Non-U.S. Obligors are non-residents of, and substantially all of their assets are located outside of, the United States. Although the Non-U.S. Obligors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on the directors, managers and executive officers of Non-U.S. Obligors. In addition, as a substantial portion of the assets of the Non-U.S. Obligors and their subsidiaries and those of their directors, managers and executive officers are located outside of the United States, you may be unable to enforce against them judgments obtained in U.S. courts. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Non-U.S. Obligors may not be subject to the civil liability provisions of the federal securities laws of the United States.

Additionally, there is uncertainty as to whether the courts of foreign jurisdictions would enforce (i) judgments of United States courts obtained against the Non-U.S. Obligors and the directors, managers and executive officers who are not residents of the United States predicated upon the civil liability provisions of the United States federal and state securities laws or (ii) in original actions brought in such foreign jurisdictions against us or such persons predicated upon the United States federal and state securities laws.

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters, with Luxembourg and Germany. For further information see "*Service of Process and Enforcement of Civil Liabilit*es."

The Issuer may not be able to repurchase the Notes upon a change of control. In addition, under certain circumstances, the Issuer may have the right to purchase all outstanding Notes in connection with a tender offer, even if certain holders do not consent to the tender.

If a change of control (as defined in the Indenture) occurs, the Issuer will be required to make an offer to purchase all the outstanding Notes at a price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of purchase. In such a situation, the Issuer may not have enough funds to pay for all of the Notes that are tendered under any such offer. If a significant principal amount of Notes is tendered, the Issuer will likely have to obtain financing to pay for the tendered Notes. However, the Issuer may not be able to obtain such financing on acceptable terms, if at all. A change of control may also result in a mandatory prepayment under the Senior Secured Facilities Agreements and agreements governing any future indebtedness and may result in the acceleration of such indebtedness. Any failure by the Issuer to offer to purchase the Notes upon a change of control would constitute a default under the Indenture, which would, in turn, constitute a default under the Senior Secured Facilities Agreements.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganizations, restructurings, mergers, recapitalizations or other similar transactions involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a change of control as defined in the Indenture.

In addition, in connection with certain tender offers for the Notes, if holders of not less than 90% in aggregate principal amount of the applicable outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of such Issuer, purchases, all of the Notes validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right to redeem the Notes that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of Notes. See "*Description of the Notes—Optional Redemption*."

The term "all or substantially all" in the context of a change of control has no clearly established meaning under relevant law and is subject to judicial interpretation such that it may not be certain that a change of control has occurred or will occur.

Upon the occurrence of a transaction that constitutes a change of control under the Indenture, the Issuer will be required to make an offer to repurchase all outstanding Notes tendered. The definition of "change of control" in the Indenture will include (with certain exceptions) a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries (taken as a whole), to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," it has no clearly established meaning under relevant law, varies according to the facts and circumstances of the subject transaction and is subject to judicial interpretation. Accordingly, in certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a person, and therefore it may be unclear whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

We may dispose of certain assets or capital stock of entities in the Group.

We may have an interest in pursuing acquisitions, divestitures, financings, or other transactions that, in our judgment, would be beneficial to us, even if such transactions might involve risks to you as noteholders. For example, pursuant to the provisions of the Senior Secured Facilities Agreements and the Indenture, we may, under certain circumstances, sell, convey, transfer or otherwise dispose of material assets of the Group and, if meeting certain leverage ratios on a *pro forma* basis, distribute some or all of the proceeds therefrom to our shareholders. Such a transaction would not constitute a change of control or a default under the terms of the Notes. See "*Description of the Notes—Certain Covenants—Limitation on Restricted Payments*." Additionally, we may issue, sell transfer or otherwise dispose of the capital stock of entities in the Group for purposes of taking a dividend or distribution that would benefit us but not benefit you as a noteholders.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurances can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Certain covenants and events of default will be suspended if we receive investment grade ratings.

The Indenture will provide that, if at any time following the date of the Indenture, the Notes issued under such Indenture receive any two of the following ratings: Baa3 or higher from Moody's, BBB- or higher from S&P or BBB- or higher from Fitch, and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time as such Notes are no longer rated investment grade by either rating agency, certain covenants will cease to be applicable to such Notes. See "*Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status*." At any time when these covenants are suspended, we will be able to, among other things, incur additional indebtedness, pay cash dividends and redeem subordinated indebtedness without restriction, each of which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating if achieved will be maintained.

The Notes may not become or remain listed on the Official List of the Exchange.

Application will be made to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange. However, there can be no assurance that the Notes will become or remain listed on the Official List of the Exchange. If the Issuer cannot maintain the listing on the Exchange and the admission to dealing on the Official List thereof, or if it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Exchange. Listing of any of the Notes on the Official List of the Exchange does not imply that a public offering of any of the Notes in the Channel Islands or the Isle of Man has been authorized. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Exchange or another recognized listing exchange for comparable issuers, failure to be approved for listing of the Notes on the Official List of the Exchange or another recognized listing exchange or the delisting of the Notes from the Official List of the Exchange or another listing exchange may have an adverse effect on a holder's ability to resell Notes in the secondary market.

You may face foreign currency exchange as a result of investing in the Notes.

The Notes will be denominated and payable in euro. If you are a U.S. investor, an investment in the Notes will entail foreign exchange related risks due to, among other factors, possible significant changes in the value of the euro relative to the U.S. dollar because of economic, political and other factors over which we have no control. Depreciation of the euro against the U.S. dollar could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you on a U.S. dollar basis.

The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The Indenture will not be required to, and will not be, qualified under the U.S. Trust Indenture Act of 1939, as amended (the "TIA") and will not incorporate or include and will not be subject to any of the provisions of the TIA. Consequently, the holders of the Notes will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those respecting preferential collections by the trustee or conflicting interests of the trustee. See "*Description of the Notes.*"

Rights under the Notes may be adversely affected by the Foreign Account Tax Compliance Act ("FATCA"), certain Luxembourg laws implementing FATCA and the Common Reporting Standard ("CRS") in Luxembourg.

Under the terms of the Luxembourg law of 24 July 2015 (the "Luxembourg FATCA Law") and the Luxembourg law of 18 December 2015 (the "CRS Law"), the Issuer is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Issuer may require all noteholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations. Should the Issuer become subject to a withholding tax and/or penalties as a result of non-compliance under the Luxembourg FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the amount paid to the noteholders under the Notes may be materially affected. Furthermore, the Issuer may also be required to withhold tax on certain payments to the noteholders which would not be compliant with FATCA (i.e. the so-called foreign passthru payments withholding tax obligation).

Holders of the Notes may have adverse tax consequences in the event of an IPO Debt Pushdown.

Under certain circumstances, we may undertake an IPO Debt Pushdown (as described under "*Description of the Notes—IPO Debt Pushdown*"), pursuant to which the Issuer is entitled to give notice that the terms of the Debt Documents will automatically operate so that, amongst other things the Issuer (and all related provisions) will now refer to the IPO Pushdown Entity and its Restricted Subsidiaries. In such event, each holding company of the IPO Pushdown Entity would be released from its obligations under the indenture governing the Notes. Such a modification to the terms of the Notes could be treated for U.S. federal income tax purposes as a deemed exchange of (i) the Notes as in place prior to such modifications for (ii) new Notes as in place after such modifications ("New Notes"). If such modifications resulted in a deemed exchange, such a deemed exchange could be treated as a taxable transaction for U.S. federal income tax purposes in which certain beneficial owners of the Notes could be required to recognize gain or loss. Furthermore, for U.S. federal income tax purposes the New Notes deemed issued in such a deemed exchange could be treated as issued with original issue discount. In such event, U.S. Holders (as defined under "*Certain Tax Consequences—Certain U.S. Federal Income Tax Considerations*") would be required to include that original issue discount in their income as it accrues, in advance of the receipt of cash corresponding to such income. U.S. Holders should consult their own tax advisors as to the U.S. federal income tax considerations relating to modification of the Notes in connection with the IPO Debt Pushdown, including the U.S. federal income tax considerations of a deemed exchange and resulting OID, if any.

THE TRANSACTIONS

The Acquisition

On February 25/26, 2021, the Purchasers, consisting of entities indirectly controlled by the Sponsor, entered into the Sale and Purchase Agreement to acquire from the Sellers the Target Business. We currently expect the Acquisition to complete by April 30, 2021. The consummation of the Acquisition is, however, subject to the satisfaction of certain closing conditions, including customary antitrust and regulatory approvals. Under the terms of the Sale and Purchase Agreement, the Purchasers have agreed to take all necessary steps to obtain the required clearances following the signing of the Sale and Purchase Agreement. If closing has not occurred by July 31, 2021 (the "Acquisition Longstop Date"), unless the Sellers and the Purchasers have agreed in writing to postpone the Acquisition Longstop Date, the Sale and Purchase Agreement may be terminated.

The purchase price for the Acquisition and estimated repayment of the amounts outstanding under the Existing Credit Facility is approximately €3,700 million, as adjusted for certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement (the "Purchase Price"). In addition to the Purchase Price, on the Acquisition Closing Date, the German Newco will grant to the Birkenstock GmbH & Co. KG an earn-out note in an amount of €400 million, which shall become payable if certain conditions are met. BK LC Lux Midco S.à r.l. ("MidCo"), the direct shareholder of the Parent shall ultimately assume all obligations to pay the amount under the earn-out note from German Newco with full discharge.

An amount of the Purchase Price of €525 million (the "Deferred Purchase Price") will not become due and payable as of the Acquisition Closing Date and instead will be deferred by Birkenstock GmbH & Co. KG and distributed to certain of the Sellers (i) granted as an interest-bearing instrument issued by AB-Beteiligungs GmbH as lender to German Newco and then transferred by German Newco via the intermediate companies and ultimately to the Parent in the amount of €275 million (the "Shareholder's Note") and (ii) contributed by CB Beteiligungs GmbH & Co. KG ("CBB") into Midco (the "Shareholder Rollover") in the amount of €250 million, in each case, pursuant to the terms agreed between the Sellers and the Purchasers under the Sale and Purchase Agreement and subject to the entry into definitive agreements expected to be entered on the Acquisition Closing Date.

The Sale and Purchase Agreement contains customary warranties given by the Sellers as to capacity, title and certain business matters as well as customary interim operating covenants given by the Sellers regarding, among other things, the conduct of the business and the affairs of the BIRKENSTOCK Group pending closing of the Acquisition. The Sellers' liability for any breach of a warranty is subject to certain thresholds and limitations.

Furthermore, subject to certain customary exceptions, the Sellers have agreed that, for two years from the Acquisition Closing Date, neither they nor their affiliates will engage in the territory in which the Target Business is conducted as of the Acquisition Closing Date, directly or indirectly, in the field of activities in which the Target Business is active, or which the Target Business has specifically planned to become active in, as of the Acquisition Closing Date. In addition, certain members of the Birkenstock family have entered into an agreement with the Purchasers under which they undertake to comply with the non-compete obligation pursuant to the Sale and Purchase Agreement and grant the Purchasers the right to use the name "Birkenstock," subject to the Acquisition Closing Date having occurred. See "*Risks Related to Our Business—If the Birkenstock family were to start a business in competition with us and they would be entitled to use the Birkenstock name, or if our use of Birkenstock as part of our company name is blocked as a consequence of challenges raised by the Birkenstock family, our business may be materially adversely affected*."

The Issuer is indirectly acquiring the Target Business through its subsidiary, Lux SPV, which has acquired German Newco, a shell company formed by the Sellers' advisors for purposes of the Acquisition, from the Sellers' advisors. German Newco will, directly or indirectly, acquire the Birkenstock Transferred Entities. See "*Summary—The Transactions*." Substantially all of the BIRKENSTOCK Group's operations and assets other than the Excluded Business are included in the Acquisition Perimeter. Prior to the Acquisition Closing Date, the Issuer will not have control over the board of directors of the Birkenstock Transferred Entities. Prior to the Acquisition Closing Date, the board of directors of the Birkenstock Transferred Entities will be required to manage the Group under its own responsibility and in a manner that is in the best interests of the Group. See "*Risk Factors—Risks Related to the Transactions—The Issuer does not currently control the Birkenstock Transferred Entities and will not control the Birkenstock Transferred Entities until the Acquisition Closing Date*."

Sources and Uses for the Acquisition

The funding for the Acquisition, the repayment of the Existing Credit Facility and the payment of related fees and expenses and other costs related to the Transactions consist of proceeds from the following sources:

- (i) equity contributions from the Sponsors and other co-investors in the form of subscription to ordinary equity shares equaling approximately €1,780 million and contributed to German Newco through intermediate holding companies (the "Equity Contribution") and (ii) the deferred consideration in the form of the Shareholder's Note and the Shareholder Rollover; and
- (i) drawings under the Senior Term Facilities in an aggregate amount of €1,077 million (equivalent) and (ii) the proceeds from the offering of the Notes offered hereby.

The notional sources and uses necessary to consummate the Acquisition are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including the actual Acquisition Closing Date, the actual purchase price for the Acquisition, the actual amounts outstanding under the Existing Credit Facility on the Acquisition Closing Date (including any accrued and unpaid interest thereon and any other prepayment premiums), any fluctuations in currency exchange rates for amounts not denominated in euro, the amount of the Equity Contribution or other available sources of cash and differences between estimated and actual fees and expenses. In particular, the purchase price under the Sale and Purchase Agreement is subject to certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement.

The table below should be read in conjunction with "*Description of the Notes*" and "*Capitalization*."

Sources of Funds	**Amount**	**Uses of Funds**	**Amount**
(in € million, unaudited)			
Senior Term Facilities[(1)]	1,077	Purchase Price and repayment of existing debt[(6)]	3,700
Notes offered hereby[(2)]	430	Cash to balance sheet	27
Shareholder's Note[(3)]	275	Transaction fees and expenses[(7)]	85
Shareholder Rollover[(4)]	250		
Equity Contribution[(5)]	1,780		
Total sources	**3,812**	**Total uses**	**3,812**

(1) Represents the euro-equivalent aggregate principal amount we expect to draw under the Senior Term Facilities on or about the Acquisition Closing Date. The Senior Term Facilities are comprised of the EUR TLB Facility in an amount of €375 million and the USD TLB Facility in an amount of $850 million (€702 million equivalent).

(2) Represents the aggregate principal amount of the Notes offered hereby.

(3) Represents a portion of the Deferred Purchase Price granted as the Shareholder's Note, the cash proceeds of which will be contributed to the Issuer in the form of equity and/or subordinated shareholder funding. See "*The Transactions*."

(4) Represents a portion of the Deferred Purchase Price contributed by one of the Sellers, CB Beteiligungs GmbH & Co. KG, into Midco, the cash proceeds of which will be contributed to the Issuer in the form of equity and/or subordinated shareholder funding. See "*The Transactions*."

(5) Represents the expected equity contributions from the Sponsor and other co-investors in the form of subscription to ordinary equity shares and/or subordinated shareholder funding.

(6) Represents the agreed consideration payable to the Sellers pursuant to the Sale and Purchase Agreement, as adjusted for our estimates of certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement, and the estimated amount to prepay in full all outstanding indebtedness under the Existing Credit Facility. The Purchase Price will be paid in cash at closing, other than the Deferred Purchase Price which will be deferred pursuant to the terms of the Shareholder's Note and the terms of the rollover contributed by one of the Sellers to Midco. The Existing Credit Facility and any interest swaps related thereto will be terminated effective as of the Acquisition Closing Date. See "*The Transactions*."

(7) Represents estimated fees and expenses associated with the Transactions, including underwriting, financial advisory, legal, accounting, ratings advisory and other transaction costs and professional fees (but excluding net interest expense that will accrue on proceeds of the Notes to the extent that they are deposited into escrow).

Escrow Account

If the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the

Offering of the Notes into the Escrow Account in the name of the Issuer. To the extent the proceeds of the Offering are deposited into the Escrow Account, the Escrow Account will be controlled by the Escrow Agent and will be pledged on a first-priority basis in favor of the Trustee on behalf of the holders of the Notes. See "*Summary—The Offering—Collateral*." If and to the extent the Issue Date is expected to occur within three business days prior to the Acquisition Closing Date, the Issuer shall not be required to deposit cash equal to the gross proceeds of the Notes sold on the Issue Date into the Escrow Account.

The release of the Escrowed Property from the Escrow Account is subject to the satisfaction of certain conditions, including that the funds required to pay the consideration for the Acquisition will be applied promptly (and in any event within three business days). See *"Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*." If these conditions are not satisfied on or before the Escrow Longstop Date or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price for the Notes will be equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of such special mandatory redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Risk Factors—Risks Related to the Transactions—If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, but the Escrow Account may not have sufficient funds to cover such redemption without relying on funding from the Parent."*

In the event of a special mandatory redemption, the Parent will be required to fund the Issuer in such aggregate amounts as are required in order to enable the Issuer to pay any funding shortfall, including Escrow Account fees, negative interest on the Escrow Account's balances, costs and accrued and unpaid interest and additional amounts, if any, owing to the holders of the Notes on such special mandatory redemption date. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" *and "Risk Factors—Risks Related to the Transactions—If the conditions precedent to the release of the Escrowed Property are not satisfied, the Issuer will be required to redeem the Notes, but the Escrow Account may not have sufficient funds to cover such redemption without relying on funding from the Parent.*"

USE OF PROCEEDS

The gross proceeds from the Offering will be €430 million. The proceeds from the Offering of the Notes, together with borrowings under the Senior Term Facilities, the proceeds from the Shareholder's Note, the Shareholder Rollover and the Equity Contribution will be used (i) to fund the consideration payable for the Acquisition, (ii) to repay all amounts outstanding under the Existing Credit Facility, (iii) for cash overfunding and (iv) to pay the fees and expenses incurred in connection with the Transactions

The notional sources and uses necessary to consummate the Transactions are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including the actual Acquisition Closing Date, the actual purchase price for the Acquisition, the actual amounts outstanding under the Existing Credit Facility on the Acquisition Closing Date (including any accrued and unpaid interest thereon and any other prepayment premiums), any fluctuations in currency exchange rates for amounts not denominated in euro, the amount of the Equity Contribution or other available sources of cash and differences between estimated and actual fees and expenses. In particular, the purchase price under the Sale and Purchase Agreement is subject to certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement.

The table below should be read in conjunction with "*Description of the Notes*" and "*Capitalization*."

Sources of Funds	Amount (in € million, unaudited)	Uses of Funds	Amount (in € million, unaudited)
Senior Term Facilities[(1)]	1,077	Purchase Price and the repayment of existing debt[(6)]	3,700
Notes offered hereby[(2)]	430	Cash to balance sheet	27
Shareholder's Note[(3)]	275	Transaction fees and expenses[(7)]	85
Shareholder Rollover[(4)]	250		
Equity Contribution[(5)]	1,780		
Total sources	**3,812**	**Total uses**	**3,812**

(1) Represents the euro-equivalent aggregate principal amount we expect to draw under the Senior Term Facilities on or about the Acquisition Closing Date. The Senior Term Facilities are comprised of the EUR TLB Facility in an amount of €375 million and the USD TLB Facility in an amount of $850 million (€702 million equivalent).

(2) Represents the aggregate principal amount of the Notes offered hereby.

(3) Represents a portion of the Deferred Purchase Price granted as the Shareholder's Note, the cash proceeds of which will be contributed to the Issuer in the form of equity and/or subordinated shareholder funding. See "*The Transactions*."

(4) Represents a portion of the Deferred Purchase Price contributed by one of the Sellers, CB Beteiligungs GmbH & Co. KG, into Midco, the cash proceeds of which will be contributed to the Issuer in the form of equity and/or subordinated shareholder funding. See "*The Transactions*."

(5) Represents the expected equity contributions from the Sponsor and other co-investors in the form of subscription to ordinary equity shares and/or subordinated shareholder funding.

(6) Represents the agreed consideration payable to the Sellers pursuant to the Sale and Purchase Agreement, as adjusted for our estimates of certain notified cash leakage items and certain other adjustments required under the Sale and Purchase Agreement, and the estimated amount to prepay in full all outstanding indebtedness under the Existing Credit Facility. The Purchase Price will be paid in cash at closing, other than the Deferred Purchase Price which will be deferred pursuant to the terms of the Shareholder's Note and the terms of the rollover contributed by one of the Sellers to Midco. The Existing Credit Facility and any interest swaps related thereto will be terminated effective as of the Acquisition Closing Date. See "*The Transactions*."

(7) Represents estimated fees and expenses associated with the Transactions, including underwriting, financial advisory, legal, accounting, ratings advisory and other transaction costs and professional fees (but excluding net interest expense that will accrue on proceeds of the Notes to the extent that they are deposited into escrow).

CAPITALIZATION

The following table sets forth the cash on hand and bank balance and the capitalization of (i) Birkenstock GmbH & Co. KG as of December 31, 2020 on an actual basis and (ii) the Issuer as of December 31, 2020 as adjusted to give pro forma effect to the completion of the Transactions, including the application of the proceeds from the Offering as described in, and subject to the assumptions of, "*Use of Proceeds*," as if these events had occurred on December 31, 2020, unless otherwise described below, in each case, on the basis of German GAAP. The adjustments are based on available information and contain assumptions made by our management. The actual amount of cash on hand and bank balances as of the Issue Date may vary from this amount due to a number of factors. Amounts of indebtedness shown in the following table represent principal amounts and exclude lease liabilities and operational guarantees.

You should read this table in conjunction with "*Presentation of Financial and Other Information,*" "*Use of Proceeds*," *"Management's Discussion and Analysis of Financial Condition and Results of Operations,*" "*Description of Certain Financing Arrangements*," "*Description of the Notes*" and the Financial Statements included elsewhere in this offering memorandum.

	Birkenstock GmbH & Co. KG	Issuer
	As of December 31, 2020	
(in € million, unaudited)	**Actual**	**As Adjusted**
Cash on hand and bank balances[1]	**80.0**	**27.0**
Senior Term Facilities[2]	—	1,077.0
Existing Credit Facility[3]	100.0	—
Total senior secured indebtedness	**100.0**	**1,077.0**
Existing real estate facilities[4]	1.6	1.6
Notes offered hereby[5]	—	430.0
Total third-party indebtedness	**101.6**	**1,508.6**
Subordinated shareholder funding[6]	—	275.0
Equity[7]	461.8	2,030.0
Total capitalization	**563.4**	**3,813.6**

(1) The actual amount of cash on hand and bank balances as of the Issue Date may vary from the amount as of December 31, 2020 as actual cash balances have decreased as we build up stock to prepare for the spring and summer periods. As adjusted cash on hand and bank balances represents the cash that is expected to be left on the balance sheet following the Transactions. See "*Use of Proceeds*."

(2) Represents (i) the aggregate principal amount expected to be drawn under the EUR TLB Facility on or prior to the Acquisition Closing Date and (ii) the euro-equivalent of the aggregate principal amount expected to be drawn under the USD TLB Facility on or prior to the Acquisition Closing Date to be drawn in U.S. dollars at an agreed exchange rate. We also expect to enter into the ABL Facility Agreement on or about the Acquisition Closing Date, under which an ABL Facility is expected to be made available in the amount of approximately €200 million (equivalent).

(3) The actual column represents the obligations outstanding under the Existing Credit Facility as of December 31, 2020. Drawings under the Existing Credit Facility are expected to be higher on the Acquisition Closing Date. In connection with the Transactions, we will prepay such obligations in full, cancel all commitments under and terminate the Existing Credit Facility and terminate and release the related guarantees and security.

(4) Represents the amount outstanding under the existing Real Estate Facilities that BS Immobilien GmbH & Co. KG has outstanding with DZ Bank and Commerzbank Aktiengesellschaft that are expected to remain in place following the Transactions.

(5) Represents the aggregate principal amount of the Notes offered hereby.

(6) Represents the subordinated proceeds loan entered into between the Issuer and the Parent in connection with the the Deferred Purchase Price related to the Shareholders' Note. See "*The Transactions*" and "*Summary—Summary Corporate and Financing Structure*."

(7) As adjusted equity represents €1,780 million of the expected Equity Contributions from the Sponsor, other co-investors and management and the Shareholder Rollover in an amount of €250 million. The Equity Contribution and the Shareholder Rollover will be contributed to the Issuer in the form of equity. The amount of the equity contributions from the Sponsor and certain of its co-investors may be increased or decreased if the amount of drawings under the Existing Credit Facility, fees and expenses are greater or less than our current estimate.

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

The discussion and analysis below provide information that we believe is relevant to an assessment and understanding of our historical financial position and results of operations. Substantially all of the BIRKENSTOCK Group's operations and assets, other than the Excluded Business, are included in the Acquisition Perimeter. Accordingly, the financial and operating results, material indebtedness and business operations of the Acquisition Perimeter and Birkenstock GmbH & Co KG and its consolidated subsidiaries are substantially the same. Therefore, all historical financial information presented in this offering memorandum is that of Birkenstock GmbH & Co KG and its subsidiaries. Accordingly, all references to "we," "us," "our" or the "Group" in respect of historical financial information in this offering memorandum are to Birkenstock GmbH & Co KG and its subsidiaries on a consolidated basis. You should read this discussion and analysis in conjunction with the Financial Statements included elsewhere in this offering memorandum and the section entitled "Presentation of Financial and Other Information" and "Summary—Summary Financial and Other Data." Birkenstock GmbH & Co. KG's historical results are not necessarily indicative of the results that should be expected in the future, and its interim results are not necessarily indicative of the results that should be expected for the financial year ended September 30, 2021 or any other future period.

This section includes forward-looking statements, including those concerning future sales, costs, capital expenditures and financial condition. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied by such forward-looking statements. Results of operations for prior financial periods are not necessarily indicative of the results to be expected for the current or any future period. See "Forward-looking Statements" and "Risk Factors."

The following discussion of our results of operations also makes reference to certain Non-GAAP Measures. Prospective investors should bear in mind that these Non-GAAP Measures are not financial measures defined in accordance with German GAAP, may not be comparable to other similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under German GAAP. See "Presentation of Financial and Other Information—Non-GAAP Financial Measures."

Where financial information in the following tables is presented as "audited," it indicates that the financial information has been taken from the Audited Financial Statements. The label "unaudited" is used in the following tables to indicate financial information that (i) has not been taken, but derived from the Audited Financial Statements, (ii) has been taken or derived from the Unaudited Interim Condensed Consolidated Financial Statements, (iii) has been taken or derived from the Company's accounting records or (iv) has been taken or derived from Birkenstock GmbH & Co. KG's internal management reporting systems.

Unless otherwise indicated, financial information presented in the text and tables below is shown in million euro, commercially rounded to a whole number. Absolute changes, percentage changes and ratios in the text and tables below are calculated based on the respective numbers as presented and then commercially rounded to a whole percentage or to one digit after the decimal point. Because of rounding, figures shown in tables below do not necessarily add up exactly to the respective totals or sub-totals presented, and percentages may not reflect underlying numbers or may not exactly equal 100% when aggregated. Furthermore, these rounded figures may vary marginally from unrounded figures presented elsewhere in this offering memorandum. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial information set out below, a dash ("—") signifies that the relevant figure is not available, while a zero ("0") or nil signifies that the relevant figure is available but has been rounded to or equals zero.

Overview

We are an iconic brand globally renowned for crafting high quality, durable footwear that enriches the health and wellbeing of our customers' lives. With a proud heritage that dates back to our founding in 1774 in Langen-Bernheim, Germany, BIRKENSTOCK has evolved into one of the foremost footwear brands in the world, selling approximately 23 million units in nearly 100 countries worldwide and generating €753.8 million of revenues and Adjusted EBITDA of €213.3 million for the twelve months ended December 31, 2020.

We are best known as the inventors of the contoured footbed which, rooted in orthopedic theory, encourages proper foot wellbeing, reduces pressure points, and re-emphasizes natural walking. Today, we use this legendary

footbed across all our footwear styles, several of which have developed significant global recognition and acclaim of their own. While we have a deep and diversified assortment comprised of hundreds of styles, our five "core classics"—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—generated nearly 75% of our annual revenues for FY 2020 and continue to enjoy significant global consumer demand today. In fact, the BIRKENSTOCK Arizona was the number one searched shoe in the world in Q2 2020, while our shearling-lined Boston clogs ranked as the number two most-searched women's shoe in Q4 2020, according to public industry sources.

We believe that how things are made matters as much as the product itself; we make our products with deep respect for German and European standards for ethical, social, and environmental responsibility. To that end, we maintain strict controls over our entire supply chain—from carefully selecting high quality, sustainable materials from our largely European supply base to hand-finishing our products in our five owned manufacturing facilities across Germany—and a relentless focus on creating well-made, functional, and durable products. As a consequence of our focus on quality craftsmanship, we proudly employ 3,137 skilled laborers across Germany and represent the largest employer in the German footwear industry.

Our unwavering commitment to creating functional products with integrity throughout our nearly 250-year history has enabled us to build an unparalleled brand reputation. Today, the BIRKENSTOCK brand has become synonymous with the highest standards of quality, durability, and craftsmanship, enabling us to engender best-in-class levels of consumer loyalty and trust. As one of the original inclusive brands, we are proud of the fact that our brand and products are worn and loved by consumers around the world, regardless of age, gender, income, and race.

The breadth of our brand and the loyalty of our global fan base have enabled us to operate from the peculiar but privileged position where demand for our products has historically exceeded supply. This dynamic has allowed us to create scarcity in the market and control our brand while simultaneously driving highly predictable and consistent growth—even through the COVID-19 pandemic—as demonstrated by the compound annual growth rate of our revenues of approximately 10% from FY 2017 (giving effect to the Birkenstock USA Reorganization) to FY 2020. This growth has been broad-based across most channels and geographies—though we have seen meaningful recent acceleration in our owned direct-to-consumer ("DTC") channels, which have rapidly expanded from approximately 18% of revenues in FY 2018 to approximately 32% of revenues in the twelve months ended December 31, 2020. We believe that DTC channels—in particular, our owned e-commerce channel—will continue to generate an increasing portion of our revenues and profits going forward.

Key Factors Affecting Our Results of Operations

We believe that the factors discussed below have significantly affected our results of operations, financial condition and cash flow in the historical periods for which financial information is presented in this offering memorandum, and that these factors will continue to have a material influence on our results of operations, financial condition and cash flow in the future.

Strength of the BIRKENSTOCK brand

The broader global footwear market is highly fragmented, with the top five players accounting for less than 25% of market share according to Euromonitor and except for the sports shoe sector, is largely comprised of no-name products and own labels. Branded shoes constitute a smaller proportion of the global market in which competition is primarily based on brand awareness, product functionality, quality and durability, design and comfort, marketing and distribution. Our longstanding commitment to creating products of the highest quality has enabled us to establish a strong brand reputation and enables us to be a dominant player in the sandal category. We face more competition in the closed-toe shoe category, but we differentiate our products through functional features, our signature footbed, our distinctive designs, and our brand.

The strength of our brand has resulted in a highly engaged and loyal fan base, allowing us to enjoy high customer retention rates. BIRKENSTOCK is the number one most trusted brand according to a third party footwear survey among recent casual footwear purchasers and it also ranked number one in a variety of key attributes indicative of durability and craftsmanship. In addition, approximately 69% of surveyed customers indicated they own more than one pair of BIRKENSTOCKs in a third-party survey and approximately 90% of recent surveyed BIRKENSTOCK purchasers indicated a desire to repurchase our products. In addition, the distinctive and instantly recognizable aesthetic of our products has enabled us to create categories of our own, a

phenomenon that has resulted in a significant competitive advantage. Approximately 51% of recently surveyed BIRKENSTOCK purchasers over the last two years did not consider purchasing any other brand. Our growth during the periods under review reflects our increasing brand reputation and customer demand that has been converted into sales and that we expect to continue to drive growth.

Expansion of direct-to-consumer channels

Our revenues are impacted by the proportion of our sales made through our wholesale channel and our direct-to-consumer channels. Our largest distribution channel is wholesale, which comprises our direct business with retail partners and our relationships with distribution partners in certain markets, playing an important role in providing physical distribution and increasing our brand awareness globally. However, we have seen meaningful recent acceleration in our DTC owned e-commerce and retail channels, which have rapidly expanded from 15.5% of revenues in FY 2017 to 29.6% of revenues in FY 2020. The DTC acceleration has been driven primarily by our e-commerce channel, which has grown at a 47% compounded annual growth rate between FY 2018 and FY 2020. Our average selling prices are higher for our products sold through DTC channels, with the highest being achieved by sales through our e-commerce channel. As a result, our direct-to-consumer distribution strategy drives a natural average selling price uplift as we retain a larger portion of the margins than when we sell through our wholesale partners. Our revenues grew period-on-period from €648.3 million in FY 2018 to €730.5 million in FY 2020, primarily due to the expansion of our e-commerce sales channel. In FY 2020, even though the number of units sold decreased, our revenues increased primarily due to the growth in e-commerce sales, which grew by approximately 80% as compared to FY 2019 and offset decreases in revenues in our wholesale and retail channels that resulted from the closures of retail stores caused by lockdown measures implemented in response to the COVID-19 pandemic.

The pace of our DTC channel expansion also drives variation in average selling prices across our regional hubs with the Americas being the highest, largely due to the growth of our e-commerce channel in the United States, while ASPA and MEAI have lower average selling prices due to the larger proportion of wholesale sales and higher sales of EVA products due to the climates of the countries located in these regions. As we continue to apply our direct-to-consumer strategy and takeover distribution in Europe and Asia, we expect that DTC—in particular, our owned e-commerce channel—will generate an increasing portion of our revenues and profits going forward. For FY 2020, revenues from our DTC channel represented 34%, 31%, 10% and less than 1% of our revenues in Americas, Europe, ASPA and MEAI, respectively.

Sales volume, product mix and pricing

We generate our revenues through sales of our high quality, durable footwear that we produce in our five owned manufacturing facilities across central Germany with supplies from our largely European supply base. While we have a deep and diversified assortment comprised of hundreds of styles, our five core classics—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—generated the vast majority of our revenues, contributing nearly 75% of in FY 2020. We sold approximately 23.5 million units in FY 2018, 25.1 million units in FY 2019, 23.0 million units in FY 2020 and 23.0 million units in the twelve months ended December 31, 2020, and approximately 3.6 million units and 3.6 million units in the three months ended December 31, 2020 and 2019, respectively. In the periods under review, sales volumes were driven by increased sales in our e-commerce channel. While volumes decreased in FY 2020 as compared to FY 2019 due to lower sales to wholesale and decreased retail sales as a result of retail store closures related to the lockdown measures imposed by various governments in response to the COVID-19 pandemic, sales have recovered in the three months ended December 31, 2020 and increased compared to the prior year period.

Our product mix also impacts our revenues as we offer products across the pricing spectrum, ranging from €40 for our EVA products up to €400 for products from our premium 1774 collection. Most of our core classics sell in the €75-100 range, which we believe to be a democratic and achievable price point for much of the general population. Demand for our products has historically exceeded supply, which has supported our average selling prices and enabled us to create scarcity in the market, control our brand image and limit any discounting activity. We further drive average selling prices by increasing the mix of our premium products, such silhouettes made with premium materials and our exquisite models. Our growing closed-toe shoe assortment also has a positive impact on product mix given higher average selling prices and broader applicability across different seasons and usage occasions. For example, revenues from sales of the Boston silhouette, a clog originally introduced in 1978, have grown at a compounded annual growth rate of 13% between FY 2016 and FY 2020, as we expanded the style count and more prominently showcased the Boston in our e-commerce and retail channels.

The COVID-19 Pandemic

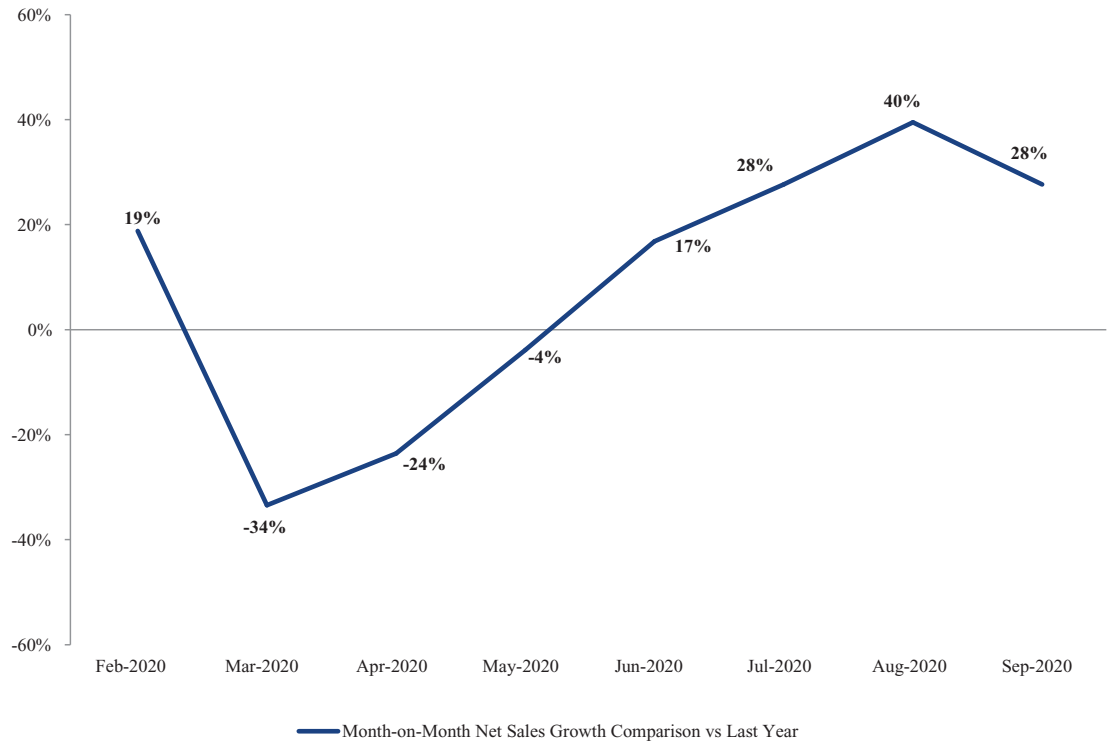
The COVID-19 outbreak significantly impacted our operational and financial performance for FY 2020 and the three months ended December 31, 2020. In particular, following the outbreak of COVID-19, we recorded a decrease in sales volumes and related revenues in our wholesale and retail channels, due in large part to temporary closures of our owned retail stores and the stores of our wholesale partners in response to lockdown orders imposed by local, regional and national governments. Store closures during the months of April and May and November and December in 2020 had approximately a €2.7 million impact on our net income. However, this decrease was offset by the growth in our e-commerce channel, resulting in an overall increase of our revenues in FY 2020 as compared to FY 2019. The increase in revenues was further driven by additional sales in the fourth quarter of FY 2020 from re-orders in the wholesale channel and the re-opening of retail stores in Europe between May and September when the lockdown measures were lifted. The COVID-19 pandemic accelerated our ongoing shift to DTC sales through the expansion of our e-commerce channel, which has also had the effect of increasing our cash balances due to the increased amount of directly paid orders. EBIT and EBIT margin also increased as a result of the growth in our e-commerce channel and certain cost savings measures in FY 2020. We also received short-time working compensation (*KUG*) from the German government's employment agency in the amount of €6.1 million for FY 2020. We introduced a number of early and comprehensive measures in response to the COVID-19 pandemic to safeguard our liquidity, including temporary cost controls related to travel and entertainment, curtailment of consulting spend, and changes in shipment to wholesalers on normal credit terms

We initiated a shutdown of production at four of our production sites, Görlitz, Strödt, Bernstadt and Steinau-Ürzell beginning in April 2020. While production resumed at three of our sites in late May or early June of 2020, the downtime at the Steinau-Ürzell site continued until September 2020. The production shutdown resulted in unplanned idle costs of €16.7 million (excluding idle costs assumed in budget or outside the shutdown period) related to personnel expenses, depreciation and other fixed costs related to the production facilities. In the three months ended December 31, 2020, we significantly ramped up production to replenish depleted inventory levels. The average cost per unit increased significantly in the period that our production sites were closed compared to normal levels. We incurred additional costs associated with stocking raw materials in March 2020 in anticipation of delays and supply chain disruptions. In connection with the temporary shutdowns, we let go of our temporary workforce, but were unable to re-hire much of the same talent upon re-opening. As a result, we incurred one-time training costs of €3.2 million for FY 2020 in respect of temporary workers hired on reopening. We also incurred other costs of €0.4 million primarily related to the deep-cleaning and disinfection of production sites and offices and purchasing face masks for our employees.

The below graph shows a month-on-month revenue growth comparison compared to the same periods for the previous year during the COVID-19 pandemic between February and September 2020:

Resilient Performance During Covid-19 Crisis

€m	Feb -2020	Mar-2020	Apr-2020	May-2020	Jun -2020	Jul -2020	Aug -2020	Sep -2020
Net Monthly Revenues	90.8	59.2	61.3	65.4	78.5	93.5	64.5	46.9



Source: Company information
Note: Company financials reported using German GAAP.

As a result of the significant impact of the COVID-19 pandemic on our results of operations, the comparability of our results for FY 2020 and the three months ended December 31, 2020 with the relevant corresponding periods in 2019 and the comparability with future periods may be limited. See "*Summary—Recent Developments—COVID-19 Update*" for additional information on the measures we implemented and our financial performance following the outbreak of the COVID-19.

Costs of materials and other expenses

Our costs of materials primarily relate to raw materials, supplies and purchased merchandise as well as to expenditure for purchased services, such as temporary personnel services. Our cost of raw materials, consumables, supplies and purchased merchandise comprised 88.2% of our costs of materials for the twelve months ended December 31, 2020. Our primary raw materials, which relate to the components used for manufacturing uppers and footbeds, include upper and cover leather, synthetic materials (such as Birko-Flor®, felt and textiles), buckles, cork, rubber, jute, soling sheets for the production of outsoles, EVA and polyurethane. Our other supplies and auxiliary materials mainly comprise stamps, soft foam bedding and shanks for the production of footbeds, and adhesives, rivets, and packaging materials, such as paper shoeboxes, tissue paper and labels. Volatility, price increases and the availability of raw materials, particularly leather, jute and cork, impact our margins and affect our financial results. We manage volatility and price increases through our long-term relationships with suppliers and by entering into longer-term supply contracts. In addition, our breadth of suppliers allows us greater control of our cost base as demonstrated by the reduction in our Material Unit Costs from €7.7 in FY 2018 to €6.5 in FY 2020, representing a decrease of 16%.

We also incur personnel expenses, including wages, salaries and social security contributions and other operating expenses for freight and logistics, marketing, legal and consulting fees and maintenance and repair of

machinery and buildings, rentals and leasing. Wages and salaries make up the largest portion of our personnel expenses, being 86.3% of such expenses for the twelve months ended December 30, 2020. Freight and logistics make up the largest portion of our other operating expenses, being 29.2% of such expenses for FY 2020.

Raw materials costs for our key raw materials increased in FY 2019 as we used a greater amount of premium materials but remained stable between FY 2019 and FY 2020. We also began using an SAP-based purchasing function in FY 2018 that allows us to place orders more systematically, resulting in more precise allocation of purchases to material categories, thus enabling us to react to and partially mitigate any adverse effects resulting from increases in costs. Personnel costs increased from FY 2018 to FY 2019 due to employees hired in the Americas and retail store openings in Europe to support future business growth, but largely remained stable from FY 2019 to FY 2020 and in the three months ended December 31, 2019 and 2020. As a percentage of revenue, our cost of materials and personnel costs decreased during the periods under review primarily as a result of the increase in sales in the higher margin DTC channels, which has resulted in higher margins in the business overall. In FY 2020, we experienced a sharp decrease in costs of materials as a percentage of revenues due to the strong growth in sales through our e-commerce, particularly in the United States, and – to a lesser extent – the reduction in temporary workers while our production facilities were shut down due to the COVID-19 pandemic. Other operating expenses increased during each of the periods under review due in large part to our DTC strategy. The increased sales in our e-commerce sales channel resulted in higher freight and logistics expenses due to more expensive single pick shipments. The opening of retails stores in FY 2020 also increased our expenses.

We consider approximately half of our costs to be fixed costs and half of our costs to be variable costs. Of our fixed costs, approximately half are semi-variable as we can reduce them in the short-term as demonstrated by our cost savings measures undertaken in response to the COVID-19 pandemic where we were able to reduce expenses related to temporary workers in the short-term to control costs while our production facilities were temporarily closed.

Seasonality

We experience seasonal fluctuations in our revenues as a majority of our products are sandals. The seasonal nature of our business is broadly similar across geographies and sales channels with wholesale seeing an increase in sales slightly earlier in the spring months, while sales in the direct-to-consumer channels increase in the summer. Between October and March, we manufacture sandals and shoes for the wholesale channel, and during the first few months of the calendar year we rely on our built-up stock for our sales to wholesale partners. Starting in March and during the warmer months of the year, demand for our products from the direct-to-consumer channels increases. In FY 2020, 54.9% of our sales occurred in the second half of the financial year (March to September). We also incur significant additional expenses in advance of and during this period in anticipation of higher sales during that period, including the cost of additional inventory, which is stored on palettes in our warehouses until shipped, fixed cost such as rent and leases for retail shops and outlets as well as depreciation and amortization of production plants that were temporarily closed during FY 2020. We have focused on balancing our seasonality through our strategic focus on entering and expanding certain product categories, including closed-toe shoes, professional/orthopedic, kids, and adventure. See "*Risk Factors—Risks Related to Our Business—Our business is affected by seasonality and weather conditions, which could result in fluctuations in our operating results.*"

Currency Exchange Rate Fluctuations

We operate and sell products globally, and, as a result, we generate a portion of our sales and incur a portion of our expenses in currencies other than our functional currency, euro, which are primarily U.S. dollars, Japanese yen, British pounds and Canadian dollars. As a result of our significant presence in the United States, we are particularly exposed to fluctuations in the exchange rate of the U.S. dollar, and following the Transactions, a large portion of our indebtedness will be denominated in U.S. dollars. For the twelve months ended December 31, 2020, approximately 52% of our revenues were in currencies other than euro, primarily in U.S. dollar. We are also exposed to currency exchange risks as a result of an increasing amount of invoicing being done in local currency, particularly by our subsidiaries in the United States. We aim to manage our currency exposure through our hedging strategy. Management annually evaluates the budget rates for the following business year and the further hedging strategy against the background of the respective market outlook to determine the overall activities for the next business year. We adjust the hedging strategy from time to time during the course of the year as may be needed. In the past three years the hedging arrangements for euro to U.S. dollar covered approximately between 50% to 70% of the expected U.S. dollar exposure. See also note VI in the 2020 Financial Statements.

We are also subject to currency translation exposure because the revenues, expenses, assets and liabilities of many of our operating subsidiaries are reported in such subsidiary's functional currency and are then translated into euro, our reporting currency, at closing exchange rates for the period for asset and liabilities and at the average rates for profits and losses. Fluctuations in exchange rates against the euro will give rise to differences and as many of our subsidiaries report in currencies other than the euro, these fluctuations may be significant. A weakening euro will result in translation profits and, conversely, a strengthening euro will result in translation losses.

During the periods under review, fluctuations in the U.S. dollar to euro exchange rate result in net foreign exchange losses in FY 2018 and in FY 2020 but net foreign exchange gains in FY 2019.

Factors Affecting Comparability of Our Financial Statements

Consolidation of the Birkenstock USA entities

Following the merger of the limited partnership shares of Footwear Distribution GmbH & Co. KG into, and the acquisition of shares in Footwear Beteiligungs GmbH by, Birkenstock GmbH & Co. KG, we consolidated the balance sheets of the Birkenstock USA entities into our balance sheet as of September 30, 2017 and the income statements of the Birkenstock USA entities were consolidated into our income statement for the first time in FY 2018. As a result, the financial information for FY 2018 and subsequent periods is not fully comparable to our financial information for any prior period.

Impact of the Transactions

On February 25/26, 2021, a subsidiary of the Issuer entered into the Sale and Purchase Agreement to acquire the Target Business comprising the Acquisition Perimeter. See "*Summary—The Transactions*." The Acquisition Perimeter includes substantially all of the BIRKENSTOCK Group's operations and assets other than the Excluded Business. Consequently, our consolidated financial information following the Transactions will not be fully comparable with our historical consolidated financial information due to, among other things, (i) changes to goodwill that may result from the Acquisition, (ii) additional interest expense associated with the financing of the Transactions (including the refinancing of certain of our existing debt), and (iii) changes to the level of consolidation of our results in the future. See "*Presentation of Financial and Other Information—Historical Financial Information—Comparability of the Financial Statements*."

Key Line Items in Our Income Statements

Set forth below is a description of the key line items presented in our income statement. Our key line items are reported on the basis of uniform accounting policies that are implemented at each entity within our scope of consolidation.

Revenues

Revenues primarily includes revenues generated from the sale of products and services rendered, from contracts with customers, primarily related to the sale of shoes.

Changes in finished goods and work in progress

Changes in finished goods and work in progress present the difference of the related balance sheet line items from the start of the reporting period compared to the end of such reporting period.

Other operating income

Other operating income includes, in particular, income relating to other periods from the reversal of provisions made and income from currency translation differences.

Cost of materials

Cost of materials comprises mainly expenditure on raw materials and supplies and for purchased merchandise as as well as for expenditure for purchased services, in particular temporary personnel services.

Personnel expenses

Personnel expenses primarily comprise wages and salary expenses as well as expenses relating to social security contributions, pensions and other benefits.

Other operating expenses

The main items generally included in other operating expenses are: (i) freight and logistics expenses, (ii) legal and consulting fees, (iii) advertising expenses, (iv) rental and leasing expenses for real estate, and (v) expenses relating to other periods (which include, in particular, warranty expenses, payments of professional association contributions from previous years, and expenses from currency translation).

Taxes on income

Taxes on income include current income tax and income from deferred tax.

Results of Operations

Three months ended December 31, 2020 compared to the three months ended December 31, 2019

The table below sets forth our consolidated income statement and the period on period percentage of change for the three months ended December 31, 2019 and 2020.

	Three months ended December 31,		Change in %
	2019	2020	
(in € million)		(unaudited)	
Revenues	**104.0**	**127.3**	**22.5%**
Change in finished goods and work in progress	44.0	36.4	(17.4%)
Other operating income	3.4	5.0	48.3%
Cost of materials	(43.4)	(55.9)	28.7%
Cost of raw materials, consumables and supplies and purchased merchandise	(39.2)	(46.7)	19.2%
Cost of purchased services	(4.2)	(9.2)	117.0%
Personnel expenses	(42.2)	(42.2)	0.0%
Wages and salaries	(36.3)	(36.6)	0.8%
Social security contributions, pensions and other benefits of which relating to pensions €0.1 million (prior year €0.1 million)	(5.9)	(5.6)	(4.7%)
Amortization of intangible assets and depreciation on tangible assets	(7.0)	(6.9)	(1.8%)
Other operating expenses	(44.7)	(52.7)	18.0%
Other interest and similar income	0.1	0.0	(78.2%)
Interest and similar expenses of which from compounding provisions €0.0 million (prior year €0.0 million)	(0.3)	(0.5)	59.2%
Taxes on income	(2.3)	(1.7)	(22.8%)
Result after taxes	**11.7**	**8.9**	**(23.9%)**
Other taxes	0.0	(0.1)	n/a
Group net income for the period	**11.7**	**8.8**	**(24.3%)**
Minority interest share of group net income	(0.6)	(0.0)	(93.2%)
Group retained earnings	**11.1**	**8.8**	**(20.6%)**
Decrease/increase in the adjustment item for lower consolidated Net income compared with the parent company	(3.3)	5.4	262.4%
Net profit	**7.7**	**14.2**	**84.2%**

Revenues

Our revenues increased by €23.4 million, or 22.5%, from €104.0 million in the three months ended December 31, 2019 to €127.3 million in the three months ended December 31, 2020. The increase was primarily driven by the strong performance of online sales in all of our regional hubs, which resulted in revenue generated through our e-commerce channel increasing from €21.2 million in the three months ended December 31, 2019 to €46.0 million in the three months ended December 31, 2020.

Change in finished goods and work in progress

Change in finished goods and work in progress amounted to €44.0 million in the three months ended December 31, 2019 compared to €36.4 million in the three months ended December 31, 2020. The lower amount

of inventories was primarily due to lower inventories following the reduction to meet consumer demand in FY 2020 and in line with our strategy to reduce the amount of inventories kept on stock.

Other operating income

Our other operating income increased by €1.6 million, or 48.3%, from €3.4 million in the three months ended December 31, 2019, to €5.0 million in the three months ended December 31, 2020. The increase was primarily driven by fluctuations in the U.S. dollar exchange rate.

Cost of materials

Our cost of materials increased by €12.5 million, or 28.7%, from €43.4 million in the three months ended December 31, 2019 to €55.9 million in the three months ended December 31, 2020. The increase was primarily driven by cost of purchased services, including the hiring of additional temporary workers due to an increase in production volumes.

Personnel expenses

Our personnel expenses remained unchanged, from €42.2 million in the three months ended December 31, 2019, to €42.2 million in the three months ended December 31, 2020, due to the unchanged and stable workforce level.

Amortization of intangible assets and depreciation on tangible assets

Our amortization of intangible assets and depreciation of tangible assets decreased by €0.1 million, or 1.8%, from €7.0 million in the three months ended December 31, 2019, to €6.9 million in the three months ended December 31, 2020. The decrease was primarily driven by end of the useful life of certain depreciated assets.

Other operating expenses

Our other operating expenses increased by €8.0 million, or 18.0%, from €44.7 million in the three months ended December 31, 2019, to €52.7 million in the three months ended December 31, 2020. The increase was primarily driven by increases in logistics and advertising expenses.

Net profit

Our net profit increased by €6.5 million, or 84.2%, from €7.7 million in the three months ended December 31, 2019, to €14.2 million in the three months ended December 31, 2020. The increase was primarily driven by the factors discussed above.

FY 2019 compared to FY 2020

The table below sets forth our consolidated income statement and the period on period percentage of change for FY 2019 and FY 2020.

(in € million)	Financial year ended September 30, 2019	2020	Change in %
Revenues	**721.5**	**730.5**	**1.2%**
Change in finished goods and work in progress	26.7	(32.5)	(221.6%)
Other operating income	24.3	22.8	(6.3%)
Cost of materials	(202.2)	(149.1)	(26.3%)
Cost of raw materials, consumables and supplies and purchased merchandise	(178.5)	(135.0)	(24.3%)
Cost of purchased services	(23.7)	(14.1)	(40.6%)
Personnel expenses	(172.1)	(171.2)	(0.6%)
Wages and salaries	(146.6)	(147.5)	0.6%
Social security contributions, pensions and other benefits of which relating to pensions €0.6 million (prior year €0.8 million)	(25.5)	(23.7)	(7.2%)
Amortization of intangible assets and depreciation on tangible assets	(27.2)	(29.8)	9.5%
Other operating expenses	(210.2)	(227.1)	8.1%
Other interest and similar income	0.5	0.3	(47.7%)
Interest and similar expenses of which from compounding provisions €0.2 million (prior year €0.2 million)	(3.4)	(3.2)	(7.1%)
Taxes on income	(28.2)	(29.1)	3.3%
Result after taxes	**129.5**	**111.5**	**(13.9%)**
Other taxes	(0.3)	(0.2)	(27.4%)
Group net income for the period	**129.2**	**111.2**	**(13.9%)**
Minority interest share of group net income	(2.8)	1.2	(143.7%)
Group retained earnings	**126.4**	**112.4**	**(11.0%)**
Withdrawals from revenue reserves	5.8	0.0	(100.0%)
Decrease/increase in the adjustment item for lower consolidated Net income compared with the parent company	9.9	(1.9)	(119.2%)
Net profit	**142.0**	**110.5**	**(22.2%)**

Revenues

Our revenues increased by €9.0 million, or 1.2% from €721.5 million in FY 2019 to €730.5 million in FY 2020. The increase was primarily driven by higher average sales prices achieved through increased e-commerce sales, partially due to the COVID-19 pandemic, and directly selling to consumers in markets which had previously been served by distributors. The changes in the proportion of DTC sales had a positive impact on our revenues during FY 2020 as a whole, but was offset by the negative development in overall sales volumes which decreased from 25.1 million units in FY 2019 to 23.0 million units in FY 2020 as a result of a reduction in retail sales due to the national lock-downs imposed in March, April and May 2020 in response to the COVID-19 pandemic. After the reopening of retail stores from mid-May, we experienced a noticeable recovery in retail sales, initially driven by catch-up effects, which continued until the end of FY 2020 due to sustained strong customer demand.

Change in finished goods and work in progress

The change in finished goods and work in progress amounted to €26.7 million in FY 2019 as compared to €(32.5) million in FY 2020. The decrease was primarily due to reduction in finished goods inventory to meet customer demand following the production shutdown in April 2020 as a result of the COVID-19 pandemic.

Other operating income

Our other operating income decreased by €1.5 million, or 6.3%, from €24.3 million in FY 2019 to €22.8 million in FY 2020. The decrease was primarily driven by a reduction in income from currency translation differences, attributable to the fluctuation in the USD/EUR exchange rate.

Cost of materials

Our cost of materials decreased by €53.1 million, or 26.3%, from €202.2 million in FY 2019 to €149.1 million in FY 2020. The decrease was primarily driven by the nearly two-month temporary shutdown of our production facilities in the spring of 2020 due to the COVID-19 pandemic, the lower number of pairs produced and the reduction of inventories. In addition, the reduction in temporary personnel services in FY 2020 also reduced costs of purchased services. Cost of materials as a percentage of revenues decreased to 20.4% in FY 2020 as compared to 28.0% in FY 2019, primarily as a result of the increase in sales in the higher margin DTC channels (particularly e-commerce), which has resulted in higher margins.

Personnel expenses

Our personnel expenses decreased by €1.0 million, or 0.6%, from €172.1 million in FY 2019 to €171.2 million in FY 2020. Personnel expenses as a percentage of revenues decreased slightly to 23.4% in the FY ended 2020 as compared to 23.9% in FY 2019. This slight decrease is primarily due to short-term work during the production down-time as a result of the COVID-19 pandemic, which was slightly offset by an increase in wages and salaries.

Amortization of intangible assets and depreciation on tangible assets

Our amortization of intangible assets and depreciation of tangible assets increased by €2.6 million, or 9.5%, from €27.2 million in FY 2019 to €29.8 million in FY 2020. The increase was primarily driven by additions in concessions, patents, licenses and similar rights and their amortization over the period. Amortization in both periods include an amortization of the BIRKENSTOCK brand name in an amount of €6.1 million.

Other operating expenses

Our other operating expenses increased by €16.9 million, or 8.1%, from €210.2 million in FY 2019 to €227.1 million in FY 2020. Other operating expenses as a percentage of revenues increased to 31.1% in FY 2020 as compared to 29.1% in FY 2019. The increase was primarily driven an increase in freight and logistics costs by €17.0 million and marketing expenses by €5.2 million in FY 2020 as compared to FY 2019 due to the increased share of e-commerce sales with more expensive single pick shipments and higher rent expenses as the result of the opening of new retail stores, partially offset by lower legal and consulting fees.

Net profit

Our net profit decreased by €31.5 million, or 22.2%, from €142.0 million in FY 2019 to €110.5 million in FY 2020. The decrease was due to the decrease in inventories, the temporary closure of production facilities and retail stores, particularly in the third quarter of FY 2020, and unavoidable fixed costs in production, partially offset by the increased e-commerce sales and measures aimed at reducing costs during the COVID-19 pandemic, including short-time working compensation from the German federal employment agency (*KUG*).

FY 2018 compared to FY 2019

The table below sets forth our consolidated income statement and the period on period percentage of change for FY 2018 and FY 2019.

(in € million)	Financial year ended September 30, 2018	2019	Change in %
Revenues	**648.3**	**721.5**	**11.3%**
Change in finished goods and work in progress	4.8	26.7	458.6%
Other operating income	10.2	24.3	138.5%
Cost of materials	(180.7)	(202.2)	11.9%
Cost of raw materials, consumables and supplies and purchased merchandise	(150.6)	(178.5)	18.5%
Cost of purchased services	(30.1)	(23.7)	(21.0%)
Personnel expenses	(140.8)	(172.1)	22.3%
Wages and salaries	(120.3)	(146.6)	21.9%
Social security contributions, pensions and other benefits of which relating to pensions €0.8 million (prior year €0.8 million)	(20.5)	(25.5)	24.5%
Amortization of intangible assets and depreciation on tangible assets	(30.0)	(27.2)	(9.3%)
Other operating expenses	(192.2)	(210.2)	9.4%
Other interest and similar income	0.5	0.5	5.9%
Interest and similar expenses of which from compounding provisions €0.2 million (prior year €0.2 million)	(2.1)	(3.4)	65.6%
Taxes on income	(25.1)	(28.2)	12.5%
Result after taxes	**92.9**	**129.5**	**39.4%**
Other taxes	(0.8)	(0.3)	(60.4%)
Group net income for the period	**92.1**	**129.2**	**40.3%**
Minority interest share of group net income	(2.1)	(2.8)	34.8%
Group retained earnings	**90.0**	**126.4**	**40.4%**
Withdrawals from revenue reserves	20.9	5.8	(72.3%)
Decrease/increase in the adjustment item for lower consolidated Net income compared with the parent company	0.0	9.9	n/a
Net profit	**110.9**	**142.0**	**28.1%**

Revenues

Our revenues increased by €73.2 million, or 11.3% from €648.3 million in FY 2018 to €721.5 million in FY 2019. The increase was primarily driven by our increasing brand recognition and customer demand converted into sales through the launch of additional e-commerce stores, the strong performance of e-commerce globally, as well as strong growth in our wholesale and retail channels.

Change in finished goods and work in progress

The change in finished goods and work in progress amounted to €4.8 million in FY 2018 as compared to €26.7 million in FY 2019. The increase was primarily due to increased production resulting in availability of goods as well as improved delivery performance due to the availability of full assortments.

Other operating income

Our other operating income increased by €14.1 million, or 138.5%, from €10.2 million in FY 2018 to €24.3 million in FY 2019. The increase was primarily driven by an increase in income from currency translation differences, attributable to the fluctuation in the USD/EUR exchange rate as the U.S. dollar appreciated towards the euro.

Cost of materials

Our cost of materials increased by €21.6 million, or 11.9%, from €180.7 million in FY 2018 to €202.2 million in FY 2019. Cost of materials as a percentage of revenues increased to 28.0% in FY 2019 as

compared to 27.8% in FY 2018. The increase was primarily driven by price increases for key materials (such as stamps, cork, EVA granulate, footbeds and shanks) and a higher portion of premium materials used in show production. This increase was partially offset by the decrease in cost of purchased services primarily due to a shift in the use of external personnel to our own personnel.

Personnel expenses

Our personnel expenses increased by €31.3 million, or 22.3%, from €140.8 million in FY 2018 to €172.1 million in FY 2019. Personnel expenses as a percentage of revenues increased to 23.9% in FY 2019 as compared to 21.7% in FY 2018. The increase was primarily driven by investments in future business growth through the build-up of personnel in the United States and Canada, retail store openings in Europe, hiring additional temporary production and warehouse employees to cover higher production and peak volumes in warehouses and the insourcing of external services, which shifts the amount from a cost of materials to a personnel expense.

Amortization of intangible assets and depreciation on tangible assets

Our amortization of intangible assets and depreciation of tangible assets decreased by €2.8 million, or 9.3%, from €30.0 million in FY 2018 to €27.2 million in FY 2019. The decrease was primarily driven by disposals in machinery and technical equipment, prepayments of intangible assets, land and buildings and factory and office equipment. Amortization in both periods include an amortization of the BIRKENSTOCK brand name in an amount of €6.1 million.

Other operating expenses

Our other operating expenses increased by €18.0 million, or 9.4%, from €192.2 million in FY 2018 to €210.2 million in FY 2019. Other operating expenses as a percentage of revenues decreased slightly to 29.1% in FY 2019 as compared to 29.6% in FY 2018. The increase was primarily driven by increased variable costs corresponding to the expansion of the e-commerce sales channel, partially offset by lower general marketing costs in advance of the entry into India and the conversion to company owned-and-operated distribution in line with our DTC strategy.

Net profit

Our net profit increased by €31.2 million, or 28.1%, from €110.9 million in FY 2018 to €142.0 million in FY 2019. The increase was primarily driven by the factors described above.

Non-GAAP Measures

The table below sets forth our EBIT, Adjusted EBIT and Adjusted EBITDA for the periods presented.

	Financial year ended September 30,			Three months ended December 31,	
	2018	2019	2020	2019	2020
(in € million)			(unaudited)		
Group net income for the period	**92.1**	**129.2**	**111.2**	**11.7**	**8.8**
Tax on income	25.1	28.2	29.1	2.3	1.7
Interest and similar expenses	2.1	3.4	3.2	0.3	0.5
Other interest and similar income	(0.5)	(0.5)	(0.3)	(0.1)	(0.0)
EBIT	**118.8**	**160.3**	**143.3**	**14.1**	**11.0**
Inventory Fair Value Adjustment[(a)]	23.3	—	—	—	—
Normalized adjusted EBIT	**142.1**	**160.3**	**143.3**	**14.1**	**11.0**
Production shutdown (COVID-19)[(a)]	—	—	16.7	—	—
Other COVID-19 impacts[(a)]	—	—	2.9	—	5.1
Foreign exchange rate impacts[(a)]	6.2	(8.5)	15.6	3.0	6.3
Other adjustments[(a)]	0.9	4.7	5.4	1.2	(1.9)
Adjusted EBIT	**147.4**	**156.5**	**184.0**	**18.3**	**20.5**
Amortization of intangible assets and depreciation on tangible assets[(a)]	30.0	27.2	27.4	7.0	6.9
Adjusted EBITDA	**177.4**	**183.7**	**211.3**	**25.3**	**27.3**

(a) For further details on these adjustments, please see "*Summary—Summary Financial and Other Data*."

Our Adjusted EBITDA increased by €2.0 million, or 7.9%, from €25.3 million in the three months ended December 31, 2019 to €27 million in the three months ended December 31, 2020. Adjusted EBITDA was primarily impacted by the add-back of the impact of the COVID-19 pandemic.

Our Adjusted EBITDA increased by €27.6 million, or 15.0%, from €183.7 million in FY 2019 to €211.3 million in FY 2020. Adjusted EBITDA during the period was primarily impacted by one-off expenses related to the impact of the COVID-19 pandemic, including in particular the shutdown of our production facilities for two months and closures of retail stores during FY 2020.

Our Adjusted EBITDA increased by €6.3 million, or 3.6%, from €177.4 million in FY 2018 to €183.7 million in FY 2019. The increase was primarily driven by higher net income during FY 2019.

Liquidity and Capital resources

Overview

Our primary liquidity requirements are to service our debt, to fund our operations and for other general corporate purposes. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as other factors including those discussed in this section and the section entitled "*Risk Factors*." Following the completion of the Transactions, we expect that our principal sources of liquidity will be cash flows from operations and drawings under our ABL Facility. See "*Description of Certain Financing Arrangements—ABL Facility Agreement*."

We introduced a number of early and comprehensive measures in response to the COVID-19 pandemic to safeguard our liquidity, including temporary cost controls related to travel and entertainment, curtailment of consulting spend, and changes in shipment to wholesalers on normal credit terms. In particular, we received short-time working compensation (*KUG*) from the German federal employment agency in the amount of €6.1 million for FY 2020 and implemented measures aimed at reducing costs. We incurred certain costs related to the COVID-19 pandemic, including unplanned idle costs of €16.7 million (excluding idle costs assumed in budget or outside the shutdown period) reflecting personnel expenses, depreciation and other fixed costs related to the production facilities, one-time training costs of €3.2 million, payment of one-time employee bonuses and other additional costs associated with stocking raw materials in March 2020 in anticipation of delays and supply chain disruptions. We also incurred other costs related to disinfecting production sites and offices and purchasing face masks for our employees.

We anticipate that we will be highly leveraged for the foreseeable future and our ability to generate future financing cash flows will be limited by the Indenture and Senior Secured Facilities, which may have important negative consequences for you. See "R*isk Factors*," "*Description of the Notes—Certain Covenants*" and "*Description of Certain Financing Arrangements*." Any additional indebtedness that we incur could reduce the amount of our cash flow available to make payments on our then existing indebtedness, including under the Notes offered hereby, and increase our leverage.

Cash Flows

The following table sets forth the principal components of our cash flows for FY 2018, FY 2019 and FY 2020 and for the three months ended December 31, 2019 and 2020.

	Financial year ended September 30,			Three months ended December 31,	
	2018	2019	2020	2019	2020
(in € million)				(unaudited)	
Cash flow from operating activities	51.2	135.3	167.9	(59.9)	(4.1)
Cash flow from investing activities	(15.3)	(38.1)	(21.3)	(6.9)	(2.5)
Cash flow from financing activities	(15.4)	(105.6)	(81.1)	55.1	(17.3)
Net change in cash and cash equivalents	**20.4**	**(8.4)**	**65.6**	**(11.7)**	**(23.9)**
Changes in cash and cash equivalents due to currency conversion and measurement	(0.0)	0.5	(1.3)	(0.4)	(0.7)
Cash and cash equivalents at start of the period	27.8	48.3	40.4	40.4	104.7
Cash and cash equivalents at end of period	**48.3**	**40.4**	**104.7**	**28.3**	**80.1**

Cash flow from operating activities

Cash outflows from operating activities decreased by €55.8 million, or 93.1%, from an outflow of €59.9 million in the three months ended December 31, 2019 to an outflow of €4.1 million in the three months ended December 31, 2020. The decrease was primarily driven by a lower decrease in inventories as a result from a restocking of finished goods, trade receivables and other assets and a lower decrease trade liabilities and other liabilities, partially offset by the lower net income in the period.

Cash flow from operating activities increased by €32.6 million, or 24.1%, from €135.3 million in FY 2019 to €167.9 million in FY 2020. The increase was primarily driven by the positive effect of the reduction of inventories in the amount of €31.7 million in FY 2020 to meet customer demand following the production shutdown in April 2020 as a result of the COVID-19 pandemic.

Cash flow from operating activities increased by €84.1 million, or 164.1%, from €51.2 million in FY 2018 to €135.3 million in FY 2019. The increase was primarily driven by our net income for the year. There were countervailing trends from the increase in inventories by €36.9 million. In contrast, the receivables and other assets decreased by €8.8 million. The increased consolidated net income and the prior-year effect in the cash flow statement from the payment of liabilities resulting from the accrual of Footwear Distribution GmbH & Co. KG in FY 2017.

Cash flow from investing activities

Our cash outflows from investing activities decreased by €4.4 million, or 63.9%, from an outflow of €6.9 million in the three months ended December 31, 2019 to an outflow of €2.5 million in the three months ended December 31, 2020. The decrease was primarily driven by decreases in payments for tangible and intangible assets, relating to projects capitalized either as IT projects (hardware and software) or production investments.

Our cash outflows from investing activities decreased by €16.8 million, or 44.1%, from an outflow of €38.1 million in FY 2019 to an outflow of €21.3 million in FY 2020. The decrease was primarily driven by a decrease of investments into tangible assets. The capital expenditure of the BIRKENSTOCK Group in FY 2020 totaled to €23.5 million.

Our cash outflows from investing activities increased by €22.8 million, or 148.0%, from an outflow of €15.3 million in FY 2018 to an outflow of €38.1 million in FY 2019. The increase was primarily driven by an increase in payments for investments in tangible assets and intangible assets related to machinery and technical equipment and concessions, patents, licenses and similar rights. The capital expenditure of the BIRKENSTOCK Group in FY 2019 totaled to €38.4 million.

Cash flow from financing activities

Our cash inflows from financing activities decreased by €72.4 million, or 131.4%, from an inflow of €55.1 million in the three months ended December 31, 2019 to an outflow of €17.3 million in the three months ended December 31, 2020. Due to our faster cash conversion cycles as a result of the increased proportion of e-commerce sales, which led to higher cash levels during the period, and as a result, we did not need to draw under financings. In the prior period, however, cash flows increased due to the cash proceeds of €70.9 million from drawings under our financing arrangements in the three months ended December 31, 2019.

Our cash outflows from financing activities decreased by €24.5 million, or 23.2%, from an outflow of €105.6 million in FY 2019 to an outflow of €81.1 million in FY 2020. The decrease was primarily driven by lower repayments on bank borrowings in FY 2020 as compared to the prior period.

Our cash outflows from financing activities increased by €90.2 million, or 584.6% from an outflow of €15.4 million in FY 2018 to an outflow of €105.6 million in FY 2019. The increase was primarily driven by the repayment of a syndicated loan in the amount of €54.1 million whereas in FY 2018 repayments on loans were offset by €97.2 million in cash proceeds received from financings.

Capital Expenditures

Our capital expenditures primarily relate to capacity increases for our production facilities and efficiency programs of our supply chain, IT system and investments in regular business activities. Our capital expenditures as a percentage of revenues was 2.5%, 5.3%, and 3.2% in FY 2018, FY 2019 and FY 2020, respectively, and 6.9% and 2.0% in the three months ended December 31, 2019 and 2020, respectively.

Our capital expenditures decreased by €4.6 million, from €7.2 million in the three months ended December 31, 2019, to €2.6 million in the three months ended December 31, 2020. The decrease was primarily driven by the delay of certain capital expenditures related to projects other than a project related to IT improvements in response to the COVID-19 pandemic.

Our capital expenditures decreased by €14.9 million, from €38.4 million in FY 2019 to €23.5 million in FY 2020. The decrease was primarily driven by investments and other projects in FY 2020 as part of our cost-reducing measures in response to the COVID-19 pandemic.

Our capital expenditures increased by €21.9 million, from €16.5 million in FY 2018 to €38.4 million in FY 2019. The increase was primarily driven by an increase in payments for investments in intangible assets related to machinery and technical equipment.

Provisions for pensions and similar obligations

Our provisions for pensions are determined actuarially based on bio-metric probabilities, using the projected unit credit method. Expected future salary and pension increases are accounted for in determining the relevant obligations. Currently, we use annual adjustments amounting to 0.00 % p.a. for pension entitlements and 1.50% to 2.50 % p.a. for pensions. The interest rate calculations for the discounting of pension obligations amounts to 2.41% p.a. for FY 2020, and to 2.82 % p.a. for FY 2019. We determined this rate based on the average market rate for the past ten years as determined and published by the German Federal Bank for an assumed remaining term of 15 years. Where reinsurance policies have been taken out to cover the pension obligations, which are not accessible to all other creditors, the value of the provision was offset against the fair value of the covering assets.

We recognized provisions for pensions and similar obligations of €1.8 million, €2.2 million and €2.2 million as of September 30, 2018, 2019 and 2020, respectively, and €2.3 million as of December 31, 2020.

For more detail, see note III to the 2020 Financial Statements.

Quantitative and Qualitative Disclosures about Financial Risk Management

We are exposed to financial risks in the form of foreign currency risk and interest rate risk during the course of our ordinary business activities. Market risk relates to the potential fluctuation of fair values or future cash flows of non-derivative or derivative financial instruments. Among market risks relevant to our business are foreign currency and interest rate risks. Associated with these risks are fluctuations in income, equity and cash flow.

Non-financial or non-quantifiable risks, such as business risks or reputational risks, are not considered here.

Foreign currency risk

Our reporting currency is the euro and we are exposed to currency risk for translation risk and transaction risk as we operate internationally. Our income from currency translation was €1.3 million and €14.9 million for FY 2020 and FY 2019, respectively. Our expenses from currency translation were €18.6 million and €8.8 million for FY 2020 and FY 2019, respectively. In FY September 30, 2020, 42.7% of our revenues were generated in US dollars in the United States which is our largest individual market. On the expense side, most of our raw materials and semi-finished products are purchased predominantly in Germany or within the EU and our core products are manufactured in Germany.

For the reporting of our consolidated financial statements, the financial results of our subsidiaries that do not report in euro are translated to euro from the applicable foreign currency. The process by which we translate each foreign subsidiary's financial results to euro is as follows:

- Assets and liabilities of the balance sheet are translated into euro at the mean spot exchange rate on the reporting date, except for shareholders' equity which is translated at the historic rate at the time of initial consolidation.
- Items in the income statement are translated at the average exchange rate for the applicable financial year.

Differences arising from currency translation are disclosed separately within group equity under the item "Equity difference from currency translation." Currency differences from both debt consolidation and the elimination of intercompany profits and losses are disclosed in the income statement under the item "Other operating expenses."

Prior to FY 2019, we managed the transaction risk, especially for revenues, by invoicing customers in euros at all locations. We expect to gradually phase out this practice in the future as we set the objective of invoicing at our selected foreign subsidiaries in local currency and managing foreign currency risks actively on a central basis. Beginning in FY 2019, we implemented local currency invoicing in the United States. To monitor and mitigate foreign currency risk, we enter into hedging arrangements with flexible currency forwards and currency swaps. We continuously monitor foreign currency exchange developments that are relevant to our operations.

Interest rate risk

Our exposure to interest rate risk is related to our syndicated loan, entered into on September 13, 2017, that bears a floating interest rate. We manage interest rate risk through our zero-floored forward interest rate swap that is comprised of two derivatives, €50 million each, and has been effective since December 31, 2019. Following the Transactions, we will be exposed to additional interest rate risk. See "*Risk Factors—Risks Related to Our Capital Structure—Some of our indebtedness, including the Senior Secured Facilities, will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow*."

The fair value of these two interest rate derivatives amounted to €(1.6) million as of September 30, 2020 and 2019. The hedge exists in each case for at least the entire term of the underlying transaction until September 30, 2022.

Critical Accounting Policies

Our management must make certain estimates and assumptions that affect the amounts reported in the Financial Statements, based on historical experience, existing and known circumstances, authoritative accounting pronouncements and other factors that management believes to be reasonable, but actual results could differ materially from these estimates. The full impact of the COVID-19 pandemic is unknown and cannot be reasonably estimated for these key estimates. However, we made appropriate accounting estimates based on the facts and circumstances available as of the reporting date. To the extent there are differences between these estimates and actual results, our Financial Statements may be materially affected. Our management believes the following critical accounting policies are most significantly affected by judgments and estimates used in the preparation of our Financial Statements: revenue recognition, taxes on income, intangible assets and provisions.

We apply estimates and judgments by management especially in the following accounting policies.

Revenue recognition

Revenues are recognized when all of the below conditions are met:

- the significant risks and rewards of ownership of the products have transferred to the customer,
- we no longer retain the control normally associated with ownership or effective control over the goods sold,
- the amount of revenue and assumed costs and future costs can be measured reliably, and
- it is probable that the economic benefits associated with the transaction will flow to the company.

Economic ownership of a product is transferred when the product is shipped or when it is delivered to the customer, which is specified in the contract or order.

If a product is sold to a customer with a right of return, revenue can only be recognized at the time of sale if the following conditions are met in full:

- at the time of sale, the selling price of the goods is essentially fixed or at least determinable,
- the customer has already paid the consideration in exchange of the product, or is obliged to do so, and this obligation is not linked to a successful resale of the product,
- the customer's obligations under the sales contract do not change in the event of theft of, physical destruction of or damage to the products,
- a customer who purchases the products for resale has its own economic capacity, which exists regardless of whether economic support is provided by the company,

- no significant obligations are assumed to directly induce the resale of the product by the customer in the future, and
- the volume of future product returns can be reasonably estimated.

Revenue is disclosed net of sales deductions such as discounts, price reductions and rebates and net of expected product returns.

Expected product returns are estimated based on our historical return rate adjusted for any known factors impacting expectations for future return rate. The return rate impacts reported revenue and profitability.

Taxes on income

Taxes on income consists of current income tax and deferred tax. Deferred taxes are calculated for temporary differences between the value of assets, liabilities and deferred items under German GAAP and their tax values, which are expected to reverse in future financial years. Deferred tax assets and liabilities are netted off when applicable.

Deferred tax assets for tax losses carried forward are capitalized to the extent that adequate deferred tax liabilities are available. These deferred tax assets are offset against the deferred tax liabilities.

For FY 2020, deferred taxes were calculated based on a tax rate of 14% in Germany for Birkenstock GmbH & Co. KG and this rate was equivalent to an average trade tax rate of the tax group. For the other German companies and the foreign companies in the BIRKENSTOCK Group, individual corporate tax rates were set in a range from 14 % to 40%.

Intangible assets

Intangible assets are measured at cost, less straight-line amortization. Industrial property rights and similar rights and assets including licenses, with the exception of the brand name, are amortized over a useful life of three to fifteen years.

The brand name "Birkenstock" included in the intangible assets is amortized over a period of 35 years. Carrying amount of the brand was €170.6 million as of September 30, 2020.

Goodwill arises from the difference between the fair value of the net assets acquired and the consideration paid and is amortized, depending on its expected useful life, over a period of five to fifteen years. When determining the depreciation period, estimates are made as to over which period the acquired business is expected to produce a positive contribution to results. A useful life of more than five years has been set for positive contributions of a corresponding organization, where reasonable.

Self-developed intangible assets are capitalized only when research and development stages are separable, and the below conditions are met:

- completion of the asset is technically feasible,
- ability to generate economic benefit, via internal use or sale, from the asset is possible, and
- expenses which are allocated to the asset can be measured during its development stage.

We do not have any self-developed intangible asset on our balance sheet as of September 30, 2020.

Provisions

Provisions include provisions for pension and similar obligations and tax and other provisions.

Provisions for pension and similar obligations are determined by using actuarial assumptions and other estimations. The actuarial approach is based on biometric probabilities using the projected unit credit method and includes expected future salary and pension increases. Currently, we use annual adjustments for pension entitlements amounting to 0.00% p.a. and for pensions amounting to 1.50% to 2.50% p.a. The interest rate we use to discount pension obligations amounts to 2.41% p.a. which is the average market rate of the past ten years as determined and published by the German Federal Bank for an assumed remaining term of 15 years. As we have reclaim insurance policies in place to cover these obligations, the provision is offset against the plan assets. Plan assets must meet the following requirements:

- They serve exclusively to meet pension obligations, and

- Repayment of capital to the company is possible only in the event of excess cover and if the company is legally independent of the reporting company.

Creditors cannot access these assets (in particular in the event of insolvency). If these requirements are met, these assets are recorded in our balance sheet at fair value. If the assets' fair value exceeds the corresponding obligations, the excess amount is recorded as an asset, while the net liability positions are to be recognized as provisions.

Tax and other provisions are set up for recognizable risks and uncertain liabilities and measured at the settlement amount required in accordance with reasonable commercial judgement. Future price and cost increases are taken into account to determine the settlement amount where necessary. Provisions with a remaining term of more than one year are discounted at the average market interest rate for the past seven financial years corresponding to their remaining term.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued, which are adopted by us as of the specified effective date. We believe that the adoption of these new standards did not have a significant impact on our Financial Statements.

INDUSTRY

The information that we present below is based on management estimates and information and third-party sources. Neither the Issuer nor any of the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the industry and market data set forth in this offering memorandum, and neither the Issuer nor any of the Initial Purchasers has independently verified this information and therefore cannot guarantee its accuracy. In addition, certain forward-looking statements contained in such industry and market data may include the impact of the COVID-19 pandemic during 2020, but may have not been updated to take into account further outbreaks of COVID-19 or other related developments, including the impacts of future national or local lockdowns or other measures implemented by national and/or local authorities. There can be no assurance that such forward-looking statements would not have been materially different if such developments related to the COVID-19 pandemic had been taken into account. See "Forward-looking Statements."

Overview

We are an iconic brand globally renowned for crafting high quality, durable footwear that enriches the health and wellbeing of our customers' lives. With a proud heritage that dates back to our founding in 1774 in Langen-Bernheim, Germany, BIRKENSTOCK has evolved today into one of the foremost footwear brands in the world. We are best known as the inventors of the cork footbed which is rooted in orthopedic theory and encourages proper foot wellbeing, by evenly distributing weight and reducing pressure points in order to re-emphasize natural walking. Today, we use this legendary footbed across all of our footwear styles, several of which have developed significant global recognition and acclaim of their own. Our large product archive comprises hundreds of styles, with our five core product families—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—representing the vast majority of our sales, contributing nearly 75% of our revenues in FY 2020. We produce our silhouettes in various textiles including traditional leather, shearling, EVA and our trademarked, leather alternative BirkFlor®. Our products span a number of price points, with EVA products at the lower end, and our 1774 branded collaborations at the luxury end of the spectrum. We are also increasingly diversifying into closed-toe shoes, including clogs, boots and sneakers, and expanding our range of athletic / outdoor, orthopedic, kids and professional footwear, all of which we expect to drive accelerated growth in our business in coming years.

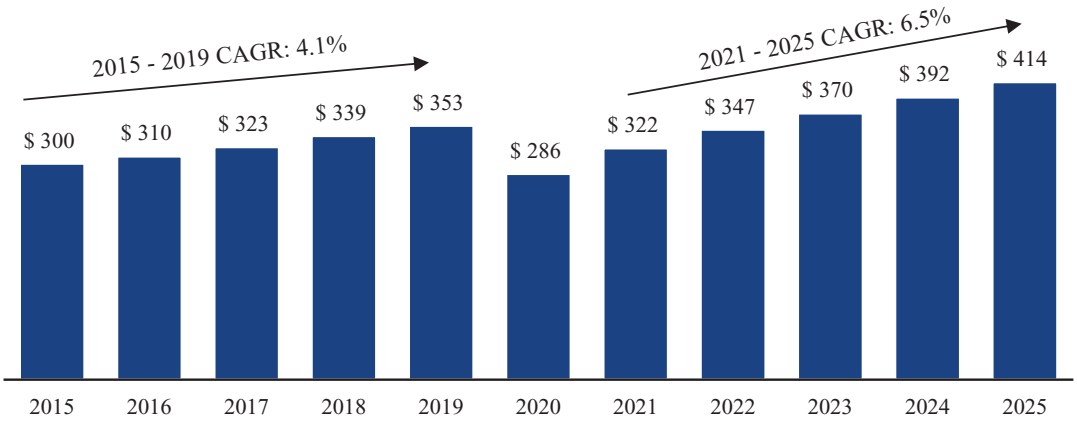
We distribute our products through wholesale partners (including distributors and retail partners), and through our DTC channels: e-commerce, which represents an increasing amount of our sales, and our owned retail stores. Our products are distributed around the world, reaching consumers in nearly 100 countries. We organize our business into four regional hubs: the Americas, Europe, ASPA, and MEAI. Of these hubs, the Americas and Europe are our two largest, representing 47% and 41% of total FY 2020 revenue, respectively.

As a result of our product portfolio and geographical footprint, the following market description relates to the global footwear market.

Global footwear market

According to Euromonitor, the global footwear market (which includes all men's, women's and children's footwear across athletic and non-athletic categories) generated an estimated US$286.0 billion in sales in 2020, and is expected to generate US$322.7 billion in 2021.

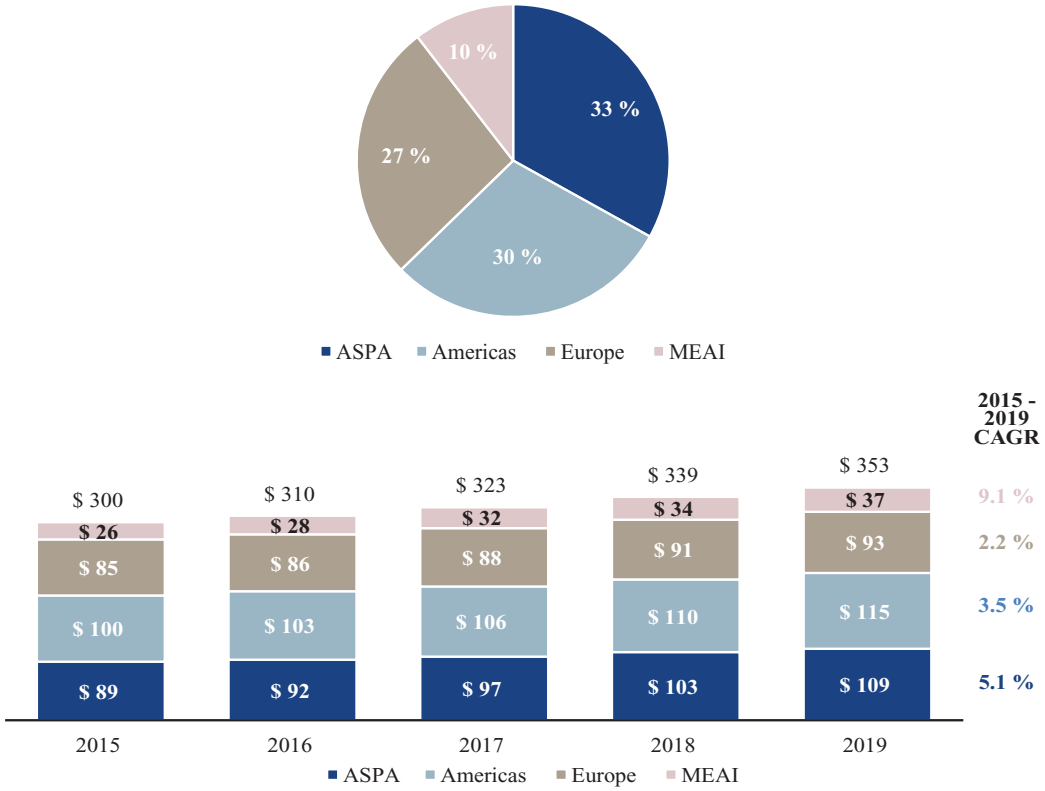
The global footwear market experienced steady growth at a 4.1% CAGR from 2015 to 2019. As a result of the COVID-19 pandemic, the global footwear market saw a sharp decline of 19.0% from 2019 to 2020 driven by closures of physical retail locations, and an acceleration in the decline of formal footwear sales given limited usage occasions as people transitioned to a home-working environment and many events were cancelled. Over the same period, we have outperformed the broader footwear market, growing at a 17.4% CAGR from FY 2016 to FY 2019, and experiencing growth of 1.2% in FY 2020. The global footwear market is expected to witness a recovery in sales in 2021 and is subsequently expected to grow at a 6.5% CAGR from 2021 to 2025.



Source: Euromonitor International Limited, Apparel and Footwear 2021ed, retail value RSP, current prices, fixed exchange rate.

Footwear market by geography

BIRKENSTOCK operates globally, with its products available in nearly 100 countries. BIRKENSTOCK is well-established in the Americas (49% of revenues for the twelve months ended December 31, 2020) and Europe (41% of revenues for the twelve months ended December 31, 2020), and is continuing to develop the BIRKENSTOCK brand in ASPA and MEAI.



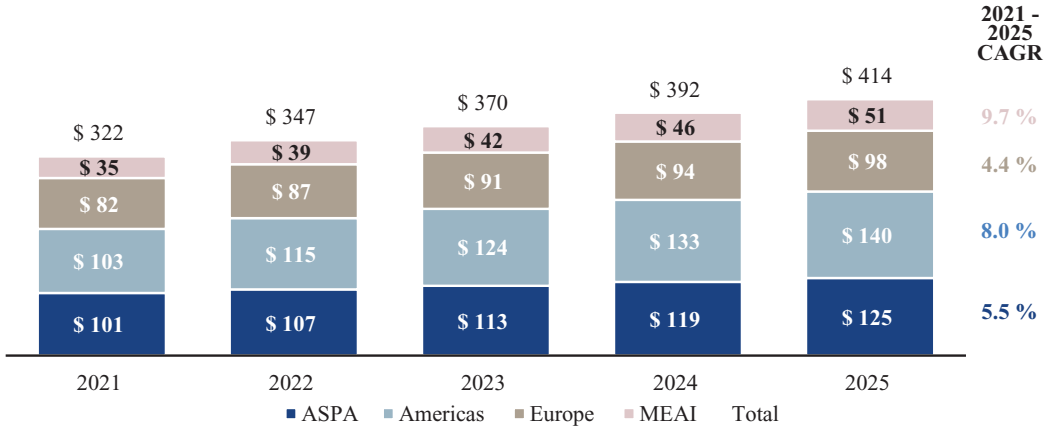
Source: Euromonitor International Limited, Apparel and Footwear 2021ed, retail value RSP, current prices, fixed exchange rates.

ASPA is the largest geography in the global footwear market, with sales representing 33% of total global sales in 2020. The footwear market in ASPA grew at a CAGR of 5.1% from 2015 to 2019 and is expected to see growth at a CAGR of 5.5% from 2021 to 2025. Our business is relatively nascent in ASPA, and as such we see significant opportunity for growth as we invest in our brand in the region.

The Americas, our largest market, represented 30% of total global footwear sales in 2020, after experiencing growth at a CAGR of 3.5% from 2015 to 2019. Growth in the region is expected to accelerate in 2021 to 2025 to reach a CAGR of 8.0%, with Latin America expected to grow at a relatively faster rate than North America.

Europe, our home market, represented 27% of global footwear sales in 2020. Footwear sales in Europe grew at a CAGR of 2.2% from 2015 to 2019, with sales expected to grow at a CAGR of 4.4% from 2021 to 2025.

MEAI, our newest market, represents 10% of the global footwear market but is the fastest growing region, helped in large part by the growing market in India, which is experiencing a shift towards branded, premium products. MEAI saw growth at a 9.1% CAGR from 2015 to 2019 and is expected to see accelerated growth at a 9.7% CAGR from 2021 to 2025.



Source: Euromonitor International Limited, Apparel and Footwear 2021ed, retail value RSP, current prices, fixed exchange rates.

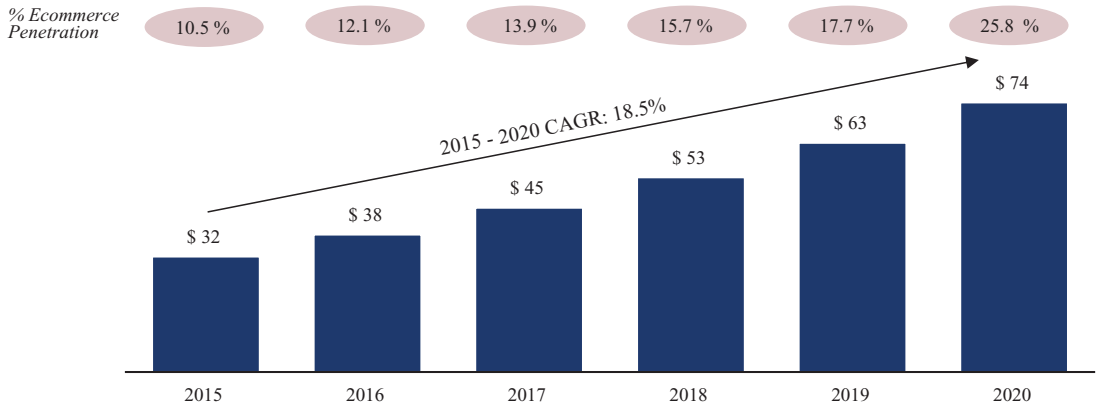
Drivers of growth in the footwear market

Ongoing trend towards casual styles

Prior to the COVID-19 pandemic, there was a multi-year shift towards more casual dress, with the proportion of firms with a casual dress code in the US increasing from approximately 30% in 2014 to 50% in 2018 according to public industry sources. Sales of dress shoes in the US fell over 10% in 2019, with declines increasing to over 70% in 2020 as a result of the COVID-19 pandemic which has catalyzed an acceleration towards casualization, according to public industry sources. The ongoing trend, which we believe will continue to drive purchasing decisions, has the potential to provide a significant tailwind for businesses like ours. As a result, we believe iconic businesses that stand for functionality, quality, and "better for you" comfort such as us will outperform the broader segment.

Shift towards online commerce

The migration of commerce to the digital world has accelerated during the COVID-19 pandemic as physical retail locations across the world have been, and continue to be, closed across a number of markets due to lockdown orders. Online sales in the global footwear industry reached $74 billion in 2020 according to Euromonitor, representing 26% of total footwear sales, up from 11% in 2015. It is anticipated that this shift to online commerce will continue in the coming years, and we look to capitalize on this trend with investments in the online direct-to-consumer channel.



Source: Euromonitor International Limited, Apparel and Footwear 2021ed, retail value RSP, current prices, fixed exchange rates.

Continued focus on sustainability

In a crowded footwear market flooded with fast fashion, consumers are becoming increasingly knowledgeable about their purchases and aware of the impacts of their purchasing decisions. According to multiple public industry sources, over 70% of consumers are willing to pay a premium for sustainable products. We are well-positioned to capitalize on this trend as sustainability has always been integral to our brand.

Competition

We are the global leader in the sandal category within the footwear market, based on management's estimates and industry knowledge. The broader global footwear market remains highly fragmented, with the top five players accounting for less than 25% market share according to Euromonitor. While this implies a competitive market structure, we believe there is significant opportunity for brands with strong awareness and high-quality products to take market share.

While we do not compete with any one single company with respect to the entire spectrum of our portfolio, competition is primarily based on brand awareness, product functionality, quality and durability, design and comfort, and marketing and distribution. We also believe that our brand equity, paired with our superior products, with their orthopedic foundations, high-quality materials and focus on comfort and functionality, position us well to continue competing in the global wholesale, retail and online channels.

BUSINESS

Overview

We are an iconic brand globally renowned for crafting high quality, durable footwear that enriches the health and wellbeing of our customers' lives. With a proud heritage that dates back to our founding in 1774 in Langen-Bernheim, Germany, BIRKENSTOCK has evolved into one of the foremost footwear brands in the world, selling approximately 23 million units in nearly 100 countries worldwide and generating €753.8 million of revenues and Adjusted EBITDA of €213.3 million for the twelve months ended December 31, 2020.

We are best known as the inventors of the contoured footbed which, rooted in orthopedic theory, encourages proper foot wellbeing, reduces pressure points, and re-emphasizes natural walking. Today, we use this legendary footbed across all our footwear styles, several of which have developed significant global recognition and acclaim of their own. While we have a deep and diversified assortment comprised of hundreds of styles, our five "core classics"—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—generated nearly 75% of our annual revenues for FY 2020 and continue to enjoy significant global consumer demand today. In fact, the BIRKENSTOCK Arizona was the number one searched shoe in the world in Q2 2020, while our shearling-lined Boston clogs ranked as the number two most-searched women's shoe in Q4 2020, according to public industry sources.

We believe that how things are made matters as much as the product itself; we make our products with deep respect for German and European standards for ethical, social, and environmental responsibility. To that end, we maintain strict controls over our entire supply chain—from carefully selecting high quality, sustainable materials from our largely European supply base to hand-finishing our products in our five owned manufacturing facilities across Germany—and a relentless focus on creating well-made, functional, and durable products. As a consequence of our focus on quality craftsmanship, we proudly employ 3,137 skilled laborers across Germany and represent the largest employer in the German footwear industry.

Our unwavering commitment to creating functional products with integrity throughout our nearly 250-year history has enabled us to build an unparalleled brand reputation. Today, the BIRKENSTOCK brand has become synonymous with the highest standards of quality, durability, and craftsmanship, enabling us to engender best-in-class levels of consumer loyalty and trust. As one of the original inclusive brands, we are proud of the fact that our brand and products are worn and loved by consumers around the world, regardless of age, gender, income, and race.

The breadth of our brand and the loyalty of our global fan base have enabled us to operate from the peculiar but privileged position where demand for our products has historically exceeded supply. This dynamic has allowed us to create scarcity in the market and control our brand while simultaneously driving highly predictable and consistent growth—even through the COVID-19 pandemic—as demonstrated by the compound annual growth rate of our revenues of approximately 10% from FY 2017 (giving effect to the Birkenstock USA Reorganization) to FY 2020. This growth has been broad-based across most channels and geographies—though we have seen meaningful recent acceleration in our owned direct-to-consumer ("DTC") channels, which have rapidly expanded from approximately 18% of revenues in FY 2018 to approximately 32% of revenues in the twelve months ended December 31, 2020. We believe that DTC channels—in particular, our owned e-commerce channel—will continue to generate an increasing portion of our revenues and profits going forward.

Our Competitive Strengths

Timeless and iconic brand rooted in 250 years of orthopedic tradition

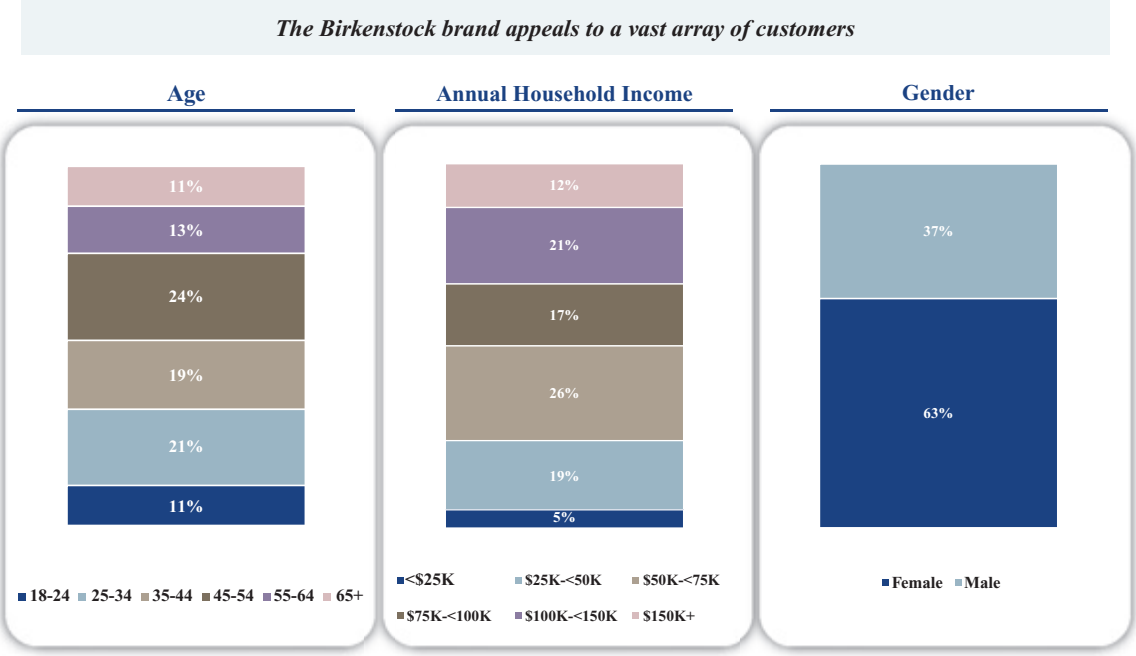
We are built on nearly 250 years of orthopedic tradition. BIRKENSTOCK was created in 1774 when cobbler Johann Adam Birkenstock was registered as "vassal and shoemaker" in the church archives in the small Hessian village of Langen-Bergheim, Germany.

In the late 1800s, Johann's great-great-grandson, master cobbler Konrad Birkenstock, invented the *Fußbett* ("footbed") a sole that supported the contours of the foot and promoted the wearer's orthopedic well-being . The footbed, which was adapted specifically for the growing factory manufactured footwear market, included contoured arch supports made from a baked mixture of cork and latex to produce a light, resilient material capable of supporting the body's weight. At a time when other foot supports were made of flat, unyielding metal, the footbed was revolutionary. In 1915, Konrad's son, Carl Birkenstock, joined the family business. Father and son became renowned orthopedic authorities, publishing numerous books and articles and traveling extensively throughout Europe conducting seminars and trainings on orthopedic theory.

In 1964, Carl's son, Karl Birkenstock, took his grandfather's footbed one step further by adding a sole and a leather strap that ran across the wearer's toes. And thus, the first modern BIRKENSTOCK sandal, the Madrid, was born. Originally launched as a fitness shoe, the design offered a multitude of ergonomic benefits to its wearers—including to activate the grip reflex of the toes as one walks, exercising one's foot and leg muscles. The Madrid became an instant classic.

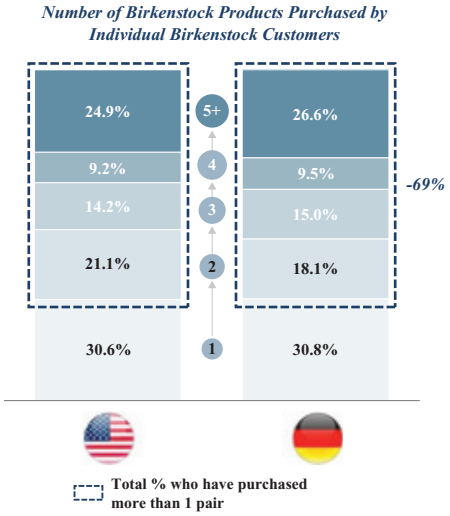
Over the subsequent decades, we have gone on to launch hundreds of new styles and silhouettes, but all have had one thing in common: the footbed. Konrad's footbed and, perhaps more importantly, his revolutionary foresight in creating products that enhance one's whole health and wellbeing, remain the foundation of the BIRKENSTOCK brand. Our origins and traditions still guide everything we do—from the way we select our materials to the way we craft our products.

We believe our approach to holistic health and wellbeing has global appeal. As one of the original inclusive brands, BIRKENSTOCK products are worn by people all over the world, regardless of age, income, race, or gender. Our most popular products are unisex in nature and we offer products across the pricing spectrum, ranging from €40 for our EVA products up to €400 for products from our premium 1774 collection. Most of our core classics sell in the €75-100 range, which we believe to be a democratic and achievable price point for much of the general population. The below chart illustrates the appeal of our brand to a broad array of customers in Germany and the United States.



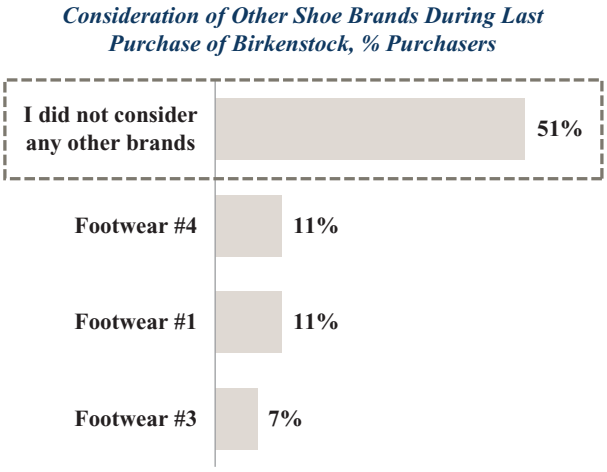
Source: Third Party Survey of Birkenstock Customers in the United States. Gender data reflects Third Party Survey of Birkenstock Consumers in Germany.

Our longstanding commitment to creating products of the highest quality has enabled us to establish a pristine brand reputation that has resulted in a highly engaged and loyal fan base. For many of these consumers, BIRKENSTOCK is more than just a brand, it is a way of life. In a third-party survey, approximately 69% of surveyed customers indicated they own more than one pair of BIRKENSTOCKs and approximately 90% of recent surveyed BIRKENSTOCK purchasers indicated a desire to repurchase our products. We are proud of our high retention rates as our customers' desire to repurchase is the ultimate testament to their satisfaction with our products. The below chart illustrates the number of BIRKENSTOCK products purchased by individual BIRKENSTOCK customers in Germany and the United States.



Source: Third Party Survey of Birkenstock Customers in the United States.

As time has enabled us to cement our reputation for producing high quality products, so too has it enabled us to become a dominate player in the sandal category. The distinctive and instantly recognizable aesthetic of our products—which we believe to be the perfect blend of function and design—have enabled us to create categories of our own, a phenomenon that has created enormous competitive advantages for our brand. To illustrate, approximately 51% of BIRKENSTOCK purchasers who participated in a third-party survey over the last two years did not consider purchasing any other brand. That is to say, for over half of such BIRKENSTOCK purchasers, *we do not compete against any other brand*.



Source: Third Party Survey of Birkenstock Customers in the United States, when asked "Thinking about the most recent time you purchased Birkenstock footwear, which of the following brands (if any) did you consider at any point of the shopping trip?" Note: "Footwear" players include Crocs, Sketchers, Vans, Clarks, Dr. Martens, Converse, Ugg and Timberland.

Our unique and ownable aesthetic have also resulted in significant unsolicited attention from various well-known brands seeking to create collaborations. For us, it is important that collaborations not only align with our brand values but also push the brand forward through infusing new creative ideas. Thus, we work selectively with brands—many with creative directors who are Birkenstock fans themselves—that we believe will craft original products that enhance the standing of our brand. Through our 1774 line, we have conceived of and launched multiple collaborations with labels as diverse as Stüssy, Rick Owens, and Valentino. These collaborations, profitable in and of themselves, also serve as differentiated marketing vehicles, enabling us to create a "halo" around BIRKENSTOCK, and to amplify our brand reach to new consumers in a cost-effective manner. We believe our distinctive and successful use of collaborations, along with organic, unpaid support from celebrities, have generated significant earned media.

Favored by societal megatrends towards casual styles, wellness, and sustainability

While "health and wellness" has been gaining traction with consumers over recent years, this way of thinking has been in our brand's DNA for centuries. Our products—specifically, our footbed—are rooted in the orthopedic theory pioneered by Konrad Birkenstock and designed to improve foot health and restore a natural gait.

The increased prioritization of health and wellness by the modern consumer has had dramatic and long-lasting impacts on lifestyle and consumption patterns. Within the broader soft goods category in which we operate, this has resulted, for example, in an increasing desire for comfort and function over "fashion". These preferences have fundamentally changed the way consumers dress today, not just at the gym or in their home but at the workplace as well. Between 2014 and 2018, the proportion of businesses with casual dress codes increased from approximately 30% to approximately 50% prior to the outbreak of COVID-19 according to public industry sources. We believe the shift towards more casual styles will only further accelerate as a result of the COVID-19 pandemic and the further blurring of "in-home" and "out-of-home" dress. As a brand that has prioritized health and wellbeing for centuries, we believe we are well positioned to benefit from this ongoing shift.

Similarly, the modern consumer is increasingly prioritizing sustainability and becoming more aware of and focused on the ESG profiles of the brands they purchase. Approximately 70% of consumers believe that sustainability is extremely or very important when purchasing fashion, according to public industry sources. In addition, approximately 65% of consumers state that they intend to buy more high-quality items that last longer according to McKinsey's Report: Consumer Sentiment on Sustainability in Fashion. For us, sustainability is not a matter of retrofitting our brand or labelling ourselves as "green" just to fit a consumer trend but is instead a genuine way of thinking that has been deeply embedded in our ethos and way of doing business for decades. As a result, we believe we are well-positioned to benefit from this ongoing emerging societal focus given the longstanding importance of both using sustainable materials as well as ethical production to the brand.

We utilize sustainable raw materials—most notably, cork, a naturally lightweight, breathable, and insulating material—in the production of our shoes. Cork is a highly versatile natural material that can be harvested multiple times without harming the tree. We source 100% of our cork—specifically, the waste byproduct of cork used to manufacture high-quality wine stoppers—from small, family-held farms in Portugal. We then bake a mixture of this cork with latex—in one of our two owned footbed production sites—to form our legendary footbeds.

Our vertically integrated supply chain represents a key source of competitive advantage and enables us to uphold high standards of ethical production. As with our cork, most of our raw materials are sourced from across Europe in accordance with our established Code of Conduct that lays out the strict ethical and social standards for our business. We include this Code of Conduct in all our supplier contracts to ensure that our suppliers consistently abide by these high standards. Furthermore, we produce nearly all our products in Germany through our five owned manufacturing facilities. See "*Business—Supply Chain—Production*." By fully controlling the production process, we know *where* and *how* our products are made, enabling us to maintain a clean and ethical supply chain.

Core product icons drive consistent and recurring growth supported by complementary diversification into adjacent footwear sub-categories

While we have a large product assortment comprised of hundreds of styles, our five core product families—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—still represent the vast majority of our revenue, contributing nearly 75% of our revenues in FY 2020. Apart from the Mayari, all these product franchises have been on the market for decades, providing us with a highly predictable and consistent sales base. At the same time, we have consistently demonstrated the ability to drive growth within a product family through color and material innovation, enabling us to expand and introduce newness into our assortment with minimal risk. Growth in our Arizona franchise, for instance, has been driven by both the core leather styles as well as through textile innovation (e.g., recent launch of shearling and EVA franchises, and the use of other seasonal materials and prints). As a result, revenues from sales of the Arizona silhouette have grown at a compounded annual growth rate of 23% between FY 2016 and FY 2020.

In recent years, we have specifically focused on growing our closed-toe shoe assortment, which represented approximately 4% of our revenues for the twelve months ended December 31, 2020. We believe our strategic focus on the closed-toe segment—which houses significant growth potential given higher average selling prices and broader applicability across different seasons and usage occasions—is now bearing fruit. For example, revenues from the Boston, a clog originally introduced in 1978, have grown at a compounded annual growth rate of 13% between FY 2016 and FY 2020, as we expanded the style count and more prominently showcased the Boston in our e-commerce and retail channels.

We also continue to invest in the orthopedic heritage of our brand, including recently forming a biomechanics team focused on driving new technical innovations. In particular, we see significant runway in functionally driven footwear categories such as the adventure / outdoor, orthopedic and professional segments. We believe that innovations in these sub-vertical markets will enable the BIRKENSTOCK brand to reach new customers and broaden its usage occasions, all while delivering on our legacy of quality, durability, and craftsmanship.

Profitable growth through evolution to owned distribution channels

Much of our recent growth may be attributable to our deliberate strategy of increasing DTC penetration, which enables us to purposefully and consistently express our brand identity while engaging directly with our global fan base. Our direct-to-consumer channels (comprised of our owned e-commerce and retail channels) represented approximately 18% of our revenues in FY 2018 and have grown to approximately 32% in the twelve months ended December 31, 2020.

The DTC acceleration has been driven primarily by our owned e-commerce channel, which has grown at a 47% compounded annual growth rate between FY 2018 and FY 2020 and comprised 28% of our overall group revenues for the twelve months ended December 31, 2020. Since 2016, we have invested a significant amount in our online platform in order to drive this channel shift and by the end of 2020 we had launched BIRKENSTOCK.com in 24 markets. Our e-commerce channel enables us to offer the broadest assortment as

well as a direct channel for communication with our consumers. E-commerce also has the added financial benefit of driving strong profit margins and enhancing the overall profitability of our overall business.

At approximately 4% of overall group revenues for the twelve months ended December 31, 2020, our retail channel represents a small, but complementary, segment of our DTC business. Most of our 52 retail locations are in Germany, given our brand history, where we operate a network of 35 locations as of November 2020. We have more recently embarked on a strategy of opening flagship retail locations, such as Soho and Brooklyn in New York City, Venice Beach in California and Soho in London. While retail represents an important channel where consumers engage physically with our brand and products, we remain extremely disciplined with our approach to managing our footprint and highly selective with respect to profitability and expected paybacks. Going forward, we may consider strategic additions to our retail footprint in brand appropriate locations, such as in the United States, where we only have three locations.

Finally, our wholesale channel, which represented 68.2% of our overall group revenues for the twelve months ended December 31, 2020, enables us to broaden our distribution network and reach. Wholesale, which spans our direct business with retail partners and our relationships with distribution partners in certain markets, plays an important role in providing physical distribution and increasing our brand awareness globally. For our wholesale partners, we represent an important, "must carry" brand within the footwear category given the strength of our brand name and the customers that we attract. As a result, we generate significantly more demand from existing and prospective new wholesale customers than we can supply, putting us in an enviable position where we can create scarcity in the market and control our brand image. This dynamic has also enabled us to focus on deepening our relationships with best-in-class retailers who strengthen our brand image and who extend our reach to new and attractive customer demographics.

The antecedent for our ability to drive DTC growth in a market is the conversion of that market from a distribution-led model to a company owned-and-operated model. Historically, the BIRKENSTOCK Group has operated primarily as a manufacturer and supplier of high-quality footwear, relying primarily on third-party distributors to market, sell, and expand the reach of the brand into new territories. However, today, as a result of our strategy to increase ownership of our distribution channels, our wholesale business is comprised of a combination of direct wholesale customers as well as legacy third-party distributors. Beginning with the distribution takeover of the U.S. market in 2007 and legal reorganization in 2009, and accelerating after the appointment of the first co-CEOs from outside the Birkenstock family in 2012 and our Managing Director of the Americas in the following year, we have focused on further vertically integrating these functions into our corporate organization to enable us greater control over the brand and distribution. Our distribution takeovers have been critical to our success, enabling us to build brand equity while driving accelerated sales and profitability growth. For example, in the U.S., we have grown revenues from approximately $42 million in FY 2012 to $349 million in FY 2020. Taking over direct distribution in the U.S. has allowed us to invest in relationships only with wholesalers that are aligned with and act as custodians of our brand while also enabling us to launch our e-commerce site in 2016 and open flagship retail stores in Soho and Brooklyn in, New York City and Venice Beach in, California.

Passionate, experienced, and proven management team delivering strong financial performance supported by a committed Sponsor

We benefit from the industry expertise and know-how of our passionate, experienced, and proven senior management team, which has an average of more than 15 years of industry experience. In 2012, for the first time in our history, we put executive leadership in place from outside the Birkenstock family. This was a pivot point for the business, turning BIRKENSTOCK from a family-run organization to a powerful, global business that has now experienced double digit growth for the last four years and has significantly increased profitability. Our management team is currently led by Oliver Reichert, our Chief Executive Officer; Philipp Türoff, our Chief Financial Officer; Markus Baum, our Chief Product Officer; Klaus Bauman, our Chief Sales Officer; and David Kahan, our Managing Director of Americas.

Our management team has been instrumental in delivering our growth and strong financial performance. We have experienced consistent and strong revenue growth during this period, demonstrating resilient growth even during the period impacted by the COVID-19 pandemic. Our revenues have grown at a compound annual growth rate of approximately 10% from €648 million for FY 2018 to €754 million for the twelve months ended December 31, 2020. Our growth reflects our increasing brand reputation and customer demand globally that has

been increasingly converted into revenue through our owned channels (i.e., owned retail stores and owned online channels). We have also experienced consistent improvement in our profitability, demonstrated by the increase in Adjusted EBITDA from €177.4 million for FY 2018 to €211.3 million for FY 2020, growing at a compound annual growth rate of approximately 9%. Our Adjusted Free Cash Flow increased from approximately €119 million in FY 2018 to approximately €239 million in FY 2020. Our stable Adjusted EBITDA margins of at least 25% from FY 2018 to the twelve months ended December 30, 2020 and our strong cash conversion reflects our brand strength and a diversified, vertically integrated business model with continued runway as distribution shifts further into our owned channels.

We also benefit from the market expertise, business relationships, knowledge, and experience of our new Sponsor. *L* Catterton is one of the largest and most experienced consumer-focused private equity groups in the world, with approximately $26 billion of equity capital under management and over 30 years of experience building iconic and enduring consumer brands. *L* Catterton was established in 2016 through a partnership among Catterton, LVMH and Groupe Arnault, and today the three firms actively collaborate in areas such as consumer insights, brand strategies, supply chain / distribution to leverage shared experiences and knowhow across the portfolio.

Our Strategies

We and our Sponsor have developed the following strategies, which reflect a continuation of the journey that we have been on over the last decade.

Building consumer awareness and familiarity globally

Our longstanding commitment to creating products of the highest quality has enabled us to establish our global, leading brand reputation. The BIRKENSTOCK brand has become synonymous with timeless, durable, and functional footwear with sustainability and health & wellbeing at its core. Without question, our brand is our greatest asset and has been key to our long-term sales growth and profitability margins.

As a result of our longstanding focus on creating sustainable, "better for you" products, we believe we are well-positioned to benefit from several of long-term secular shifts in consumer preferences, including the increasing focus on ESG and prioritization of health and wellness. The strong and longstanding alignment of our values with these changes in consumer purchase criteria will continue to drive outsized growth for our brand, as more consumers discover our products and learn about our brand ethos.

To reach even more new consumers and grow our global fan base, we will continue to launch high-profile collaborations with a diverse range of brands and creators across different industries and geographies. In the past, these collaborations have not only been profitable, but have also enabled us to increase our brand reach to new customers, including those in new demographics and geographies. While we have a robust pipeline of exciting collaborations, we remain highly selective, frequently turning down partnerships that we do not believe enhance the standing of our brand.

We have also identified several opportunities to build awareness in specific demographics. For example, while our presence is still nascent in Asia, we believe there is potential for significant growth based on a comparison to the success of some of our peers in the region who are relatively new market entrants. Finally, we are also expanding our range of kids and professional footwear, all of which we expect to drive accelerated growth in our business in coming years.

Accelerating the direct-to-consumer shift to continue to build brand equity and enhance margins

Our deliberate strategy of increasing DTC penetration—which is most evolved in the United States given our early distribution takeover of that market—enables us to express our brand identity purposefully and consistently while directly engaging with our global fan base. Our direct-to-customer acceleration has been driven primarily by our e-commerce channel, which has grown at a 47% compounded annual growth rate between FY 2018 and FY 2020 to comprise 25% of our overall group revenues for FY 2020, supported by our investments in our online platform in recent years. The increasing proportion of DTC sales has significantly contributed to our growing profit margins and profitability.

We intend to replicate the success of our U.S. DTC strategy across Europe and Asia, which we expect will lay the foundation for long-term, accretive growth. Our primary avenue of DTC will be through our e-commerce sales channel, which we have been rapidly growing through new online store openings since 2016, with the most recent being our online store in India added in 2020. Going forward, we may consider strategic additions to our retail footprint, and will focus on building profitable stores with short payback periods, focusing on a small footprint, with flexible leases in brand appropriate locations, such as in the United States, where we only have three locations.

Our ability to accelerate global DTC growth goes hand-in-hand with our ability to directly control distribution across the various markets in which we operate. As such, we plan to continue with our longstanding strategy to gradually takeover distribution in key markets to support our direct-to-consumer growth strategy and to increase control over our brand. While we have already taken over distribution in several of our critical markets, we still have distribution agreements with third-parties in place for several markets in Europe and Asia. Over the coming years, when it is strategically beneficial, we will look to convert certain of those distributor markets to company owned-and-operated, which will drive long-term accretive growth.

Diversifying product assortment and usage occasions

Our five core iconic product families—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—have, apart from the Mayari, been on the market for decades and provide us with a highly predictable and consistent sales base. In recent years, we have successfully driven growth within these iconic product franchises through the introduction of new materials and fabrications (e.g., shearling, vegan leather alternatives) and price bands (e.g., launch of opening price point EVA line and luxury collaborations through 1774 segment). Going forward, we will continue expanding these iconic product families through further design, construction, and materials updates.

We plan to drive future, incremental growth primarily through diversification into closed-toe shoes, which will enable us to serve different usage occasions for consumers, balance seasonality, and drive growth and profitability through higher average selling prices. We believe we have made substantial progress against this strategic effort in recent years, as demonstrated by the performance of the Boston silhouette. The Boston, a clog originally launched in 1978 has enjoyed a compound annual growth rate of 13% between FY 2016 and FY 2020 as we expanded the style count and more prominently featured the silhouette in our stores and e-commerce site.

We have identified runway in other functionally driven footwear categories, such as the adventure / outdoor, orthopedic, and professional segments. We are investing in the successful development of these products, and as an example, we have recently formed a biomechanics team that is focused on driving new technical innovations, such as non-slip treaded sole, solid steel toe cap, and oil, grease, and water-resistant materials. We believe that innovations in these niche markets will enable the BIRKENSTOCK brand to reach new customers and broaden its usage occasions, all while delivering on our legacy of quality, durability, and craftsmanship.

Investing in production and IT systems to enable the next decade of growth

Since we began manufacturing our first footbeds in the early twentieth century, we have always made our own products. In fact, up until the early-2010s we operated primarily as a manufacturer and supplier of high-quality footwear and largely relied on third-party distributors to sell our products. And though, over the years, we have continued to grow and scale our brand, we remain deeply committed to our roots of German manufacturing excellence.

Our vertically integrated supply chain represents a key source of competitive advantage and enables us to uphold our high standards of craftsmanship and ethical production. To this day, our products are handcrafted by the 3,137 skilled workers we employ in our owned production facilities in Germany. Over the past three years, almost all of our expansion capital expenditures have been invested in enhancing our in-house production capabilities to meet the demands of our growing business. For example, our in-house team of engineers have developed proprietary, leading-edge automation technologies that we are in the process of implementing, and that we expect will improve our manufacturing cost structure and further enhance the quality and consistency of our products. For the avoidance of doubt, our automation technologies are not meant to reduce or replace our manufacturing workforce; if anything, we will continue to invest in and scale our production capabilities in Germany.

Going forward, while our existing supply chain has the scale to support our growth plan, we have the potential to iterate our production and planning approach to increasingly support our shift to DTC. To that end, we plan to continue to strategically invest behind manufacturing innovations that will support a shift towards demand-based production as well as increase capacity for longer-term growth.

Similarly, while we believe we are well positioned to capitalize on our owned DTC channels, we plan to continue to invest in technology and systems to support owned channel growth and to optimize critical operational processes as our supply chain grows larger and more complex. For example, near-term investments may include CRM, forecasting and logistics management.

Our History

Our origins date back nearly two and a half centuries to 1774, when Johann Adam Birkenstock opened shop as a cobbler in the German village of Langen-Bergheim. Johann's craft was passed down through the Birkenstock family over the years, and in 1896, his great-great-grandson, master cobbler Konrad Birkenstock, had a novel idea that would change the footwear industry forever. At the time, shoes were made with flat insoles, despite the fact that the bottom of the human foot is curved. Konrad realized that an insole that complemented the natural curvature of the foot would be more comfortable than a flat surface, so he designed the first contoured shoe last, a tool used in shoe-making, to help his cobblers make customized footwear for patrons.

However by the time Konrad launched his progressive new design, the rapidly industrializing footwear industry was decimating demand for custom, handmade shoes. Undeterred, Konrad adapted his original invention to fit the growing factory-manufactured footwear market, and began to manufacture and sell flexible orthopedic insoles that could be inserted into mass-produced shoes. At a time when other foot supports were made of flat, unyielding metal, Konrad's footbed—made from a baked mixture of cork and latex to produce a light, resilient material capable of supporting the body's weight—was revolutionary.

In 1915, Konrad's son, Carl Birkenstock, joined the family business. Father and son became renowned orthopedic authorities, publishing numerous books and articles and traveling extensively throughout Europe conducting seminars and trainings on orthopedic theory. In 1932, one of Carl's publications, a textbook entitled *Podiatry—The Carl Birkenstock System* in which Carl expounded on his theories about the "natural gait" and healthy footwear, became among the best-selling podiatry textbooks of the day.

In 1964, Carl's son, Karl Birkenstock, took his grandfather's footbed one step further by adding a sole and a leather strap that ran across the wearer's toes. And thus, the first modern BIRKENSTOCK sandal, the Madrid, was born. Originally launched as a fitness shoe, the design offered a multitude of ergonomic benefits to its wearers—including to activate the grip reflex of the toes as one walks, exercising one's foot and leg muscles. The Madrid became an instant classic. Today, the Madrid remains one of our most iconic, best-selling silhouettes, and is nearly unchanged from the first pair that was sold over 50 years ago. Since the launch of the Madrid, we have launched many other successful silhouettes, including longstanding icons like the Arizona (1973), the Boston (1978), and the Gizeh (1983), all of which were among the top-5 best-selling silhouettes in 2020. Today, just as in 1964, the core attributes of the BIRKENSTOCK brand remain rooted in orthopedic health and wellbeing.

As the popularity of our sandals grew across Europe, a woman named Margot Fraser introduced the brand to the United States. Fraser, a German-American dressmaker and designer, first discovered our sandals while on a spa trip to Germany in 1966. The anatomically designed footwear delivered immediate relief to her painful feet, prompting her to contact Karl Birkenstock to explore importing his family's designs to the United States. Fraser was given distribution rights and launched the business from her home in Northern California. Her first customers were health food retailers, which allowed her to capitalize on the opportunity she saw to introduce the shoes to a new subculture of young consumers who valued function and individuality over high fashion. The doctor-approved design appealed to these wellness-conscious customers, and soon BIRKENSTOCKs were worn coast to coast from San Francisco to Burlington, Vermont.

Over the subsequent decades, our popularity continued to grow across the United States and Europe. By the late 1990s, the brand had expanded well beyond our original wellness-conscious consumers, appearing on fashion runways and A-list celebrities like Kate Moss and Harrison Ford.

We expanded our geographic footprint over the next few decades, mainly through distributors, extending the reach of our brand. In the late 2000s, we took the first steps to kickstart the next decade of growth, insourcing distribution in the United States in 2007, and beginning a legal reorganization to consolidate the business into a

single, global business which we completed in 2013. In 2012, for the first time in our history, we appointed leadership from outside the Birkenstock family, with Oliver Reichert and Markus Bensberg joining as co-CEOs. This was a pivotal point for our business, turning it from a family-run organization into a professionally managed global business, and during the period from FY 2014 to FY 2017 our revenues grew at a compound annual growth rate of approximately 21%.

Under our new leadership, we evolved from a family-run organization, into a powerful, global business that has now experienced profitable, double digit growth for the last four months. During this period, management focused on implementing a deliberate direct-to-consumer strategy, both launching our owned ecommerce platform (BIRKENSTOCK.com) and taking over distribution in key markets. Additionally, they invested in professionalizing the organization, creating a global sales organization and testing digital marketing tactics for the first time. Under their leadership, our e-commerce channel has grown to comprise 28% of our overall group revenues for the twelve months ended December 31, 2020.

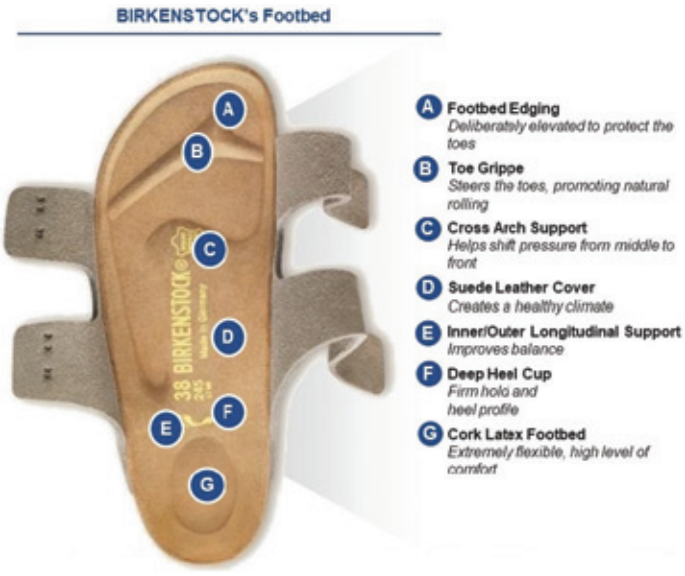
On February 26, 2021, *L* Catterton announced the acquisition of a majority stake in the BIRKENSTOCK Group. See "*Summary—The Transactions*" for further details.

Our Product Offering

We have a large product assortment comprised of hundreds of styles of sandals and shoes. At the core of all our footwear products lies the original BIRKENSTOCK contoured footbed, which, rooted in orthopedic theory, encourages proper foot wellbeing, reduces pressure points, and re-emphasizes natural walking. Most of our styles are unisex, and we offer a range of adult and kid sizes in regular / narrow and wide widths to ensure the right fit for any foot. Nearly 75% of our revenues for FY 2020, were driven by our five core product families: the Arizona, the Gizeh, the Mayari, the Madrid and the Boston. In order to drive continued relevance and appeal to a range of consumers, all our silhouettes—especially within our core product families—are available in a wide variety of colors, patterns and constructions. In addition to our core products, our large product assortment includes products with new technical innovations, including our functionally driven footwear categories such as the adventure / outdoor, orthopedic and professional segments, and our premium line of sandals which include collaborations with brands such as Stüssy, Rick Owens and Valentino.

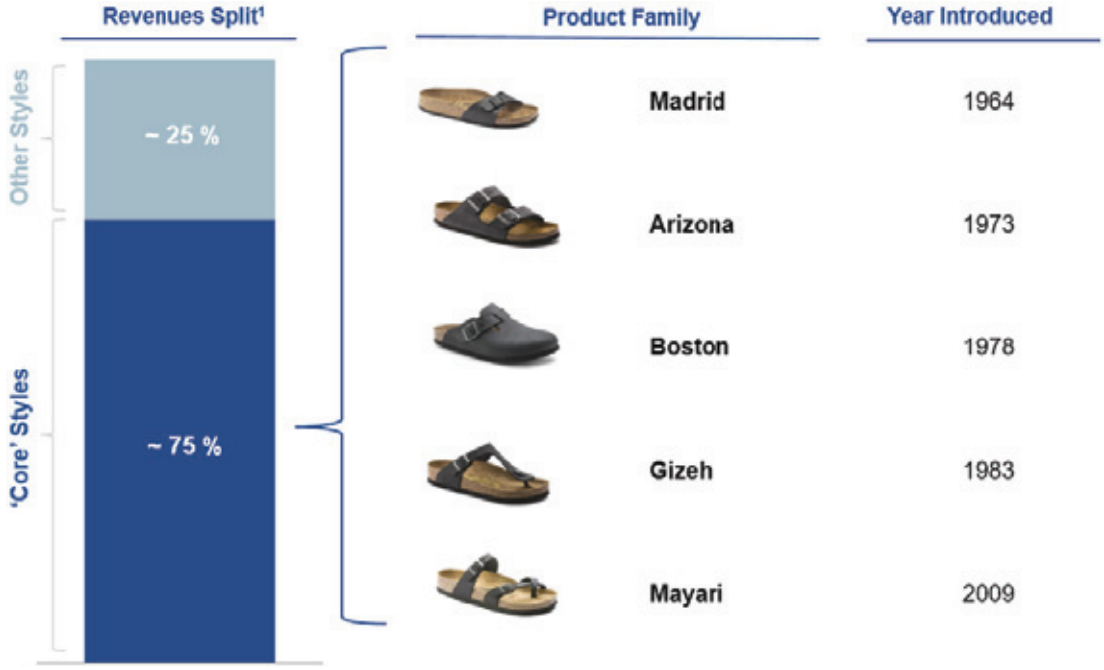
The Footbed

Master cobbler Konrad Birkenstock invented and launched the footbed in the late 1800s, which we still use today across all of our footwear styles. The footbed includes contoured arch supports made from a baked mixture of cork and latex to produce a light, resilient material capable of supporting the body's weight. This insole complements the natural curvature of the foot and encourages proper foot wellbeing, reduces pressure points, and re-emphasizes natural walking. The below diagram illustrates how the design of the footbed focuses on each part of the foot creating a product that enhances health and promotes wellbeing.



Icons

Our five core iconic product families—the Arizona, the Gizeh, the Mayari, the Madrid and the Boston—have, apart from the Mayari, been on the market for decades and provide us with a highly predictable and consistent sales base. These five silhouettes have become immediately recognizable cultural icons with a timeless appeal, as is evidenced by the long-lasting popularity they have enjoyed, all nearly unchanged from their original designs. We have been able to consistently grow sales in these core product families, with strong sales in traditional leather styles, complemented by the introduction of new materials and patterns. Our five core product families represent approximately 75% of revenues combined, while other products comprise the remaining approximately 25%.



Note: Core SKUs listed above include Classic Adults Leather, Classic Adults Textile and Active Adults EVA; all other product categories reflected in "Other". 1 Based on FY 2020A revenues.

The Arizona

Our best-selling silhouette is *The Arizona*. Introduced in 1973, it has millions of dedicated fans around the world. The Arizona is immediately recognizable with several distinctive features of BIRKENSTOCK sandals: the legendary contoured footbed, the individually adjustable straps to create a custom-like-fit, and the trademark metal pin buckles etched with the signature BIRKENSTOCK logo.

Materials and Materials Innovation

To drive continued relevance and appeal to a range of consumers, all our silhouettes—especially within our core product families—are available in a wide variety of colors, patterns and constructions. In recent years, we have successfully driven growth within our core product families by adding styles with different materials and constructions. This low risk strategy has driven high returns by creating newness and expanding our products to a broader customer base while retaining the classic silhouettes that are at the heart of the BIRKENSTOCK brand. For example, many of our classic products that are available in leather are now also available in our trademarked vegan leather alternative, Birko-Flor®, expanding their reach to a larger customer segment.

We also use materials innovation to expand usage occasions. For instance, we offer a range of products in shearling, a material that has turned the Arizona into a popular winter shoe. We also offer a range of waterproof shoes and sandals made entirely out of EVA, a skin-friendly, non-toxic synthetic compound. Many of our popular classic sandals, such as the Arizona and the Gizeh, are available in EVA in a broad array of colors. Our EVA products are also strategically priced at an entry-level price point to introduce new consumers to our brand. Additionally, EVA is not only waterproof, but also resistant to heat, acid, oil and grease making it an ideal material for our professional products.

PINNACLE / 1774

Our line of premium sandals, named 1774 in an homage to BIRKENSTOCK's rich heritage, is comprised of a curated assortment including our own designs as well as collaborations. For us, it is important that collaborations not only align with our brand values but also push the brand forward through infusing new creative ideas. Thus, we work selectively with brands—many with creative directors who are Birkenstock fans themselves—that we believe will craft original products that enhance the standing of our brand. Through our 1774 line, we have conceived of and launched multiple fashion collaborations with brands as diverse as Stüssy, Rick Owens and Valentino. These collaborations, profitable in and of themselves, also serve as differentiated marketing vehicles, enabling us to create a "halo" around BIRKENSTOCK, and to amplify our brand reach to new consumers in a cost-effective manner. Collaborations typically feature one or more re-worked "Icons" in collaboration with notable designers or artists, leveraging third-party creativity and recognition while highlighting BIRKENSTOCK's heritage and values. While collaborations represent a very small proportion of total units sold (less than 1% in the twelve months ended December 31, 2020), they play an important role in building brand equity and a sense of newness and excitement within the brand.

Product Roadmap

Through our strategic focus on entering and expanding certain product categories, including closed-toe shoes, professional/orthopedic, kids, and adventure, we continue to balance seasonality, add new usage occasions and reach new segments of the market. In recent years, we have specifically focused on growing our closed-toe shoe assortment, which represented approximately 4% of our revenues for the twelve months ended December 31, 2020. The closed-toe segment houses significant growth potential given higher average selling prices and broader applicability across different seasons and usage occasions. We also continue to invest in the orthopedic heritage of our brand, including recently forming a biomechanics team that is focused on driving new technical innovations. In particular, we see significant runway in functionally driven footwear categories such as the adventure / outdoor, orthopedic and professional segments. We believe the opportunities in these categories are highly complementary to our current business. As we continue to broaden our appeal to new consumers and introduce new categories, we remain true to our history of timeless, durable and functional footwear with an emphasis on sustainability and health & wellness.

Content and Collaborations

We are extremely proud of our distinctive and rich brand history, which we have carefully leveraged into a highly successful marketing strategy. Our approach has also evolved in recent years in line with the growth of our DTC channels to support the brand experience our consumers seek, particularly in our owned e-commerce and retail channels. We have an in-house production team that creates content to promote our brand, such as the the BIRKENSTOCK series of short films, or "BIRKENSTORIES," which in 2019 earned the Art Directors Club award. BIRKENSTORIES show the profiles of wearers of BIRKENSTOCK sandals around the world who are fans of our products.

In the summer of 2017, we launched our first global brand advertising with a product focused campaign shot by world-renowned photographer, Dan Tobin Smith. At the end of 2017, we introduced the BIRKENSTOCK

BOX, a mobile pop-up store in a sea freight container, which is designed as a travelling retail experiment that involves architects, artists, local retail partners and consumers in several cities. The BIRKENSTOCK BOX was designed to attract customers and brand fans with a selected range of limited edition products, while at the same time building a close relationship with top retail partners and fashion designers. The tour is documented on social media and the special collections or limited edition products can be bought on our website.

Our digital marketing strategy focuses on, among other things, ensuring brand integrity, carefully choosing our presence on selected online marketplaces and social media accounts (including Facebook, Pinterest and Instagram, where we have official brand accounts), and maintaining consistency in imagery and content (visual and editorial) across markets and media. We advertise our products through our online magazine featuring guest authors, online tutorials (including in YouTube), opt-in newsletters and events.

In addition, we engage in collaborations with well-known brands, such as Stüssy, Rick Owens, Random Identities, 032c, Monocle and Valentino, which serve as differentiated marketing vehicles, enabling us to increase our brand reach to new consumers in a cost-effective manner. Our creative partnerships have also included Tico Torres, the Bon Jovi band drummer, with whom we designed the RockStarBaby line, and the Königliche Porzellan-Manufaktur Berlin (the Royal Porcelain Manufactory Berlin) ("KPM"), with whom we launched a limited edition style in May 2018 of the Arizona and Gizeh with exclusive porcelain ornaments from KPM. We believe our distinctive and successful use of collaborations, along with organic, unpaid support from celebrities such as Kendall Jenner, Heidi Klum, Leonardo DiCaprio, Gigi Hadid and Jason Momoa, have generated significant earned media.

Operational Structure

Headquartered in Neustadt, Germany, we operate a regional business model from four regional hubs: Americas, Europe, ASPA and MEAI. We have implemented a balanced global/local structure with direction provided centrally and local leaders responsible for trading and implementation, as well as a strong cross-functional set-up with appropriate straight and dotted reporting lines to ensure adequate information flow and collaboration. Several group functions have been allocated to a Shared Service Center ("SSC") that provides central operating and administrative support services to all production sites and regional hubs, including logistic services, centralized sale and distribution and product and marketing support services, administrative services such as general administration, human resources, finance, controlling, tax, legal, information technology ("IT") and planning and operations, and top management functions in Germany.

Sales Channels

We distribute our products through three sales channels—e-commerce, wholesale and retail—in almost 100 countries. Historically, we have operated primarily as a manufacturer and supplier of high-quality footwear, relying primarily on third-party distributors to market, sell, and expand the reach of the brand into new territories. However, today, as a result of our strategy to increase ownership of our distribution channels, our wholesale business is comprised of a combination of direct wholesale customers as well as legacy third-party distributors.

Since the early 2010s, we have focused on further vertically integrating our distribution functions into our corporate organization to enable us greater control over the brand and distribution, further shifting distribution into our owned channels. We have seen meaningful recent acceleration in our DTC owned e-commerce and retail channels, which have expanded from 18% of revenues in FY 2018 to 32% of revenues in the twelve months ended December 31, 2020. We believe that DTC—in particular, our owned e-commerce channel—will generate an increasing portion of our sales and profits going forward.

E-commerce

In line with our direct-to-consumer distribution strategy, our e-commerce sales channel has become a key focus for our future growth. Our e-commerce channel is comprised of our global owned online stores (BIRKENSTOCK.com). We also own country-code and city-code domain registrations in more than 100 locations. We generated 11%, 13.5%, 14%, 25% and 28% of our revenues in the e-commerce channel in FY 2017, FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020, respectively, demonstrating the success or our strategy to increase DTC penetration. Our e-commerce channel has grown at a 47% compounded annual growth rate between FY 2018 and FY 2020. The online store in Europe is centrally operated by Birkenstock Digital GmbH. The online stores for our other regional hubs are operated by the local entities and warehousing and fulfilment is performed by our logistics partners.

Our e-commerce channel enables us to offer the broadest product assortment as well as a direct channel for communication with our consumers. E-commerce also has the added financial benefit of driving strong profit margins and enhancing the overall profitability of our overall business.

Retail

Our retail channel is comprised of our own retail stores, representing a small, but complementary, segment of our direct-to-consumer business. We generated 4%, 4.5%, 5%, 5% and 4% of our revenues in the retail channel in FY 2017, FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020, respectively. Most of our 52 retail locations are located in Germany, where we operate a network of 35 locations as of November 2020.

While retail represents an important channel where consumers engage physically with our brand and products, we remain extremely disciplined with our approach to managing our retail locations and highly selective with respect to profitability and expected paybacks. We have recently embarked on a strategy of opening flagship retail locations, such as Soho and Brooklyn in New York City, Venice Beach in California and Soho in London. Going forward, we may consider strategic additions to our retail footprint, and will focus on building profitable stores with short payback periods, focusing on a small footprint, with relatively short-term flexible leases (including rental payments based on percentage of sales, early tenant-only break clauses and maximizing landlord capital contributions) in brand appropriate locations, such as the United States, where we only have three locations.

Wholesale

Our wholesale channel, which spans our direct business with retail partners, as well as our relationships with distribution partners in certain markets, plays an important role in providing physical distribution and increasing our brand awareness globally. We generated 85%, 82%, 80%, 70% and 68% of our revenues in the wholesale channel in FY 2017, FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020, respectively. The decrease in the proportion of our wholesale revenues has been as a result of our deliberate strategy of increasing direct-to-customer penetration.

Our wholesale channel provides physical distribution via third parties in locations or markets where wholesale presents a better route-to-market, via large, established third-party store networks, than retail and it also plays a significant role in increasing brand awareness globally, in particular in new markets. For our wholesale partners, we represent an important, "must carry" brand within the footwear category given the strength of our brand name and the customers that we attract. As a result, we generate significantly more demand from existing and prospective new wholesale customers than we can supply, putting us in an enviable position where we can create scarcity, control our brand and limit any discounting activity. This has enabled us to focus only on deepening our relationships with best-in-class retailers who strengthen our brand image and who extend our reach to new and attractive customer demographics. Finally, we also proudly work with—and have grown our business with—an extensive network of independent footwear stores, a channel that reaches an oft-underserved customer base and speaks to the heritage of our brand.

Beginning with the distribution takeover of the U.S. market in 2007 and accelerating after the appointment of our first co-CEOs from outside the Birkenstock family in 2012, we have focused on further vertically integrating our distribution into our corporate organization to enable us greater control over our brand and distribution. Directly controlling distribution globally will be a critical enabler of our ongoing DTC shift. While own distribution has been part of our model since the beginning, some more recent distribution takeovers include:

Year	Market	Year	Market
2007	United States	2015	Poland
2015	Spain	2019	Switzerland
2017	United Kingdom	2019	Canada
2016	Denmark	2020	India

Regional Hubs

We coordinate our distribution of our products through our four regional hubs: Americas, Europe, ASPA and MEAI.

Americas

The Americas includes, among others, the United States, Brazil, Canada and Mexico. We generated 32%, 40%, 44%, 47% and 49% of our revenues in the Americas in FY 2017, FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020, respectively.

The United States is our largest and most important market in the Americas. Following our distribution takeover in 2007 and the successful implementation our DTC-focused strategy, our revenues in the U.S. have grown from approximately $42 million in FY 2012 to $349 million in FY 2020. We launched our e-commerce channel in 2017, which has grown at an average of 47% compounded annual growth rate between FY 2018 and FY 2020. Our DTC channels represented 34% of our Americas revenues for FY 2020. We expect that e-commerce revenues in the United States will be continue to a major driver of future growth. To complement our e-commerce channel, we recently opened three flagship retail location: in Soho, New York City in 2018, Venice Beach, California in 2019 and Brooklyn, New York City in 2021. We intend to use this strategy and our experience gained from successfully implementing a DTC-focused strategy in the United States as a playbook to drive growth in our other hubs. For example, we recently took over the distribution in Canada in 2020 and is already showing positive results.

Europe

Europe includes, among others, our key markets of Germany, France, the United Kingdom and the Netherlands. We generated 48%, 45%, 42%, 41% and 41% of our revenues in Europe in FY 2017, FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020, respectively.

Our home country, Germany, accounts for the largest percentage of our revenue in Europe across all three distribution channels. The German footwear market is our oldest market, with the majority of our own retail stores located in Germany. The wholesale channel accounts for the highest revenue share in Germany, although we have successfully driven outsized growth in the e-commerce channel as a result of our focus on DTC.

In recent years, we have focused on further vertically integrating our distribution into our corporate organization to enable us greater control over the brand and our margins, including through distribution takeovers in Spain, the United Kingdom, Denmark and Switzerland. In addition, we are currently in the process of a distribution take-over in other key European markets. Our DTC channel accounted for 31% of our revenues in Europe for FY 2020.

Rest of World—ASPA & MEAI

The ASPA hub covers Asia, the South Pacific and Australia. We generated 16%, 13%, 12%, 10% and 8% of our revenues in ASPA in FY 2017, FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020, respectively. Our largest markets in ASPA include Japan, Australia, and South Korea collectively representing approximately 62% of ASPA's revenue in FY 2020 and 59% for the twelve months ended December 30, 2020.

MEAI is our newest hub formed in 2018 and covers certain growth markets the Middle East, Africa and India. We generated 3%, 2%, 2%, 2% and 2% of our revenues in MEAI in FY 2017, FY 2018, FY 2019, FY 2020 and the twelve months ended December 31, 2020, respectively. Our key markets in MEAI include United Arab Emirates and India. Following the entry into the Indian market at the beginning of FY 2020, we also opened our first online store in MEAI in India.

Our business is relatively nascent in the ASPA and MEAI hubs, and many of our operations are partner-led. We believe there is potential for significant growth in these regions.

Supply Chain

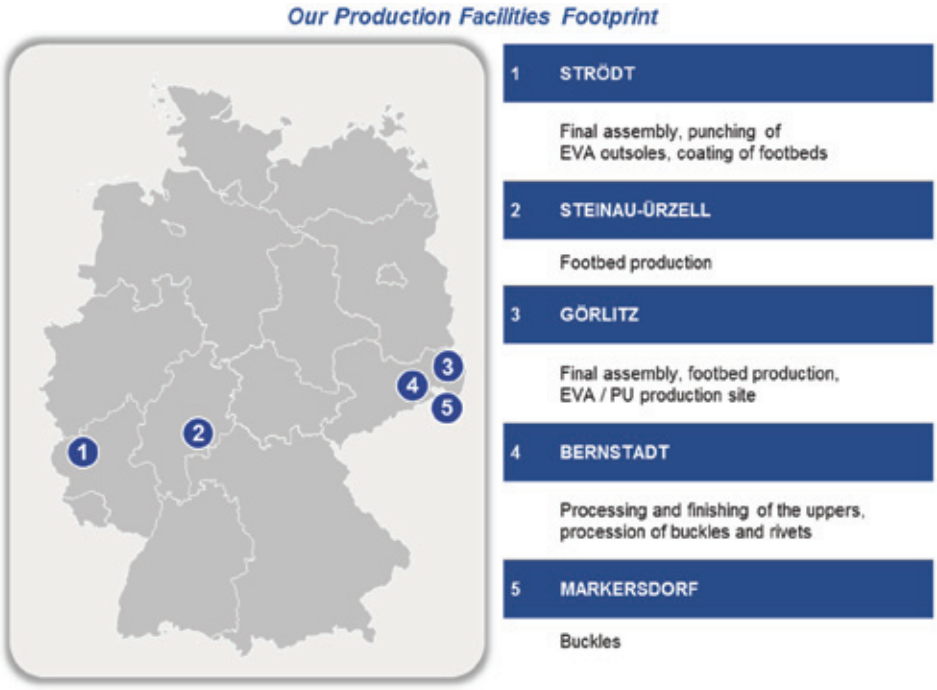
Sustainability

For us, sustainability is not a matter of retrofitting our brand or labelling ourselves as "green" just to fit a consumer trend but is instead a way of thinking that has been deeply embedded in our ethos for decades. We maintain strict controls over our entire supply chain—from carefully selecting high quality, sustainable materials from our largely European supply base, including cork, natural latex, jute, leather, wool felt, copper and brass, to hand-finishing our products in our five owned manufacturing facilities across central Germany—and a relentless focus on creating well-made, functional, and durable products. The durability of our products makes them

inherently sustainable. Environmental protection has long been of paramount importance at BIRKENSTOCK. We constantly work to improve production processes, products, packaging and logistics.

Production

We produce nearly all our products in Germany through our five owned manufacturing facilities as show on the map below. By fully controlling the production process, we know *where* and *how* our products are made, enabling us to guarantee a clean and ethical supply chain.



Approximately 91% of our revenues for FY 2020 resulted from products produced in our own facilities. Portions of our closed shoes, such as clogs, boots, and sneakers, are made in workshops in Portugal that are operated by an external partner. Our production sites maintain operational relationships with each other as each site is responsible for producing certain parts necessary for final assembly of our products.

Our production sites in Görlitz and Strödt, and the branch in Portugal that coordinates our closed-toe shoe production with our external partner, are responsible for the final assembly of shoes in addition to other production processes, such as buckles processing in Strödt, and EVA beach shoes production in Strödt and Görlitz. In addition, Steinau Ürzell is primarily dedicated to the production of footbed.

Our production sites in Görlitz, Bernstadt and Markersdorf were established between 1991 and 2009 to meet increasing volume demand. These locations were planned to cover nearly the entire chin of manufacturing steps and final assembly, if necessary, as a backup to the production and assembly at Strödt as part of our production risk management. These locations are supported by a favorable workforce due to the sites' proximity to Poland and the Czech Republic.

Our in-house team of engineers have developed propriety, leading-edge automation technologies that we are in the process of implementing, and that we expect will improve our manufacturing cost structure and further enhance the quality and consistency of our products. These modernizations will streamline the production process and support our ability to control production costs. Two production lines dedicated to the final assembly of sandals in the Strödt production facility have been fully automated, and we expect to add two further automated productions lines by the end of FY 2021, which will be a game-changer for a company going forward. We plan to make further modernizations to our productions facilities and are currently evaluating various initiatives that we believe will further support profitable growth. For the avoidance of doubt, our automation technologies are not meant to reduce or replace our manufacturing workforce; if anything, we will continue to invest in and scale our production capabilities in Germany.

Raw Materials

We utilize sustainable raw materials in the production of our shoes. All of our footbeds are made with natural materials, such as cork, latex and the finest jute ensuring long-lasting high quality products for our

customers. In fact, in a recent survey carried out by a third party service provider, approximately 65% of consumers state that they intend to buy more high-quality items that last longer. We use only premium quality cork to provide the orthopedic contours feet need for maximum comfort. Our uppers are made of both natural materials and synthetic materials including high-quality leathers (such as smooth leather, embossed leather, natural/oiled leather, waxy leather, metallic leather, patent leather, nubuck leather and suede), carefully selected textiles (such as linen, canvas and wool felt), trademarked leather alternatives (such as Birko-Flor®, Birkibuc® and Birko-Felt®) and synthetic fabrics and other materials (such as microfiber, polyurethane and EVA).

We also offer products in our range of trademarked leather alternatives. Birko-Flor® is our trademarked synthetic leather, also available in a patent version, Birkibuc® is our trademarked synthetic nubuck and Birko-Felt® is our trademarked synthetic felt. We recently formed a biomechanics team focused on driving new technical innovations, such as polyurethane-based materials. We produce our materials responsibly and monitor them to ensure they are kind to the skin.

Sustainable, Natural Cork

One of our most important raw materials is cork, a naturally lightweight, breathable, and insulating material. Cork is a highly versatile natural material that can be harvested multiple times without harming the tree. The cork is obtained from the bark layer of the cork oak and is reproduced and can therefore be harvested again and again without harming the tree. A single tree can provide 100 to 200 kilograms of cork during its life. We source 100% of our cork—specifically, the waste byproduct of cork used to manufacture high-quality wine stoppers—from small, family-held farms in Portugal.

Water-based, Environmentally Friendly Adhesives

Almost all of the adhesives we use are water-based and environmentally friendly. We were one of the first footwear manufacturers in the world to use water-soluble and solvent-free adhesives almost exclusively in its production processes. In recent years, we have successfully worked to considerably reduce the proportion of adhesives that contain solvents.

Natural latex serves as a primary binding agent in the production of the footbed. Like cork, natural latex is also a renewable resource. Natural latex is obtained from the resin of rubber trees. The latex milk that is emitted from the trees is collected in small buckets. This process does not occur for the first time until the trees have matured to six years old at which point, a rubber tree will provide approximately 80 grams of latex every day for 25 years. Unlike synthetic latex, which is made from crude oil, natural latex is made using less energy and is free from solvents or CFCs. Natural latex also has beneficial natural properties, such as a high elasticity-point and breathability.

Renewable Textile Fibers

Jute provides additional stabilization to the cork and latex core of the original BIRKENSTOCK footbed. Jute, like cork, is a renewable resource. The annual plant is generally grown in perpetually humid tropical regions. The bushes grow to 15 to 20 centimeters before they are harvested after about four months. Before the fibers can be spun, the plant's textile fibers are first roasted, peeled, combed and cleaned. The natural fibers are then softened. During the production of the footbeds, two layers of jute fiber braids are utilized to stabilize the top side and underside.

Sourcing and Suppliers

All of our high-quality supplies are sourced in accordance with our established Code of Conduct. We have strict procurement guidelines and all products must comply with our requirements. Sourcing processes must be regulated and in line with our standards and we have quality assurance agreements with all strategic partners. At our in-house laboratory in Bernstadt, Germany, the materials we procure are tested for quality and consistency before use. We take a multi-supplier sourcing approach regarding the supply of the materials (such as buckles, cork and leather), tools and services required for the production of our products and no single supplier accounted for more than 11% of supply costs in FY 2020. During the COVID-19 pandemic, when Northern Italy was severely impacted, our other suppliers increased production thereby alleviating any supply disruption, which is testament to our robust and multi-sourcing supplier strategy. In addition, our breadth of suppliers allows us increased control of our cost base as demonstrated by the reduction in our Material Unit Costs from €8.0 in FY 2018 to €6.7 FY 2020, representing a decrease of approximately 16%.

We have long-standing relationships with many of our suppliers. Our top 14 suppliers, approximately 60% of supply costs of raw materials, semi-finished goods, auxiliary and packing for the twelve months ended December 31, 2020, are based in Europe, with one in Turkey. As a result, we have visibility over a majority of our supplier base and we maintain strict controls, enabling us to maintain a clean and ethical supply chain. We typically enter into framework agreements and terms and conditions with our suppliers, based on our template agreement. Our purchasing activities are ultimately overseen by our Chief Procurement Officer.

Code of Conduct

We are a global shoe manufacturer and are aware of our responsibility to our customers and our employees. We have set strict ethical and social rules for ourselves that guide us in our business. We expect our suppliers to act according to the same ethical principles. For this reason, we have developed a code of conduct for suppliers (the "Code of Conduct"). The Code of Conduct is based largely on the principles of the Global Compact issued by the United Nations and the International Labor Organization. It is binding for all of our suppliers and employees.

The Code of Conduct covers topics related to compliance with laws, prohibition of corruption and bribery, respect for the basic rights of employees, prohibition of child labor, health and safety of employees, environmental protection and supply chain. The Code of Conduct establishes and recognizes social and environmental minimum standards that each supplier must adhere to. By having suppliers sign this document, we ensure that the Code of Conduct is implemented in its "supplier qualification process." In addition, the Code of Conduct is included as a mandatory component of all new and extended supplier agreements to ensure that our suppliers will consistently abide by these high standards and that we remain competitive on a long-term basis. We regularly review and update the Code of Conduct, and we have a planned up to address animal welfare concerns.

Logistics

We and our external partners operate logistics centers in Germany and we operate further warehouses globally through external partners to supply the activities of our regional hubs. Distribution center activities include receiving finished goods from our manufactories, inspecting those products (including returns), and shipping them to our customers and to our own stores. We operate our own logistics centers in Germany. Our main central warehouse and distribution center for pallets and manual single-order picking is located in Vettelschoß and we operated our own internal warehouse in Asbach for peak volumes. In addition, we have three additional centers in Germany operated by external partners, including Arvato and Rhenus SE & Co. KG.

We also operate warehouses outside of Germany to supply the activities of our other regional hubs. The Americas is served by three warehouses. The largest of these warehouses is located in the United States and operated by UPS. It supplies all of our U.S. wholesalers and the e-commerce channel and retail stores in the United States. The warehouse in Canada is also operated by UPS and supplies both of our wholesale and online operations in Canada. The warehouse in Brazil supplies our operations in South America. The warehouses in China and Japan supply our wholesale channels and our online operations in ASPA.

IT Systems

We have three centralized internal IT teams: Americas IT (based in California), European IT (based in Germany) and Global eCommerce Services (based in New York). Our Digital Team and IT management meet on a regular basis to discuss and prioritize strategic technology initiatives as business strategy is the primary driver of all of our IT initiatives. We rely on third parties, primarily Bechtel and Intelligence, to host and support key systems and network infrastructure for all our locations, which augments our internal IT function.

We have adopted a "cloud first" approach and as a result we are actively working to migrate remaining systems in existing data centers located in our sites at Vettelschoß, Strödt, Bernstadt, Gorlitz, Steinau into Bechtel's primary centralized data center in Frankfurt. Bechtel provides a secondary data center for redundancy and disaster recovery. We have recently invested in certain IT programs. For instance, we began using an SAP-based purchasing function in FY 2018 that allows us to place orders more systematically, resulting in more precise allocation of purchases to material categories, thus enabling us to react to and partially mitigate any adverse effects resulting from increases in costs. During FY 2019, we improved the transparency of our accounting by refining the classification of certain line items in the balance sheet and the income statement through use of enterprise resource planning software. We plan to continue to invest in technology and systems to support owned channel growth and to optimize critical operational processes as our supply chain grows larger

and more complex. For example, near-term investments may include customer relationship management ("CRM"), forecasting and logistics management.

We are cybersecurity focused and regularly monitor our cybersecurity software and needs. We also train employees on cybersecurity breaches. Privacy and data protection are a priority. Our Chief Privacy Officer ("CPO") has responsibility for privacy matters. We also have local data protection officers and assign a supporting network of privacy coordinators across departments to support our CPO. See "*Risk Factors—Risks Related to Our Business—We are subject to various regulations governing the use and processing of personal data, and any failure to protect confidential information could harm our reputation and expose us to litigation*."

Employees

As of December 31, 2020, we employed 3,075 full-time equivalent ("FTE") employees in Germany and approximately 160 FTE employees in the United States. In addition to our FTE employees, we also employed approximately 1,169 agency workers (*Leiharbeitnehmer*) in Germany, primarily at our production sites.

We have five works councils established at certain of our sites in Germany, but we do not have a company works council (*Gesamtbetriebsrat*) nor a group's works council (*Konzernbetriebsrat*). Works council agreements have been concluded with the respective works councils covering the following topics, among others: access control to sites and bag inspection, vacation days, special leave, short-time work, data protection regulations, work on Saturdays, working time accounts and implementation and use of IT systems. Collective bargaining agreements are only in place at Birkenstock Productions Hessen GmbH on the basis of company collective bargaining agreements (*Firmentarifverträge*). None of our employees in the United States are represented by a union or covered by a collective bargaining agreement.

We believe that our relationship with our employees is good and do not currently foresee a shortage in the number of qualified personnel needed to operate our business. To date, other than the temporary closures due to restrictions imposed as a result of the COVID-19 pandemic, we have not experienced a labor-related work stoppage in the past three years. See "*Risk Factors—Risks Related to our Business—We are dependent on good relationships with our employees and employee representative bodies and stakeholders*."

Intellectual Property

We own a large portfolio of international intellectual property ("IP") rights. The BIRKENSTOCK brand is our most material IP asset. We manage our IP portfolio worldwide in Germany. All material IP-development and the registration process for new IP originates in Germany. Over the last two years, we have increased our focus on educating employees about the value of our brand and designs portfolio and invested additional resources into IP rights enforcement against third party infringers.

We established trademark rights in the BIRKENSTOCK brand in more than 90 countries worldwide. Our trademark registrations cover the international class of goods for footwear and in most jurisdictions, the class of goods covering orthopedic articles, including in key markets such as the European Union (including Germany), the United Kingdom, the United States, Canada, China (Chinese characters) and South Korea, and have pending applications in certain additional jurisdictions. We also own registrations for our Papillio and Betula brands and names of shoe styles, including Birk, Birki, Birko-Flor, Boston, Gizeh, Madrid, and the footprint logo.

In addition, when possible, we seek patent protection for protectable elements of our shoe products, primarily as design patents, as part of our overall global rights enforcement strategy. We maintain a large design portfolio.

We own more than 860 domain names, including our primary domain name BIRKENSTOCK.com. We also own country-code and city-code domain registrations in more than 100 locations, including Germany (.de), France (.fr), the United Kingdom (.co.uk) and Spain (.es). In addition, in order to strengthen domain presence and protect brands from domain name squatters, we regularly register iterations of our material domains. We also operate social media accounts (including on Facebook and Instagram) and have various active websites.

We strictly enforce against any products and fake shops that might be infringing our IP rights, including seizure measures, taking legal action where necessary and working with local jurisdictions to stop any counterfeiting operations. See "*Risk Factors—Risks Related to our Business—If we are unable to adequately protect, maintain and enforce our trademarks and other intellectual property rights, or if we infringe the intellectual property rights of third parties, our business would be materially adversely affected*."

Regulatory Matters

We are subject to the laws and regulations of the jurisdictions in which we operate, covering a wide variety of areas affecting general consumer protection and product safety, including health and safety, environmental, product quality and safety, competition, data protection and privacy, export and import controls, anti-corruption legislation, trade sanctions and labor laws. Generally, each region is primarily responsible for compliance with various local regulatory regimes applicable within its jurisdiction and there are regional lawyers in place to support. We also have a central legal team that is primarily responsible for overseeing compliance with laws and regulations at Group-level, as well as supporting the regional teams across jurisdictions vis-à-vis compliance with the regulatory regimes. While the Group does not operate in a heavily regulated industry, the legal team is well-staffed and engaged to deal with risks as they arise. See "*Risk Factors—Risks Related to Our Business—Compliance with existing laws and regulations or changes in any such laws and regulations could affect our business*."

Material Agreements

We enter into a broad array of distribution, customer, supplier and other third party agreements, and in particular, we have agreements with a wide range of distributors in our various markets. Given the nature of our business, while these agreements are important to our business, they are not material on an individual basis and, as part of our direct-to-consumer strategy, we have been gradually and selectively terminating certain agreements as part of our distribution takeovers. See also "*Risk Factors—Risks Related to Our Business—Our sales and distribution channels are dependent on cooperation with third parties*."

Insurance

We maintain insurance covering, among others, property damage, business interruption, stock and equipment breakdown, product liability, employer's liability, theft and cyber, transported goods, and directors' and officers' liability. We believe that our insurance coverage is consistent with industry practice and is sufficient for the risks that would normally be associated with our operations, but we cannot guarantee that we could not be adversely affected by damage or accidents despite possessing said insurance coverage. See "*Risk Factors—Risks Related to our Business—Our insurance coverage may not be sufficient and insurance premiums may increase*."

Litigation

We are subject to litigation from time to time, in the ordinary course of business. See "*Risk Factors—Risks Related to our Business—We are subject to the risk of litigation and other claims*." We are not currently involved in any legal proceedings which, either individually or in the aggregate, are expected to have a material adverse impact effect on our business or financial position. In April 2021, a former distribution partner of BIRKENSTOCK in France filed a lawsuit against BIRKENSTOCK claiming, among other things, damages as a result of reduced discounts, fewer product deliveries and the termination of our business relationship in connection with our taking over of distribution in the French market. While we are still assessing the merits and the nominal value of the claims could be considered significant, we believe on the basis of advice from counsel that they will not result in any material liability. However, the outcome of legal proceedings can be extremely difficult to predict, and we offer no assurances in this regard.

MANAGEMENT

The Issuer

The Issuer is a *société à responsibilité limitée* organized under the laws of Luxembourg. As of the date of this offering memorandum, the Issuer has no material assets or liabilities and has not engaged in any activities other than those related to its formation and the Transactions. The Issuer is indirectly controlled by the Sponsor. The Issuer is registered with the Luxembourg trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B252262. The Issuer's principal business address is 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg. The Issuer's sole manager can be contacted at the Issuer's business address.

The details of the Issuer's sole manager are as follows:

Name	Age	Position
Francis Zeler	54	Director

Set forth below is a short biography of the Issuer's director.

Francis Zeler was appointed as a director of the Issuer on February 19, 2021. Mr. Zeler also currently serves, and has served in the past, as external manager and director on the boards of multiple affiliates of the Sponsor, being employed on a part-time basis for a portion thereof, since 2012. Mr Zeler also serves as director and manager of four entities not affiliated to the Sponsor, which are not in competition with the Group. Mr. Zeler graduated from the Institute Blaise Pascal with a bachelor degree and a specialization in executive assistance.

Birkenstock's Executive Team

The following table sets forth certain information regarding the executive officers of Birkenstock, including their ages as of the date of this offering memorandum. In addition, we expect to appoint a new chief operating officer later this year.

Name	Age	Position
Oliver Reichert	50	Chief Executive Officer
Philipp Türoff	44	Chief Financial Officer
Markus Baum	47	Chief Product Officer
Klaus Baumann	52	Chief Sales Officer

Set forth below is a short biography of each of the members of our Management Board:

Oliver Reichert was appointed Chief Executive Officer of the BIRKENSTOCK Group in 2013. Prior to his current appointment, Mr. Reichert served as chief adviser of the Group since 2010. Prior to that, Mr. Reichert held various positions at Deutsche Sportfernsehen (currently Sport1), including as reporter and then as CEO between 2006 and 2009.

Philipp Türoff was appointed Chief Financial Officer of the BIRKENSTOCK Group in 2018. Prior to his current appointment, he served as Business Administration Sales Director of the Group since 2016 and, prior to that, he held various positions at Red Bull since 2011, including Finance Manager of Red Bull's Norwegian subsidiary and Regional Finance Manager Asia. Mr. Türoff started his career at SAP, where he held various financial controlling roles including Sales Controller and then Corporate Controller. Mr. Türoff graduated from the Stuttgart University with a degree in business administration.

Markus Baum was appointed Chief Product Officer of the BIRKENSTOCK Group in 2019. Prior to his current appointment, Mr. Baum served as Product Director of the Group since 2017 and, prior to that, as Director Footwear Division at Jack Wolfskin since 2013. From 2003 to 2013, Mr. Baum held various positions at adidas, such as Senior Key Account Manager, Head of Product Category Management Running Central Europe and Brand Director for the Central Europe East Market. Mr. Baum started his career with Roland Berger Strategy Consultants as Project Manager (1999-2003). He graduated from the University of Cologne with a degree in business administration (Diplom Kaufmann).

Klaus Baumann was appointed Chief Sales Officer of the BIRKENSTOCK Group in 2015. Prior to his current appointment, Mr. Baumann served as Country Manager Northern Europe for the shoe label group Camper since 2001 and, prior to that, as Sales Manager for the DACH market at Eighball Distribution. Mr. Baumann holds a Professional School degree in engineering.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we enter into related party transactions with our shareholders, companies within the Group, key management personnel and associates. We believe that all transactions with such parties are negotiated and executed on an arm's-length basis and that the terms of these transactions are comparable to those currently contracted with unrelated third-parties.

In addition, we will engage in various financing transactions with our new shareholders and enter into new related party transactions in connection with the Transactions. See "*The Transactions*."

Management Equity Participation Program

Following the closing of the Acquisition, the Sponsor intends to establish the structure for a management equity participation program to which certain managers of the Group will be able to subscribe to after the Acquisition Closing Date. The subscribing managers will be invested through a vehicle in the form of a German limited partnership (*GmbH &Co KG*) which will hold securities in Midco and will be expected to enter into certain customary documentation. Pursuant to such management participation program, the subscribing managers will indirectly hold a percentage of the issued ordinary shares in Midco in an amount to be agreed.

PRINCIPAL SHAREHOLDERS

German Newco is a limited liability partnership organized under the laws of Germany. All of the limited partner interests in German Newco are held by Lux SPV. The general partner of German Newco is Birkenstock Holding Verwaltungs UG (*haftungsbeschränkt*), a limited liability company (*Unternehmergesellschaft*) organized under the laws of Germany, a wholly-owned subsidiary of Lux SPV. Prior to Acquisition Closing Date, the general partnership interest in German Newco will be transferred from Birkenstock Holding Verwaltungs UG (*haftungsbeschränkt*) to Birkenstock Administration B.V., a limited liability company under the laws of The Netherlands, a wholly-owned subsidiary of Lux SPV. Following the completion of the Acquisition, German Newco will own the Target Business.

Lux SPV is a *société à responsabilité limitée* incorporated under the laws of Luxembourg and a wholly-owned subsidiary of the Issuer. The Issuer is a *société à responsabilité limitée* incorporated under the laws of Luxembourg and an indirect subsidiary of Midco, a *société à responsabilité limitée* incorporated under the laws of Luxembourg. Funds affiliated with the Sponsor directly or indirectly own 100% of the equity interests in Midco. In addition, the Sponsor intends to establish the structure for a management equity participation program at Midco following the Acquisition Closing Date. Pursuant to such management participation program, the subscribing managers will indirectly hold a percentage of the issued ordinary shares in Midco in an amount to be agreed. Following the Acquisition Closing Date, we expect that the Sponsor, Financière Agache (a holding company controlled by Agache, the Arnault family holding company and the controlling shareholder of LVMH), and any co-investors will hold approximately 85% of the ordinary shares in Midco, CBB will hold approximately 10% of the ordinary shares in Midco and management will indirectly hold up to 5% of the ordinary shares in Midco. The foregoing shareholding percentages are indicative and may be subject to variations.

The Sponsor

L Catterton is one of the largest and most experienced consumer-focused investment firms in the world, with approximately $26 billion in equity capital under management. Since its founding in 1989, the firm has focused exclusively on building iconic and enduring consumer brands. *L* Catterton seeks to partner with differentiated brands in advantaged categories using a highly thesis-driven approach, focusing specifically on attractive and high-growth opportunities with long-term value creation potential. To date, *L* Catterton has invested in over 200 companies across its fund platforms, which include: (i) *L* Catterton Flagship—focused on growth / mature stage consumer opportunities in North America; (ii) *L* Catterton Asia—focused on growth / mature stage consumer opportunities in Asia; (iii) *L* Catterton Growth—focused on early growth stage consumer and consumer technology opportunities in North America and Europe; (iv) *L* Catterton Latin America—focused on growth stage consumer opportunities in Latin America; (v) *L* Catterton Europe—focused on growth stage consumer opportunities in Europe; and (vi) *L* Catterton Real Estate—focused on mixed-use real-estate projects anchored by luxury retail.

L Catterton has established a highly differentiated network that is distinguished by the combination of its extensive global reach and its deep regional connectivity. The global success of *L* Catterton is driven by over 45 partners across 17 offices worldwide. Each partner has the extensive regional connectivity critical to identifying the next-generation of consumer-focused companies in their geographies, as well as the global sector outlook that is needed to build category-defining global leaders. These partners are supported by a team of over 155 investment and operational professionals who manage the sourcing and evaluation of opportunities and provide extensive transactional support. *L* Catterton has also developed a reputation as a long-term value-added partner, demonstrating a history of fully aligning with management teams. The firm has a pool of operational professionals across the globe to partner with portfolio companies to implement strategic growth plans, leverage deep consumer insights, provide operational excellence guidance, and introduce strategic partnership opportunities. In addition, *L* Catterton has a proprietary strategic relationship with LVMH Moët Hennessy Louis Vuitton ("LVMH"), the world's largest luxury conglomerate. LVMH is both a minority owner in *L* Catterton and a significant investor in the family of *L* Catterton funds. As part of the ongoing partnership, *L* Catterton enjoys a special relationship with LVMH and its family of over 75 global brands, with both organizations actively collaborating in areas such as consumer insights, brand strategies, retail expansion and economies of scale across the collective portfolio. Notably, LVMH is a shareholder of *L* Catterton and is committed to the success of the *L* Catterton platform.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

Senior Term Facilities Agreement

Overview and Structure

In connection with the financing of the Acquisition, BK LC Lux SPV S.à r.l. (the "Company") will enter into a Senior Term Facilities Agreement with, among others, Goldman Sachs Bank USA, Credit Suisse Loan Funding LLC, Credit Suisse (Deutschland) Aktiengesellschaft, Citibank, N.A. London Branch, HSBC Securities (USA) Inc., Commerzbank Aktiengesellschaft and Crédit Agricole Corporate and Investment Bank Deutschland, Niederlassung einer französischen Société Anonyme as mandated lead arrangers, and Goldman Sachs Bank USA as agent and security agent ("Senior Term Facilities Agreement").

The Senior Term Facilities Agreement provides for senior term loan facilities in principal amounts of €375,000,000 (the "EUR TLB Facility") and $850,000,000 (the "USD TLB Facility" and together with EUR TLB Facility, the "Senior Term Facilities").

Incremental facilities may also be established under the Senior Term Facilities Agreement from time to time (including by way of an increase to any existing facilities or the establishment of new facilities) (the "Incremental Senior Term Facilities" and, together with the Senior Term Facilities, the "Senior Credit Facilities").

Borrowers, Currencies and utilizations

The Senior Term Facilities may be utilized by certain restricted subsidiaries of the Company which enter into the Senior Term Facilities Agreement as borrowers of such facilities or otherwise accede to the Senior Term Facilities Agreement as additional borrowers of such facilities (the "Senior Term Facilities Borrowers").

The EUR TLB Facility will be utilized in EUR and the USD TLB Facility will be utilized in USD.

Purpose

All amounts borrowed under Senior Term Facilities shall be applied directly or indirectly, in or towards (including by way of on-lending to, or investment in, any other member of the Senior Secured Group (as defined below) or the BIRKENSTOCK Group) (directly or indirectly): (i) financing or refinancing consideration paid or payable in connection with the Acquisition (including any purchase price adjustments); (ii) the payment of acquisition costs and all other fees, costs and expenses incurred in connection with the Transaction; (iii) refinancing or otherwise discharging existing indebtedness of the BIRKENSTOCK Group; (iv) financing any other payments identified in or for any other purpose contemplated by the funds flow statement or the tax structure memorandum or otherwise arising in connection with the Transaction; (v) financing other related amounts, including fees, costs and expenses; and/or (vi) to the extent not applied for a purpose set out in sub-paragraphs (i) to (v) above, financing or refinancing the general corporate purposes and/or working capital requirements of the Company and its restricted subsidiaries (the "Senior Secured Group") (including, for the avoidance of doubt, as cash over-funding).

Availability

The Senior Term Facilities will be available to be utilized from (and including) the date of the Senior Term Facilities Agreement to (and including) the earliest to occur of (i) the date falling twenty Business Days after the longstop date under the Acquisition Agreement; (ii) 27 September 2021; (iii) the date falling five Business Days after (x) the first utilisation of the Senior Term Facilities has been made to complete the Acquisition; and (y) the Acquisition Closing Date has occurred (together, the "Closing Date"); and (iv) the date on which the Company (or any of its Affiliate) determines and notifies the agent under the Senior Term Facilities Agreement that the Acquisition Agreement has been validly and conclusively terminated prior to the longstop date under the Acquisition Agreement, or such later date as agreed by the arrangers (each acting reasonably and in good faith).

Utilizations of the Senior Term Facilities are subject to customary conditions precedent.

Interest and Fees

Loans under (x) the USD TLB Facility will bear interest at rates per annum equal to LIBOR; and (y) the EUR TLB Facility will bear interest at rates per annum equal to EURIBOR, in each case, plus an applicable margin, which in each case will be subject to a decreasing margin ratchet based on the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (each as defined in the Senior Term Facilities Agreement) (the "Senior Secured Net Leverage Ratio").

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of loans made under EUR TLB Facility. If LIBOR is less than zero, LIBOR shall be deemed to be 0.50% in respect of loans made under the USD TLB Facility.

Default interest will be calculated as an additional 1% per annum on the defaulted amount.

Repayments

The loans made under EUR TLB Facility will be repaid in full on the date that is seven years from the Closing Date.

The loans made under USD TLB Facility will be repaid in instalments by repaying on each Quarter Date (commencing, with respect to each Loan made under the USD TLB Facility, with the last day of the first full Financial Quarter ending after the Closing Date) an amount which reduces the principal amount of such loans drawn during the availability period by 0.25 per cent of their outstanding principal amount from time to time, with the balance to be repaid in full on the date that is seven years from the Closing Date.

Voluntary and Mandatory Prepayment

The Senior Term Facilities Agreement will permit voluntary prepayments to be made (subject to de minimis amounts) and will require mandatory prepayment in full or in part in certain circumstances, including:

- from certain net cash proceeds received by the Senior Secured Group from certain asset disposals, to the extent not otherwise applied for a permitted purpose and required to be applied in prepayment of the Senior Credit Facilities and subject to a de minimis amount and other customary carve outs substantially similar to the Notes as described in the section entitled "Description of the Notes"; and
- unless otherwise agreed by the majority lenders under the Senior Term Facilities Agreement, for each financial year (commencing with the first full financial year following the Closing Date), a percentage of excess cash flow in the event that excess cash flow exceeds a minimum threshold amount (subject to certain adjustments based on anticipated debt service, distributions to be paid to minority shareholders and certain other expenses), which percentage decreases as the Senior Secured Net Leverage Ratio decreases (an "Excess Cash Flow Prepayment").

Upon the occurrence of a Change of Control (as defined in the Senior Term Facilities Agreement which follows terms substantially similar to the Notes as described in the section entitled "Description of the Notes"), each lender and issuing bank shall be entitled to require prepayment of outstanding amounts and cancellation of its commitments within a prescribed time period. A Change of Control shall include:

- any person or group (other than one or more permitted holders) becoming the beneficial owner of more than 50% of the voting power of the Company other than in connection with a transaction or series of transactions in which the Company shall become the wholly owned subsidiary of a Parent Entity (as defined in the Senior Term Facilities Agreement) subject to certain conditions;
- the Issuer ceasing to directly own 100% of the total issued share capital of the Company (or in each case any successor entity as a result of certain mergers permitted under the Senior Term Facilities Agreement); or
- on a disposal of all or substantially all the assets of the Senior Secured Group taken as a whole to a person other than a restricted subsidiary or one or more permitted holders.

The Company may prepay any other indebtedness of the Senior Secured Group which is permitted (including, junior or junior secured indebtedness) in priority if such prepayment would comply with the restricted payments covenant.

If a lender waives its right (such right shall be at the Company's request only) to receive its share of any prepayment of the Senior Credit Facilities ("Waived Amounts"), such Waived Amounts may be retained by the Senior Secured Group for any purposes not prohibited by the Senior Term Facilities Agreement (including restricted payments), may be offered to any lender(s) selected by the Company which did not decline such prepayment or applied in prepayment of any other permitted indebtedness.

Guarantees and Security

Guarantor Coverage Test and Material Subsidiaries

The Senior Credit Facilities will be guaranteed by the Senior Term Facilities Borrowers and the Guarantors (together, the "Senior Secured Obligors").

Subject to the agreed security principles in the Senior Term Facilities Agreement, the following security (the security granted in respect of the Senior Credit Facilities being, the "Senior Collateral") shall be granted as a condition precedent to the availability of the Senior Term Facilities: (a) the Issuer will grant a limited recourse: (i) Luxembourg law share pledge in respect of its shares in the capital of the Company and (ii) Luxembourg law security agreement assigning any structural intercompany receivables owed to the Issuer (as lender) by the Company (as borrower) or German Newco (as borrower); (b) the Company will grant: (i) a Dutch law security over its shares in GPCo (as defined in the Senior Term Facilities Agreement); and (ii) a German law security over its shares in German Newco; (c) GPCo will grant limited recourse German law security over its shares in German Newco; (d) German Newco will grant German law security over the shares it owns in U.S. Holdco (as defined in the Senior Term Facilities Agreement); (e) U.S. Holdco will grant a limited recourse New York law share pledge over the shares it owns in U.S. Midco (as defined in the Senior Term Facilities Agreement); (f) U.S. Midco will enter grant (i) a limited recourse New York law general security agreement granting security substantially all of its assets (subject to customary exclusions); and (ii) a limited recourse New York law share pledge in respect of any shares it owns in any Material Subsidiary incorporated or organised in the US (including U.S. Newco); and (g) U.S. Newco will grant (i) a New York law general security agreement granting security over substantially all of its assets (subject to customary exclusions); and (ii) a New York law share pledge in respect of any shares it owns in any Material Subsidiary incorporated or organised in the US, provided that no obligation of any US Obligor (as defined in the Senior Term Facilities Agreement) shall be secured by a Material Subsidiary (A) that is a "controlled foreign corporation" within the meaning of Section 957(a) of the Code, that is owned (within the meaning of Section 958(a) of the Code) by a member of the Group that is a "United States Shareholder" (as defined in Section 951(b) of the Code), (B) all the assets of which consist of equity interests (or equity interests and indebtedness) of one or more entities described in clause (A), and (C) that is a subsidiary of an entity described in clause (A) or (B).

Each security provider in respect of ABL Priority Security shall provide second-priority security interest in the ABL Priority Security in respect of the Senior Term Facilities, on the same date on which such security is granted to the ABL Lenders.

Within ten Business Days (and excluding) from the Acquisition Closing Date, German Newco will grant security over (a) the shares in the Target Business directly owned by it; and (b) structural intercompany receivables owed to it directly (the "Target CS Security").

Subject to certain adjustments and agreed security principles in the Senior Term Facilities Agreement, the Company is required to ensure that members of the Senior Secured Group incorporated in a Guarantor Jurisdiction (i) that generate at least 80% of Consolidated EBITDA (as defined in the section entitled "Description of the Notes") of the Senior Secured Group within certain agreed jurisdictions ("Guarantor Jurisdictions"), namely, Canada, Germany, Luxembourg,, the UK and the US (including any state thereof and the District of Columbia) and the jurisdiction of incorporation of any borrower (the "Guarantor Coverage Test") and (ii) (A) is an Obligor; or (B) that individually generate more than 5% of LTM EBITDA of the Group (a "Material Subsidiary"), in each case, are guarantors under the Senior Term Facilities Agreement within 120 days after (and excluding) the Acquisition Closing Date, and thereafter on an ongoing basis within 120 days of the date on which the annual financial statements of the Company (or other applicable financial reporting entity) are required to be delivered to the agent under the Senior Term Facilities Agreement.

As part of the guarantor accession process, security shall be granted (subject to the agreed security principles): (a) by each wholly-owned Material Subsidiary which is not incorporated in an Excluded Jurisdiction (being, any jurisdiction, state, territory or commonwealth other than a Guarantor Jurisdiction) over any shares it holds in any other wholly-owned Material Subsidiary which is not incorporated in an Excluded Jurisdiction; and (b) if the relevant acceding guarantor is incorporated in Canada, England and Wales or the United States shall grant floating security over substantially all assets located in its jurisdiction of incorporation (subject to customary exclusions, "excluded assets" including real estate) and in each case only to the extent to do so would not have a material adverse effect on the ability of the relevant company to conduct their business and operations (as determined by such company in its sole and absolute discretion).

Release of Guarantees and Security

In addition to the circumstances described below under the sections entitled "*—Intercreditor Agreement—Distressed Disposals*" and "*—Intercreditor Agreement—Non-distressed Disposals*," the Company may, subject to certain conditions, request the release of a guarantor from its guarantee under the Senior Term Facilities Agreement if (i) such guarantor is the subject of a third-party disposal or other permitted activity under the

Senior Term Facilities Agreement pursuant to which such guarantor will cease to be a member of the Senior Secured Group, (ii) on a pro forma basis taking into account such release, the Guarantor Coverage Test will continue to be satisfied or (iii) the lenders whose commitments under the Senior Term Facilities Agreement aggregate greater than 50% of the total commitments under such facilities consent to such release. Upon the effectiveness of a release pursuant to the foregoing sentence, the applicable guarantor would have no further obligations under the Senior Term Facilities Agreement, including any obligations to grant security in any Senior Collateral owned by such guarantor.

The provision and the terms of the security and guarantees set forth above will in all cases be subject to certain limitations and are at all times and in all cases subject to the requirements of applicable law and the other matters set forth in the Intercreditor Agreement and the Senior Term Facilities Agreement.

Representations and Warranties

The Senior Term Facilities Agreement contains certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including: (i) status, (ii) binding obligations, (iii) non-conflict with other obligations, (iv) power and authority, (v) validity and admissibility in evidence, (vi) governing law and enforcement, (vii) filing and stamp taxes, (viii) information memorandum, management case and reports, (ix) financial statements, (x) no litigation, (xi) taxation, (xii) ownership (xiii) pari passu ranking, (xiv) investment company act, (xv) margin regulations and (xvi) ERISA.

Certain representations and warranties will be made on the Closing Date and will be repeated on the date of each utilization, on the first day of each interest period and at certain other times.

General Undertakings

The Senior Term Facilities Agreement contains certain of the incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments), including (i) limitations on indebtedness; (ii) limitations on restricted payments; (iii) limitations on liens (which includes a restriction on designating certain credit facilities and/or hedging obligations secured on the Senior Collateral as Super Senior Liabilities (as defined in the section entitled "*—Intercreditor Agreement—Ranking and Priority*") unless, prior to such designation, Senior Term Facilities has been refinanced in full (ignoring any participation (x) of a lender which has been rolled over in a refinancing (or otherwise) of Senior Term Facilities and/or (y) in respect of which a lender has declined prepayment)); (iv) limitations on sale of assets and subsidiary stock; (v) limitations on affiliate transactions; (vi) designation of restricted and unrestricted subsidiaries (vii) merger and consolidation undertakings with respect to (a) the Company, (b) German Newco and (c) U.S. Newco and (d) the guarantors of the Senior Credit Facilities; and (viii) additional intercreditor agreements.

In addition, the Senior Term Facilities Agreement also requires the Issuer and certain of its restricted subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including covenants relating to: (i) authorizations and consents; (ii) compliance with laws; (iii) pari passu ranking; (iv) taxes; (v) centre of main interests; (vi) guarantees and security; (vii) further assurance; (viii) intercreditor agreement (ix) anti-corruption law and sanctions; (x) ratings; (xi) a condition subsequent for German Newco to enter into the Target CS Security within ten Business Days from (and excluding) the Acquisition Closing Date; and (xii) compliance with ERISA.

The Senior Term Facilities Agreement also requires the Senior Term Facilities Borrowers to comply with certain customary information undertakings, including delivery of quarterly and annual financial statements and accompanying compliance certificates, provided that the obligation to deliver financial information may differ from similar requirements in the Indenture and as described in this offering memorandum.

It is intended that certain agreed covenants and other provisions of the Senior Term Facilities Agreement will fall-away during the period (if any) that certain release conditions are satisfied, being (i) the occurrence of a listing in respect of which the Senior Secured Group's Senior Secured Net Leverage Ratio does not exceed 3.75:1; and (ii) the Issuer having a long-term corporate credit rating of BBB-, Baa3 (as applicable) or higher from any 2 of Fitch, Moody's Investor Services Limited or Standard & Poor's Rating Services.

The Senior Term Facilities Agreement does not contain a leverage financial covenant.

Events of Default

The Senior Term Facilities Agreement provides for substantially the same events of default as under the Notes. In addition, the Senior Term Facilities Agreement provides for additional events of default, subject to

customary materiality qualifications and grace periods, including (i) misrepresentation; (ii) invalidity and unlawfulness of the Senior Credit Facilities financing documents; and (iii) material failure to comply with the Intercreditor Agreement.

Governing Law

The Senior Term Facilities Agreement and any non-contractual obligations arising out of or in connection with it, are governed by, construed in accordance with and will be enforced in accordance with English law although the restrictive covenants, events of default and related definitions scheduled to the Senior Term Facilities Agreement will be interpreted in accordance with New York law (without prejudice to the fact that the Senior Term Facilities Agreement is governed by English law).

ABL Facility Agreement

In connection with the Acquisition, we expect to enter into a credit agreement governing our ABL Facility with Goldman Sachs Bank USA, as administrative agent, co-collateral agent, swing line lender and a letter of credit issuer, Citibank, N.A., London Branch or any of its affiliates as co-collateral agent, and certain other lenders.

Following the closing of the Acquisition, German Newco, U.S. Newco and certain of German Newco's German subsidiaries will be the borrowers under the ABL Facility. The ABL Facility will include sub-facilities for letters of credit and short-term borrowings referred to as swing line borrowings. Borrowings under the ABL Facility will be made on a revolving basis in an amount to exceed the lesser of the commitments thereunder and the then applicable borrowing base. The ABL Facility Agreement provides for an incremental facility of up to €75.0 million.

The borrowing base shall be calculated, as of any date, by an amount equal to the sum of (a) (i) a specified percentage of the loan parties' eligible credit card receivables and eligible investment grade receivables and (ii) a specified percentage of the loan parties' other eligible accounts receivable, plus (b) the lesser of (i) a specified percentage of the net orderly liquidation value or (ii) a specified percentage of the cost of the loan parties' eligible inventory (including eligible in-transit inventory not in excess of an amount to be agreed), plus (c) the lesser of (i) a specified percentage of the net orderly liquidation value or (ii) a specified percentage of the cost of the loan parties' eligible raw materials plus (d) the cash of the loan parties on deposit in accounts, minus (e) such reserves as the agent to the ABL Facility establishes in its permitted discretion. Borrowings under the ABL Facility by U.S. entities serving as borrowers or guarantors under the ABL Facility (the "US Loan Parties") will be limited by a separate borrowing base (the "US Sub-Borrowing Base") consisting of the criteria described above and limited to the assets of the U.S. Loan Parties. Borrowings under the ABL Facility by German entities serving as borrowers under the ABL Facility (the "German Loan Parties") will be limited by a separate borrowing base consisting of the criteria described above and limited to the assets of such individual German Loan Party plus the unborrowed amount of the U.S. Sub-Borrowing Base. In addition, the credit agreement governing the ABL Facility will provide that we will have the right at any time, subject to customary conditions, to solicit existing or prospective lenders to provide incremental revolving credit commitments and/or one or more "last out" tranches, in an aggregate amount not to exceed the greater of (x) a specified dollar amount and (y) the amount by which the borrowing base exceeds the aggregate commitments under the ABL Facility at such time. The lenders under our ABL Facility will not be under any obligation to provide any such incremental loans or commitments, and any such addition of or increase in loans will be subject to certain customary conditions precedent and other provisions.

Interest Rate and Fees

Borrowings under our ABL Facility are expected to bear interest, at the option of the Borrower, at a rate per annum equal to certain margins based on average availability over either (a) a base rate determined by reference to the highest of (i) the U.S. prime rate published in The Wall Street Journal from time to time, (ii) the federal funds effective rate, plus 1/2 of 1% and (iii) one month LIBOR rate plus 1.00% or (b) a LIBOR rate determined by reference to the London interbank offered rate, adjusted for statutory reserve requirements, subject to a 0.25 percent floor.

During the continuation of any payment event of default, the interest rate will be, with respect to overdue principal, the applicable interest rate, plus 2.00% per annum and, with respect to any other overdue amount, the interest rate applicable to base rate loans, plus 2.00% per annum.

A per annum fee equal to the applicable spread over the LIBOR rate under the ABL Facility in effect from time to time will accrue on the aggregate face amount of outstanding letters of credit under the ABL Credit Facility, payable in arrears at the end of each quarter after the closing of our ABL Facility and upon termination of the ABL Facility. In addition, the ABL Borrowers will pay (a) a fronting fee of 0.125% on the aggregate face amount of outstanding letters of credit under the ABL Facility, payable in arrears at the end of each quarter after the closing of our ABL Facility and upon termination of the ABL Facility and (b) such issuing bank's customary and reasonable issuance and administration fees.

The ABL Borrowers will pay to the lenders under the ABL Facility a commitment fee of 0.375% per annum on the undrawn portion of the commitments in respect of the ABL Facility, subject to one step-down to 0.25% based on average utilization. All commitment fees will be payable quarterly in arrears after the closing of our ABL Facility and upon the termination of the commitments.

Maturity

The ABL Facility will terminate on the day that is five years after the closing of our ABL Facility.

Guarantee and Security

The ABL Facility will be senior in right of payment and secured on a first-priority basis with respect to accounts receivable (including credit card receivables), inventory, finished goods, raw materials, bank accounts cash, cash equivalents, securities and deposit accounts, general intangibles and certain other assets, in each case, to the extent evidencing or reasonably related to the foregoing (other than capital stock and intellectual property), and books and records to the extent related to the foregoing and, in each case, proceeds thereof (the "ABL Priority Collateral") and a second-priority basis with respect to Senior Facilities Priority Collateral.

Certain Covenants

The ABL Facility will have affirmative covenants and negative covenants. Substantially similar to that applicable to Senior Term Facilities as described in the section entitled "*—Senior Term Facilities Agreement*" above.

The ABL Facility is expected to contain a financial maintenance covenant requiring compliance with a minimum fixed charge coverage ratio tested on a trailing four-quarter period basis on the last day of each fiscal quarter for which financial statements have been delivered or are required to be delivered solely during the period (a) commencing on the day the sum of (x) availability and (y) the amount by which the borrowing base exceeds the aggregate commitments (not to exceed 5% of commitments) at such time has been less than the greater of (i) a specified percentage of the lesser of aggregate commitments and the borrowing base during such time and (ii) a specified dollar amount and (b) continuing until, at all times thereafter during the period of 30 consecutive days, such threshold is exceeded. Breaches of this financial covenant are subject to customary "equity cure" rights.

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Lux SPV, the Issuer, and certain Guarantors are party to and the Trustee and certain other Guarantors will accede to an Intercreditor Agreement between, among others, the agent, the Security Agent, arrangers and lenders under the Senior Term Facilities Agreement and the ABL Facility Agreement.

By accepting a Note, holders of the Notes will be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement.

The Intercreditor Agreement is governed by English law and sets out various matters governing the relationship of the creditors to our group including the relative ranking of certain debt of the Company, the Issuer, the Guarantors and any other person that becomes party to the Intercreditor Agreement as a Debtor or Third Party Security Provider (as defined below), when payments can be made in respect of debt of the Debtors or Third Party Security Providers, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions and provisions related to the enforcement of shared security.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and we urge you to read that document because it, and

not the description that follows, defines certain rights of the holders of the Notes and of the Trustees. Capitalized terms used but not defined herein have the meanings given to them in the Intercreditor Agreement.

For the purposes of this description:

"Senior Secured Group" shall mean the Company and any of its Restricted Subsidiaries.

References to the "Senior Secured Notes" shall include any notes, securities or other debt instruments issued or to be issued by or in relation to which a New Debt Financing (as defined below) has been made available to or by a member of the Senior Secured Group which are designated by the Company as Senior Secured Notes under the Intercreditor Agreement and references to the "Topco Notes" shall include the Notes and any other notes, securities or other debt instruments issued or to be issued by or in relation to which a New Debt Financing has been made available to or by a Topco Borrower (as defined below) which are designated by the Company as Topco Notes under the Intercreditor Agreement.

The Intercreditor Agreement uses the term the "Company" to refer to Lux SPV, the direct subsidiary of the Issuer, "Topco" to refer to the Issuer and the "Topco Notes Liabilities" to refer to the Notes and certain other indebtedness of the Issuer.

Ranking and Priority

Priority of Debts

The Intercreditor Agreement provides that the liabilities owed by the Issuer and each other debtor (under the Intercreditor Agreement (together, the "Debtors") (other than the Issuer and any member of the Topco Group which is designated as a Topco Borrower under the Intercreditor Agreement) (a "Topco Borrower")) to the Secured Parties (as defined below) shall rank in right of priority and payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- first, liabilities owed to (i) the lenders, issuing banks and ancillary lenders in relation to the Senior Term Facilities Agreement, the ABL Facility Agreement or any future senior secured facilities agreements (a "Permitted Senior Secured Facilities Agreement") (the "Senior Lender Liabilities"), (ii) the lenders, issuing banks, and ancillary lenders in relation to any future super senior facilities agreement (a "Permitted Super Senior Secured Facilities Agreement") and any hedge counterparty under a hedging agreement that on or after the Designation Date (as defined below) is designated by the Company as super senior (together the "Super Senior Liabilities" and creditors thereof being the "Super Senior Creditors"), (iii) the Trustee and any trustee in relation to future senior secured notes (each a "Senior Secured Notes Trustee") (other than certain amounts paid to it in its capacity as trustee), the holders of the Senior Secured Notes or future senior secured notes (the "Senior Secured Notes") and the Security Agent in relation to the Senior Secured Notes (the "Senior Secured Notes Liabilities"), (iv) the lender under any future loan made by the issuer of any Senior Secured Notes (if so designated by the Company in its discretion and not including, for the avoidance of doubt, the Company) to a member of the Group for the purposes of on lending the proceeds of any Senior Secured Notes together with any additional or replacement loan made on substantially the same terms (the "Senior Secured Notes Proceeds Loan Liabilities"), (v) the arrangers, agents, issuing banks and lenders under any cash management facility (a "Cash Management Facility" and the liabilities under a Cash Management Facility being the "Cash Management Facility Liabilities"), (vi) the hedge counterparties in relation to any hedging agreements that are not Super Senior Liabilities (the "Pari Passu Hedging Liabilities") (together with the hedging designated by the Company as being Super Senior Liabilities, the "Hedging Liabilities"), (vii) the lenders in relation to any future second lien facility agreement (a "Second Lien Facility Agreement" and the liabilities to the lenders under a Second Lien Facility Agreement being the "Second Lien Lender Liabilities"), (viii) any second lien notes trustee (other than certain amounts paid to it in its capacity as trustee), the holders of any future second lien notes and the Security Agent in relation to any second lien notes (such second lien notes being "Second Lien Notes" and the liabilities in respect of such Second Lien Notes being the "Second Lien Notes Liabilities" and together with the Second Lien Lender Liabilities, the "Second Lien Liabilities" and creditors thereof being the "Second Lien Creditors"), (ix) any agent or trustee under any finance documents relating to any of the aforementioned liabilities, any agent or trustee under the Topco Liabilities (as defined below) and to any agent or trustee in relation to certain other liabilities of such agent or trustee (together the "Agent Liabilities"), (x) any arranger in connection with the aforementioned liabilities, and (xi) the Security Agent, pari passu and without any preference between them; and

- second, all liabilities owed (i) to the trustee (other than certain amounts paid to it in its capacity as trustee), and the holders of the Topco Notes and any future notes issued by or in relation to which a New Debt Financing has been made available to or by a Topco Borrower and designated by the Company as Topco Notes and the Security Agent in relation to such Topco Notes (the "Topco Notes Liabilities"), (ii) under any future loan facility made available to any Topco Borrower (the "Topco Facility Liabilities" and together with the Topco Notes Liabilities, the "Topco Liabilities"), (iii) any arranger in connection with the aforementioned liabilities, and (iv) the liabilities owed under any future loan (a "Topco Proceeds Loan") made by any Topco Borrower for the purpose of on lending the proceeds of any Topco Notes or Topco Loans (the "Topco Proceeds Loan Liabilities"), pari passu and without any preference between them.

The Intercreditor Agreement provides that the liabilities owed by any Topco Borrower to the Secured Parties (as defined below) shall rank pari passu in right and priority of payment and without any preference between them in respect of (i) the Senior Lender Liabilities, (ii) the Super Senior Liabilities, (iii) the Senior Secured Notes Liabilities, (iv) the Cash Management Facility Liabilities, (v) the Hedging Liabilities, (vi) the Second Lien Lender Liabilities, (vii) the Second Lien Notes Liabilities, (viii) the Topco Liabilities, (ix) the Topco Proceeds Loan Liabilities, (x) the Agent Liabilities, and (xi) any arranger in connection with the aforementioned liabilities.

The Intercreditor Agreement provides that the intra-group liabilities owed by one member of the Senior Secured Group to another member of the Senior Secured Group (other than any Senior Secured Notes Proceeds Loan Liabilities or Topco Proceeds Loan Liabilities) (the "Intra-Group Liabilities") will be subordinated to the liabilities owed by the Debtors and Third Party Security Providers to the creditors under the Senior Lender Liabilities, Super Senior Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Hedging Liabilities, Second Lien Lender Liabilities and Second Lien Notes Liabilities, Agent Liabilities and Notes Liabilities and to any arranger in connection with the aforementioned liabilities (such creditors, together with the Security Agent, any receiver or delegate, any creditor of the Agent Liabilities and any arranger with respect to the Secured Liabilities, the "Secured Parties").

The Intercreditor Agreement also provides that the liabilities owed by any member of the Senior Secured Group (other than any Topco Proceeds Loan Liabilities) to a holding company of the Company or to any other person who becomes a subordinated creditor (a "Subordinated Creditor") under the Intercreditor Agreement (the "Subordinated Liabilities") will be subordinated to the liabilities owed by the Debtors and Third Party Security Providers to the Secured Parties, and to the Intra-Group Lenders.

Priority of Security

The Intercreditor Agreement provides that the Transaction Security (as defined below) shall, subject to the terms of the Intercreditor Agreement, rank and secure the applicable Secured Obligations (but only to the extent that such Transaction Security is expressed to secure those liabilities) in the following order of priority:

(a) in relation to the ABL Priority Security (as defined below):

  (i) first, the ABL Priority Liabilities (as defined below) pari passu and without any preference between them;

  (ii) second, the Senior Secured Priority Liabilities (as defined below) pari passu and without any preference between them;

  (iii) third, the Second Lien Liabilities pari passu and without any preference between them; and

  (iv) fourth (to the extent of the Topco Shared Security), the Topco Liabilities pari passu and without any preference between them;

(b) in relation to the Senior Secured Priority Security:

  (i) first, the Senior Secured Priority Liabilities (as defined below) pari passu and without any preference between them;

  (ii) second, the ABL Priority Liabilities (as defined below) pari passu and without any preference between them;

  (iii) third, the Second Lien Liabilities pari passu and without any preference between them; and

  (iv) fourth (to the extent of the Topco Shared Security), the Topco Liabilities pari passu and without any preference between them.

For the purposes of this description only:

"ABL Priority Liabilities" means the Liabilities owed by the Debtors and Third Party Security Providers to the ABL Priority Security Creditors under or in connection with any ABL Facilities Agreement, ABL Cash Management Facility Document, ABL Hedging Agreement and Super Senior Finance Documents.

"ABL Priority Security" means the following property and assets of each Debtor and Third Party Security Provider, whether now or in the future existing which secure or purport to secure any ABL Priority Liabilities (a) Accounts, accounts receivable (including credit card receivables), Inventory, finished goods, raw materials, bank accounts, drafts and acceptances, cash, money and cash equivalents (other than any cash, money and cash equivalents constituting identifiable proceeds of the Senior Secured Priority Security or constituting cash collateral or other assets that are subject to a permitted lien and which lien prohibits the lien of the ABL Agent, or identifiable Tax and Trust Funds); (b) Securities accounts, commodity accounts, and all investment property, security entitlements and other financial assets contained therein and deposit accounts and all cash, checks and other instruments on deposit therein or credited thereto (subject to exceptions for accounts containing exclusively Tax and Trust Funds and/or only containing identifiable cash proceeds of Senior Secured Priority Security); (c) all instruments, documents, chattel paper (whether tangible or electronic), general intangibles (including tax refunds and similar tax payments), letter-of-credit rights, commercial tort claims and supporting obligations, in each case, to the extent evidencing or reasonably related to the foregoing (other than Capital Stock and Intellectual Property); (d) books and records and products and proceeds to the extent related to the foregoing; and (e) such other assets over which security interests which secure any ABL Priority Liabilities are designated by the Company by written notice to each Agent who is a party to this Agreement at such time as "ABL Priority Security" (and each such Agent consents to such designation provided such designation is permitted under the terms of the relevant Debt Documents), and, in each case, proceeds thereof.

"Debt Documents" means the Intercreditor Agreement and the documents creating or evidencing the Cash Management Facility Liabilities, the Hedging Liabilities, the Second Lien Liabilities, the Senior Secured Liabilities, any Senior Secured Notes Proceeds Loan Liabilities (a "Senior Secured Notes Proceeds Loan Agreement"), the Topco Liabilities, the Topco Proceeds Loan Liabilities, the unsecured liabilities of any unsecured creditors who are party to the Intercreditor Agreement, the Subordinated Liabilities and the Intra-Group Liabilities (each as defined in this description) and any other document designated as such by the Security Agent and the Company.

"Designation Date" means the first date that the Company designates any liabilities as Super Senior Liabilities in accordance with the Intercreditor Agreement.

"Finance Documents" means the Senior Term Facilities Agreement, the ABL Facility Agreement, any Permitted Senior Secured Facilities Agreement, any Permitted Super Senior Secured Facilities Agreement, the indenture in respect of any Senior Secured Notes, Second Lien Facility Agreement, the indenture in respect of any Second Lien Notes, the facility documenting any Topco Facility, the indenture in respect of any Topco Notes and any document designated by the Company as an unsecured finance document under and in accordance with the Intercreditor Agreement.

"Secured Creditors" means the Senior Secured Creditors, Second Lien Creditors and the Topco Creditors (each as defined below).

"Secured Debt Documents" means the documents relating to the Senior Secured Liabilities, Second Lien Liabilities, Topco Liabilities and Hedging Liabilities.

"Secured Obligations" means (i) in the case of Transaction Security other than Topco Shared Security, all liabilities and all other present and future obligations at any time due, owing or incurred by any member of the Senior Secured Group and by each Debtor and any Third Party Security Provider to any Secured Party (other than a Topco Creditor) under the Secured Debt Documents (other than the Topco Finance Documents) (including to the Security Agent under the Parallel Debt), both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the "Transaction Security Secured Obligations") and (ii) in the case of Topco Shared Security, the Topco Shared Security Secured Obligations.

"Secured Parties" means the Security Agent, each of the agents, any receiver or delegate, the arrangers and the Secured Creditors from time to time but, in the case of each agent, arranger or any Secured Creditor, only if, it (or in the case of any noteholders, the relevant notes trustee) is a party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement, in the appropriate capacity.

"Senior Secured Priority Security" means all Transaction Security other than the ABL Priority Security.

"Third Party Security Provider" means any person that has provided Transaction Security (including Topco Shared Security) but is not a Debtor in respect of any direct borrowing or guarantee liabilities of the applicable Secured Obligations to which that Transaction Security relates and which is designated by the Company (in its discretion).

"Topco Independent Transaction Security" refers to security (other than Transaction Security) which in relation to a Topco Borrower or any member of the Senior Secured Group that directly holds shares in a Topco Borrower or any such person that is not a member of the Senior Secured Group which is designated as such by the Company (in its discretion) (together, the "Topco Independent Obligors") (i) is created, or expressed to be created, in favor of the Security Agent as agent or trustee for the other Topco Secured Parties (or a class of Topco Secured Parties); (ii) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as agent or trustee for the other Topco Secured Parties (or a class of Topco Secured Parties), is created, or expressed to be created, in favor of (x) all the Topco Secured Parties (or a class of Topco Secured Parties); or (y) the Security Agent under a parallel debt and/or joint and several creditorship or similar structure for the benefit of all the Secured Parties (or a class of Secured Parties). In the case of a Topco Independent Obligor which is a member of the Senior Secured Group and a direct shareholder of a Topco Borrower, such security shall be limited to shares in and receivables owed to it by the relevant Topco Borrower which are not required to be subject to the Transaction Security pursuant to the Finance Documents. Topco Independent Transaction Security shall secure all liabilities and present and future obligations of each Topco Independent Obligor to the Topco Secured Parties under the Topco Finance Documents.

"Topco Shared Security" refers to security at any time which is created, or expressed to be created, over any of the following (i) the shares in the Company held by any direct shareholder of the Company, (ii) all receivables owed by the Company to a Topco Investor (as defined below), Subordinated Creditor or other holding company or shareholder of the Company (including any Topco Proceeds Loan and the Topco Proceeds Loan Liabilities, as applicable), (iii) the shares in any Topco Borrower which is a member of the Senior Secured Group, (iv) all receivables owed by a member of the Senior Secured Group under any Topco Proceeds Loan (or, in the case of a Topco Borrower which is a member of the Senior Secured Group, any Senior Secured Notes Proceeds Loan), (v) any escrow account relating to the proceeds of any Topco Liabilities, and (vi), any other assets not falling within limbs (i), (ii), (iii), (iv) and (v) of this paragraph of a Topco Borrower and (to the extent that the Company has confirmed to the Security Agent that the granting of such security in favor of the Topco Shared Security Secured Obligations is not prohibited by the terms of any applicable prior ranking financing agreements) any other member of the Senior Secured Group, in each case designated as Topco Shared Security by the Company (in its discretion) in favor of the Security Agent as agent or trustee for the other Secured Parties (or if such trustee arrangements are not legally possible, in favor of all the Secured Parties or in favor of the Security Agent under a parallel debt or similar structure). Topco Shared Security shall secure all liabilities and present and future obligations of the Senior Secured Group and at any time after the incurrence of any Topco Liabilities by a Topco Borrower that is not a member of the Senior Secured Group, such Topco Borrower and each of its Subsidiaries other than Unrestricted Subsidiaries (as defined in the documents governing the relevant Topco Notes or Topco Facility (as the case may be)) (together, the "Topco Group"), each Debtor and any Third Party Security Provider to the Secured Parties under the Secured Debt Documents.

"Transaction Security" refers to security (from the Senior Secured Group, any Third Party Security Provider and Topco Shared Security (but excluding, for the avoidance of doubt, Topco Independent Transaction Security), as defined above) in each case which, to the extent legally possible and subject to any Agreed Security Principles (as defined in the Senior Term Facilities Agreement and the ABL Facility Agreement (as applicable)) and the provisions of the Intercreditor Agreement (i) is created, or expressed to be created, in favor of the Security Agent as agent or trustee for the other Secured Parties (or a class of Secured Parties) in respect of the applicable Secured Obligations; or (ii) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as agent or trustee for the Secured Parties (or a class of Secured Parties), is created, or expressed to be created, in favor of (x) all the Secured Parties (or a class of Secured Parties) in respect of the applicable Secured Obligations or (y) the Security Agent under a parallel debt and/or joint and several creditorship or similar structure for the benefit of all the Secured Parties (or a class of Secured Parties) in respect of the applicable Secured Obligations. Transaction Security which is not Topco Shared Security shall secure all liabilities and present and future obligations of the Debtors and Third Party Security Providers to the Secured Parties (other than the creditors under the Topco Liabilities (the "Topco Secured Parties")) under the Secured Debt Documents (other than the finance documents relating to the Topco Liabilities (the "Topco Finance Documents")). Transaction Security which is Topco Shared Security shall secure all liabilities and present and future obligations of any member of the Topco Group, the Debtors and Third Party Security Providers to the

Secured Parties under the Secured Debt Documents (including to the Security Agent under the Parallel Debt) both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the "Topco Shared Security Secured Obligations").

The Senior Secured Notes and the Note Guarantees thereunder will be Senior Secured Notes Liabilities for the purposes of the Intercreditor Agreement and the Topco Notes and Note Guarantees thereunder will be Topco Notes Liabilities for the purposes of the Intercreditor Agreement and the Designation Date has not occurred. On the Issue Date, no Second Lien Lender Liabilities or Second Lien Notes Liabilities will be outstanding. Such liabilities and liabilities in respect of other new debt financings may only be incurred and/or designated if not prohibited under the terms of the Debt Documents, including, without limitation, the covenants applicable to the Notes described under "Description of the Senior Secured Notes—Certain Covenants" and "Description of the Senior Notes—Certain Covenants."

Guarantees and Security: Topco Creditors

The creditors in respect of the Topco Liabilities (the "Topco Creditors") have the right to take, accept or receive the benefit of:

(a) any Topco Shared Security from any member of the Senior Secured Group or from a Third Party Security Provider in respect of the Topco Liabilities if and to the extent legally possible and subject to any agreed security principles, at the same time it is also offered either:

to the Security Agent as agent or trustee for the other Secured Parties (or applicable class thereof) in respect of their Liabilities; or

in the case of any jurisdiction in which effective security cannot be (or is not) granted in favor of the Security Agent as agent or trustee for the Secured Parties (or applicable class thereof):

(1) to the other Secured Parties (or applicable class thereof) in respect of their Liabilities; or

(2) to the Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Secured Parties (or applicable class thereof),

and ranks in the same order of priority as described under "Priority of Security" above, provided that all amounts received or recovered by any Topco Creditor with respect to such Topco Shared Security are immediately paid to the Security Agent for application as set out under "Application of Proceeds" below;

(b) any guarantee, indemnity or other assurance from any member of the Senior Secured Group in respect of the Topco Liabilities in addition to any guarantee, indemnity or assurance in the original form of any Topco Finance Documents or the Intercreditor Agreement, or given to all the Secured Parties as security for the liabilities of the Topco Group, each Debtor and any Third Party Security Provider to the Secured Parties under the Debt Documents if, subject to any agreed security principles:

(except for any guarantee, indemnity or other assurance permitted by the Finance Documents), the Secured Parties other than the Topco Creditors (the "Priority Secured Parties") already benefit from such a guarantee, indemnity or other assurance or at the same time it is also offered to the Priority Secured Parties and ranks in the same order of priority as described under "Priority of Debts" above, as applicable; and

all amounts received by any Topco Creditor with respect to such guarantee, indemnity or assurance are immediately paid to the Security Agent for application as set out under "Application of Proceeds" below; and

(c) any security, guarantee indemnity or other assurance:

from any person that is not a member of the Senior Secured Group; and

from any member of the Senior Secured Group:

(1) in connection with any escrow or similar arrangements relating to amounts held by a person which is not a member of the Topco Group prior to release of those amounts to a member of the Topco Group;

(2) in connection with any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Secured Liabilities not prohibited by the Intercreditor Agreement; or

(3) as otherwise permitted by the Intercreditor Agreement.

No security (other than pursuant to the secured documents relating to Topco Independent Transaction Security or Topco Shared Security or as described above) shall be granted by a member of the Senior Secured Group in respect of any Topco Liabilities.

New Debt Financing

The Intercreditor Agreement provides, subject to certain conditions, for the implementation of existing, additional, supplemental or new financing arrangements or the assumption or incurrence of any Liabilities that will constitute, for the purposes of the Intercreditor Agreement, Senior Lender Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Hedging Liabilities, Second Lien Liabilities, Topco Liabilities, Super Senior Liabilities or Pari Passu Hedging Liabilities (each a "New Debt Financing"). The conditions include certification by the Company that such New Debt Financing is not prohibited under the terms of the Finance Documents.

Such financing arrangements may be implemented by way of refinancing, replacement, exchange, set-off, discharge or increase of any such new, existing, additional, supplemental or new financing arrangement under the relevant finance documents. In connection with and in order to facilitate any New Debt Financing, each agent in respect of any Priority Secured Liabilities and the Security Agent (and each other person party to a Transaction Security document or a Topco Independent Transaction Security document) is authorized and instructed to enter promptly into any new security document, amend or waive any term of an existing security document and/or release any asset from the Transaction Security or Topco Independent Transaction Security (as the case may be) and/or to effect the ranking, priority guarantees and Security of the New Debt Financing, subject to certain conditions, including as regards the terms of such security (which shall be, unless otherwise required by the Company, substantially the same (if applicable) as the terms applicable to the existing Transaction Security or Topco Independent Transaction Security over equivalent assets).

Where any indebtedness ("Permitted Acquired Indebtedness") which is not prohibited under the Finance Documents is incurred by or in connection with the acquisition of (i) a person or any of its subsidiaries who, after the Closing Date, becomes a Restricted Subsidiary or merges, consolidates or is otherwise combined with a Restricted Subsidiary, or (ii) in relation to an asset of or shares (or other ownership interests) in any such person or which is otherwise acquired after the Closing Date (together an "Acquired Person or Asset"), any security, guarantee, indemnity or other assurance against loss in respect of such New Debt Financing which is subsisting at the date when the conditions to the incurrence of such New Debt Financing set out in the Intercreditor Agreement have been satisfied (or is to be granted thereafter, including subject to any condition or periodic testing) shall be permitted to subsist and there is no requirement to offer that security, guarantee, indemnity or other assurance in respect of any other liabilities under any Debt Document. No security, guarantee, indemnity or other assurance against loss is required to be given by any member of the Topco Group in respect of any liabilities (including under any Debt Document) (i) over any Acquired Person or Asset if this would breach a contractual undertaking applicable to the Topco Group or is excluded or exempt from being given under the Agreed Security Principles (as defined in the Senior Term Facilities Agreement and the ABL Facility Agreement (as applicable)), (ii) over any asset required (including subject to any condition) to provide credit support in relation to any Permitted Acquired Indebtedness (other than as a result of any obligation to extend any Transaction Security ratably for the benefit of such Permitted Acquired Indebtedness), or (iii) where the grant of such security, guarantee, indemnity or other assurance against loss is prevented by the documentation relation to such Permitted Acquired Indebtedness or would give rise to an obligation (including any payment obligation but not including any obligation to extend any Transaction Security ratably for the benefit of such Permitted Acquired Indebtedness) under or in relation thereto.

Permitted Payments

Permitted Payments in respect of Senior and Super Senior Liabilities

The Debtors and Third Party Security Providers may make payment in respect of the Senior Lender Liabilities, Senior Secured Notes Liabilities, Super Senior Liabilities and Cash Management Facility Liabilities (together with the Hedging Liabilities, the "Senior Secured Creditor Liabilities," the creditors in respect thereof

being the "Senior Secured Creditors") at any time, provided that following certain acceleration events under the Senior Term Facilities Agreement, any Permitted Senior Secured Facilities Agreement or Senior Secured Indenture or Permitted Super Senior Secured Facilities Agreement or following certain insolvency events in relation to a member of the Senior Secured Group, payments may only be made by Debtors or Third Party Security Providers and received by creditors in accordance with the provisions described below under "Application of Proceeds" provided that after the Designation Date there shall be no obligation to turnover any such payments received, other than those related to an enforcement of Transaction Security or a Distressed Disposal (as defined below) of assets subject to the Transaction Security.

Any failure to make a payment in accordance with the Senior Secured Finance Documents following an acceleration event as required by the Intercreditor Agreement shall not prevent the occurrence of an event of default under such applicable Senior Secured Finance Documents.

Permitted Payments in respect of Second Lien Liabilities

Prior to the first date on which all of the Senior Liabilities, the Super Senior Liabilities and the Senior Secured Notes Liabilities (together, the "Senior Secured Liabilities" and together with the Second Lien Liabilities and Topco Liabilities being the "Secured Liabilities") have been discharged (the "Senior Secured Discharge Date"), the Company, the members of the Senior Secured Group and Third Party Security Providers may only make specified scheduled payments in respect of the Second Lien Liabilities, in accordance with the finance documents governing such Second Lien Liabilities, subject to compliance with certain conditions in the Intercreditor Agreement.

The principal conditions are that the relevant payment (if it is a payment of principal or capitalized interest) is not prohibited by any prior ranking financing agreement, including any Permitted Super Senior Secured Facilities Agreement, Permitted Senior Secured Facilities Agreement and any Senior Secured Notes Indenture (or if it is so prohibited, that all necessary consents have been obtained to permit it), no payment stop notice has been issued to the agent or trustee for the relevant Second Lien Liabilities and no payment default (subject to a de minimis threshold in the case of amounts other than principal, interest or certain fees) is continuing under any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement, Cash Management Facility document or Senior Secured Notes document.

Certain specified payments in respect of Second Lien Liabilities are also permitted at all times, notwithstanding that a payment stop notice is outstanding or such a payment default is continuing. These payments and basket amounts are substantially similar to those referenced for Topco Liabilities in (b) of the next paragraph.

Permitted Payments in respect of Topco Liabilities

Prior to the date which is the later of the Senior Secured Discharge Date and the first date (the "Second Lien Discharge Date") on which all Second Lien Liabilities have been discharged (the "Priority Discharge Date"), the Company, Topco Borrowers, Third Party Security Providers and other members of the Senior Secured Group may only make specified scheduled payments (including any other direct or indirect step, matter, action or dealing in relation to any Topco Liabilities otherwise prohibited under the Intercreditor Agreement) under the Topco Liabilities or under any Topco Proceeds Loan (together the "Topco Group Liabilities") to the Topco Creditors or any Topco Borrower or any holding company of the Company or other lender in respect of a Topco Proceeds Loan (in respect of the Topco Proceeds Loan Liabilities only) (such payments, collectively, "Permitted Topco Payments"):

(a) if:

- no Topco Payment Stop Notice (as defined below) is outstanding;
- no payment default (subject to a de minimis threshold in the case of amounts other than principal, interest or certain fees) has occurred and is continuing under any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement, Cash Management Facility document or Senior Secured Notes document (a "Senior Secured Payment Default"), or under the Second Lien Facilities or Second Lien Notes (a "Second Lien Payment Default"); and
- the payment is of (1) any amount of principal or capitalized interest in respect of the Topco Liabilities which is (x) not prohibited by any prior ranking financing agreements (in respect of the Senior Secured Liabilities and the Second Lien Liabilities), or any required consents to permit

such payment have been obtained or (y) permitted as a Non-Distressed Disposal (as defined below) or the result of any claim which is subject to Transaction Security, (2) any other amount which is not an amount of principal or capitalized interest (such other amounts including all scheduled interest payments (including, if applicable, special interest (or liquidated damages))), the accrual of cash interest otherwise payable during a period when a Topco Payment Stop Notice (as defined below) is outstanding and default interest on the Topco Liabilities accrued and payable in accordance with the terms of the relevant Topco Finance Document (as at the date of the issue of the same or as amended in accordance with the terms of the Intercreditor Agreement and the other Debt Documents), additional amounts payable as a result of the tax gross-up provisions relating to the Topco Liabilities and amounts in respect of currency indemnities in any Topco Finance Document, (3) made in pursuance of a debt buy-back program approved by the Majority Senior Secured Creditors, Majority Super Senior Creditors and Majority Second Lien Creditors (each as defined below), or (4) amounts due under any syndication strategy letter relating to the Topco Finance Documents;

(b) if, notwithstanding that a Topco Payment Stop Notice (as defined below) is outstanding and/or (other than in respect of paragraph (N) below) a Senior Secured Payment Default and/or a Second Lien Payment Default has occurred and is continuing and (if the Topco Borrower is a guarantor or borrower under any prior ranking debt facilities at such time, other than in respect of paragraph (L) below) irrespective of whether any creditors under prior ranking debt facilities have accelerated their debt, the payment is not prohibited to be made at such time by any prior ranking financing agreements (in respect of the Senior Secured Liabilities and the Second Lien Liabilities), or the payment is (without double counting any equivalent applicable basket in any Debt Document, but whether or not permitted by the Debt Documents): (A) of ongoing fees under any original fee letter relating to the Topco Finance Documents, (B) of commercially reasonable advisory and professional fees for restructuring advice and valuations (including legal advice and the advice of other appropriate financial and/or restructuring advisors) and a Topco Agent's fees, costs and expenses not exceeding €1,500,000, but excluding the costs of any litigation against a Senior Secured Creditor or Second Lien Creditor (or their affiliates), (C) of any amounts owed to a Topco Agent (as defined below), (D) of costs necessary to protect, preserve or enforce security, (E) of any costs, commissions, taxes, premiums, amendment fees (including any original issue discount and other consent and/or waiver fees) and any expenses incurred in respect of (or reasonably incidental to) the Topco Finance Documents (including in relation to any reporting or listing requirements under the Topco Finance Documents), (F) of any other amount not exceeding €5,000,000 in any financial year of the Company (provided that any such amount not so applied may be carried forward and utilized in the subsequent financial year (where it shall be deemed to have been used first)), (G) of any amount of the Topco Liabilities which would have been payable but for the issue of a Topco Payment Stop Notice (which has since expired and no new Topco Payment Stop Notice is outstanding) which has been capitalized and added to the principal amount of the Topco Liabilities or where that amount is outstanding as a result of the accrual of cash interest payable in respect of the Topco Liabilities during such period or any such amount described at (a)(iii) above, provided that no such payment may be made if certain events of default have occurred under the Senior Secured Liabilities or Second Lien Liabilities or would occur as a result of making such payment, (H) for as long as an event of default under the Senior Secured Liabilities, Second Lien Liabilities or Topco Group Liabilities which is continuing, all or part of the Topco Liabilities being released or otherwise discharged solely in consideration for the issues of shares in any holding company of the Company ("Debt for Equity Swap") provided that no cash or cash equivalent payment is made in respect of the Topco Liabilities, that it does not result in a Change of Control as defined in any prior ranking finance agreement or Topco Finance Document and that any Liabilities owed by a member of the Senior Secured Group to another member of the Senior Secured Group, to the Subordinated Creditors or to any other holding company of the Company that arise as a result of any such Debt for Equity Swap are subordinated to the Senior Secured Liabilities and Second Lien Liabilities pursuant to the Intercreditor Agreement and the Senior Secured Creditors and Second Lien Creditors are granted Transaction Security in respect of any of those Intra-Group Liabilities or Subordinated Liabilities owed by any member of the Senior Secured Group, (I) of non-cash interest made by way of capitalizing interest or issuing a non cash-pay instrument which is subordinated on the same terms as the Topco Liabilities, (J) of audit fees, directors' fees, taxes and other proper and incidental expenses required to maintain existence or any other reasonable and administrative and maintenance costs and expenses of a Topco Borrower or its affiliates, (K) funded directly or indirectly with the proceeds of Topco

Liabilities incurred under or pursuant to any Topco Finance Documents, (L) by the Topco Borrower in respect of its obligations under the Topco Finance Documents; and such payment is not directly or indirectly sourced from a member of the Senior Secured Group or such payment is funded from proceeds received by the Topco Borrower from the Senior Secured Group without breaching the terms of the Debt Documents, (M) if the payment is of a principal amount of the Topco Liabilities and made in accordance with a provision in a Topco Finance Document relating to prepayment upon illegality or any other provision that permits the repayment in full of any Topco Creditor (without a related requirement to repay all other Topco Creditors), or (N) if no Senior Secured Payment Default or Second Lien Payment Default has occurred and is continuing and the payment is a payment of principal, interest or any other amounts made on or after the final maturity date of the relevant Topco Liabilities (provided that such maturity date is no earlier than that contained in the original form of the relevant Topco Finance Document as of the date of first issuance or borrowing (as the case may be) of the applicable Topco Liabilities); or

(c) if the requisite Senior Secured Creditors, Super Senior Creditors and Second Lien Creditors give prior consent to that payment being made.

On or after the Priority Discharge Date, the Debtors, the Topco Borrowers and the Third Party Security Providers may make payments in respect of the Topco Group Liabilities in accordance with the Topco Finance Documents and the Topco Proceeds Loan Agreement (as applicable).

Topco Liabilities Payment Block Provisions

A Topco Payment Stop Notice (as defined below) is outstanding from the date falling one (1) Business Day after the date on which, following the occurrence of an event of default under any Senior Secured Liabilities (a "Senior Secured Event of Default") or an event of default under the Second Lien Liabilities (a "Second Lien Event of Default"), the Security Agent (acting on the instructions of the requisite Super Senior Creditors, Senior Secured Creditors or Second Lien Creditors gave the instructions for the relevant stop notice to be delivered) (a "Topco Payment Stop Notice") to the agent under any Topco Facility (the "Topco Agent") and the trustee under any Topco Notes (the "Topco Notes Trustee") advising that the Senior Secured Event of Default or Second Lien Event of Default is continuing and suspending payments by the Senior Secured Group of the Topco Liabilities, until the first to occur of:

(a) the date falling one hundred and seventy nine (179) days after delivery of that Topco Payment Stop Notice;

(b) the date on which a default occurs for failure to pay principal at the original scheduled maturity of the relevant Topco Liabilities;

(c) if a Topco Standstill Period (as defined below) commences after delivery of that Topco Payment Stop Notice, the date on which such standstill period expires;

(d) the date on which the relevant Senior Secured Event of Default or Second Lien Event of Default has been remedied or waived;

(e) the date on which the Security Agent (acting on the instructions of whichever of the Super Senior Creditors, Senior Secured Creditors or Second Lien Creditors gave the instructions for the relevant stop notice to be delivered) delivers a notice to the Topco Borrower, the Topco Agent and the Topco Notes Trustee cancelling the payment stop notice;

(f) the Priority Discharge Date; and

(g) the date on which the Topco Creditors take any enforcement action that is permitted under the Intercreditor Agreement (see "Permitted Topco Enforcement" below).

No Topco Payment Stop Notice may be delivered by the Security Agent in reliance on a Senior Secured Event of Default or a Second Lien Event of Default more than forty five (45) days after the occurrence of the relevant event of default. No more than one Topco Payment Stop Notice may be served (i) with respect to the same event or set of circumstances, or (ii) in any period of three hundred and sixty (360) days.

Any failure to make a payment due in respect of the Topco Group Liabilities as a result of the issue of a Topco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien Payment Default shall not prevent (i) the occurrence of an event of default as a consequence of that failure to make a payment in relation to the relevant Topco Group Liabilities, or (ii) the issue of an enforcement notice in respect

of an event of default under the finance documents documenting any Topco Group Liabilities (a "Topco Enforcement Notice") on behalf of the Topco Creditors.

Payment Obligations and Capitalization of Interest Continue

Nothing in the Second Lien or Topco payment block provisions will release any Debtor from the liability to make any payment (including of default interest, which shall continue to accrue) under the applicable Debt Documents even if its obligation to make such payment is restricted at any time. The accrual and capitalization of interest (if any) in accordance with the applicable Debt Documents shall continue notwithstanding the issue of a payment stop notice.

Cure of Payment Stop

If:

(a) at any time following the issue of a Topco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien Payment Default, that Topco Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Secured Payment Default or Second Lien Payment Default ceases to be continuing; and

(b) the relevant Debtor or Topco Borrower then promptly pays to the Topco Creditors or any party that has acceded to the Intercreditor Agreement as a creditor under a Topco Proceeds Loan (the "Topco Investors") (in respect of the Topco Proceeds Loan Liabilities only) an amount equal to any payments which had accrued under the Topco Finance Documents or the Topco Proceeds Loan Agreement (as applicable) and which would have been Permitted Topco Payments but for that Topco Payment Stop Notice or Senior Secured Payment Default or Second Lien Payment Default (as the case may be),

then any event of default which may have occurred under a Topco Finance Document or Topco Proceeds Loan Agreement and any Topco Enforcement Notice which may have been issued as a result of that suspension of payments shall be deemed automatically waived without any further action being required.

Turnover by the Creditors

Subject to certain exceptions, the Intercreditor Agreement will provide that if, at any time prior to the latest to occur of the Super Senior Discharge Date, the Senior Secured Discharge Date, the Second Lien Discharge Date and the first date on which all of the Topco Liabilities have been fully discharged (the "Topco Discharge Date") (the "Final Discharge Date") any creditor (other than a Senior Secured Creditor on or after the Designation Date) receives or recovers from any Debtor, member of the Senior Secured Group or Third Party Security Provider:

(a) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the Debt Documents other than any payment or distribution which is either (x) not prohibited under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under "Application of Proceeds";

(b) any amount by way of set-off which does not give effect to a payment permitted under the Intercreditor Agreement;

(c) any amount:

  (i) on account of, or in relation to, any of the liabilities owed to the creditors under the Debt Documents (I) after the occurrence of an acceleration event or the enforcement of any Transaction Security as a result of such an acceleration event, or (II) as a result of any other litigation or a Debtor, member of the Senior Secured Group or any Third Party Security Provider (other than after the occurrence of an Insolvency Event); or

  (ii) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any Transaction Security as a result of such an acceleration event, other than, in each case, any amount received or recovered in accordance with the provisions set out below under "*Application of Proceeds*";

(d) the proceeds of any enforcement of any of the Transaction Security except in accordance with the provisions set out below under "Application of Proceeds"; or

(e) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any Debtor, any member of the Senior Secured Group or Third Party Security Provider which

is not in accordance with the provisions set out below under "Application of Proceeds" and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that Debtor, member of the Senior Secured Group or Third Party Security Provider,

that creditor will:

(1) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for (or otherwise on behalf and for the account of) the Security Agent and promptly pay or distribute that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement, and (y) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(2) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

A turnover mechanism on substantially the same terms applies in the event that, at any time on or after the Designation Date but prior to the Final Discharge Date, any Senior Secured Creditor receives or recovers from any Debtor, any member of the Senior Secured Group or Third Party Security Provider (x) any proceeds from the enforcement of security or from a Distressed Disposal (as defined below) or following an acceleration event or the enforcement of security, any proceeds arising from any of the charged property or (y) any other amounts which should otherwise be received or recovered by the Security Agent except in accordance with the provisions set out below under "*—Application of Proceeds*".

Effect of Insolvency Event

"Insolvency Event" is defined as, in relation to any Debtor, Material Subsidiary (each as defined in the Senior Term Facilities Agreement) or Third Party Security Provider, (a) the passing of any resolution or making of an order for insolvency, bankruptcy, winding up, dissolution, administration or reorganization (excluding solvent reorganizations), (b) a moratorium is declared in relation to any of its indebtedness, (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it or any of its assets, or (d) any analogous procedure or step is taken in any jurisdiction, other than (in each case), frivolous or vexatious proceedings, proceedings or appointments which the Security Agent is satisfied will be withdrawn or unsuccessful or as permitted under the Senior Term Facilities Agreement, ABL Facilities Agreement or in any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement or a Second Lien Facility Agreement, or otherwise not constituting a default.

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event, any party entitled to receive a distribution out of the assets of a Debtor, Material Subsidiary or Third Party Security Provider (in the case of a Senior Secured Creditor on or after the Designation Date, only to the extent such amounts constitute proceeds of enforcement) shall direct the person responsible for the distribution to pay that distribution to the Security Agent until the liabilities owing to the Secured Parties have been paid in full. The Security Agent shall apply all such distributions paid to it in accordance with the provisions set out under "*—Application of Proceeds*" below.

To the extent that any member of the Senior Secured Group or Third Party Security Provider's liabilities to creditors are, with certain exceptions, discharged by way of set-off (mandatory or otherwise and in the case of a Senior Secured Creditor on or after the Designation Date, only to the extent such amounts constitute proceeds of enforcement) after the occurrence of an Insolvency Event, any creditor benefiting from such set-off shall pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out under "*—Application of Proceeds*" below.

If the Security Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards such liabilities.

Subject to certain netting and set-off rights under ancillary or cash management facilities, each creditor irrevocably authorizes the Security Agent to take Enforcement Action (as defined below), make demands, collect and receive distributions, file claims and take other actions necessary to make recovery after the occurrence of an

Insolvency Event in relation to a Debtor, member of the Senior Secured Group or Third Party Security Provider. The creditors agree to do all things the Security Agent reasonably requests in order to give effect to these provisions.

Security Enforcement Regime

Enforcement of Security

The Intercreditor Agreement provides that the Security Agent may not take any action to enforce the Transaction Security or the Topco Independent Transaction Security without the prior written consent of an Instructing Group, Majority Second Lien Creditors or Majority Topco Creditors (as applicable) otherwise as specified in the provisions described below.

Notwithstanding the above paragraphs, if at any time the agents or representatives of the Second Lien Creditors or Topco Creditors then entitled to give the Security Agent instructions to enforce the Transaction Security give such instruction or indicate any intention to give such instruction (or, as the case may be, do not give any such instruction or indication):

(f) then either the ABL/Super Senior Priority Instructing Group or the Senior Secured/Super Senior Priority Instructing Group (together, the "STLDD Instructing Group") may give instructions or indication to the Security Agent to enforce the Transaction Security as such STLDD Instructing Group sees fit in lieu of any instructions or indication to enforce given (or not given, as applicable) by the agents or representatives of the Second Lien Creditors or Topco Creditors (as applicable) and the Security Agent shall act on such instructions first received from such STLDD Instructing Group;

(g) if either the Majority ABL Priority Security Creditors or the Majority Super Senior Creditors, in relation to the ABL Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted ABL Priority Security (the "ABL/Super Senior Priority Instructing Group") has not given an instruction to enforce the ABL Priority Security, the Senior Secured/Super Senior Priority Instructing Group shall be permitted to give instructions to the Security Agent to enforce the ABL Priority Security as the Senior Secured/Super Senior Priority Instructing Group sees fit in lieu of any instructions to enforce given (or not given, as applicable) by the Second Lien Agent, the Second Lien Notes Trustee or the Topco Creditor Representative and Security Agent shall act on such instructions received from the Senior Secured/Super Senior Priority Instructing Group provided that if the ABL/Super Senior Priority Instructing Group subsequently provide such instructions in relation to the ABL Priority Security then the Security Agent shall act on the instructions received from the ABL/Super Senior Priority Instructing Group; and

(h) if the Majority Senior Secured Priority Security Creditors or the Majority Super Senior Creditors, in relation to the Senior Secured Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted Senior Secured Priority Security (the "Senior Secured/Super Senior Priority Instructing Group") has not given an instruction to enforce the Senior Secured Priority Security, the ABL/Super Senior Priority Instructing Group shall be permitted to give instructions to the Security Agent to enforce the Senior Secured Priority Security as the ABL/Super Senior Priority Instructing Group sees fit in lieu of any instructions to enforce given (or not given, as applicable) by the agents or representatives of the Second Lien Creditors or Topco Creditors under the Intercreditor provided that provided that if the Senior Secured/Super Senior Priority Instructing Group subsequently provide such instructions in relation to the Senior Secured Priority Security then the Security Agent shall act on the instructions received from the Senior Secured/Super Senior Priority Instructing Group.

An "Instructing Group" means:

(a) if the Designation Date has not occurred:

  (i) prior to the Senior Secured Discharge Date and the ABL Discharge Date:

    (1) the ABL Priority Security Creditors (other than Super Senior Creditors) representing more than 50% of the Senior Secured Liabilities (other than the Super Senior Liabilities) provided that in calculating Senior Credit Participations, the Senior Credit Participation of each of the ABL Cash Management Facility Lenders and the ABL Hedge Counterparties shall be deemed to be zero prior to the ABL Discharge Date (the "Majority ABL Priority Security Creditors"); and

(2) the Senior Secured Priority Security Creditors (other than the Super Senior Creditors) resenting more than 50% of the Senior Secured Liabilities (other than the Super Senior Liabilities) (the "Majority Senior Secured Priority Security Creditors");

(ii) prior to the Senior Secured Discharge Date but after the ABL Discharge Date, the Senior Secured Creditors (other than the Super Senior Creditors) representing more than 50% of the Senior Secured Liabilities (other than the Super Senior Liabilities) provided that in calculating Senior Secured Credit Participations, the Senior Secured Credit Participation of each of the ABL Cash Management Facility Lenders and the ABL Hedge Counterparties shall be deemed to be zero prior to the ABL Discharge Date (the "Majority Senior Secured Creditors");

(iii) on or after the Senior Secured Discharge Date but before the ABL Discharge Date, the Majority ABL Priority Security Creditors;

(iv) on or after the Senior Secured Discharge Date and the ABL Discharge Date but before the Priority Discharge Date, the Second Lien Creditors representing more than 50% of the Second Lien Liabilities (the "Majority Second Lien Creditors"); and

(v) on or after the Priority Discharge Date but before the Topco Discharge Date, the Topco Creditors representing more than 50% of the Topco Liabilities (the "Majority Topco Creditors");

(b) at any time on or after the occurrence of the Designation Date but prior to the ABL Discharge Date and:

(i) prior to the later of the Senior Secured Discharge Date and the first date on which the Super Senior Liabilities have been fully and finally discharged (the "Super Senior Discharge Date"):

(1) the Majority ABL Priority Security Creditors; and

(2) the Majority Senior Secured Priority Security Creditors and the Super Senior Creditors representing more than 50% of the Super Senior Secured Liabilities (the "Majority Super Senior Creditors"),

save that, in each case, for instructions relating to enforcement, it shall mean the group of Secured Creditors entitled to give instructions in accordance with the enforcement regime described under "Enforcement of Transaction Security prior to the Designation Date" and "Enforcement of Transaction Security on or after the Designation Date" below;

(ii) on or after the later of the Senior Secured Discharge Date and the Super Senior Discharge Date but before the Priority Discharge Date, the Majority ABL Priority Security Creditors;

(iii) on or after the later of the Senior Secured Discharge Date, the Super Senior Discharge Date and the ABL Discharge Date but before the Priority Discharge Date, the Majority Second Lien Creditors; and

(iv) on or after the Priority Discharge Date but before the Topco Discharge Date, the Majority Topco Creditors;

(c) at any time on or after the occurrence of the Designation Date and after the ABL Discharge Date and:

(i) prior to the later of the Senior Secured Discharged Date and the Super Senior Discharge Date, the Majority Senior Secured Creditors and the Majority Super Senior Creditors save that, in each case, for instructions relating to enforcement, it shall mean the group of Secured Creditors entitled to give instructions in accordance with the enforcement regime described under "Enforcement of Transaction Security prior to the Designation Date" and "Enforcement of Transaction Security on or after the Designation Date" below;

(ii) on or after the later of the Senior Secured Discharge Date and the Super Senior Discharge Date but before the Priority Discharge Date, the Majority Second Lien Creditors; and

(iii) on or after the Priority Discharge Date but before the Topco Discharge Date, the Majority Topco Creditors.

Enforcement of Transaction Security prior to the Designation Date

Prior to the Designation Date, the Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by (i) the ABL Priority Instructing Group and/or the Senior Secured Priority

Instructing Group (as applicable), (ii) if, prior to the Senior Secured Discharge Date, both of the ABL Priority Instructing Group and the Senior Secured Priority Instructing Group have (A) given no instructions as to the manner of enforcement or has instructed the Security Agent neither to enforce or cease enforcing and (B) not required any Debtor or Third Party Security Provider to make a Distressed Disposal (as defined below), an agent or trustee under the Second Lien Liabilities (acting on the instructions of the Majority Second Lien Creditors) where the rights of the Second Lien Creditors to enforce have arisen under the Intercreditor Agreement, or (iii) if, prior to the Priority Discharge Date, both of the ABL Priority Instructing Group and the Senior Secured Priority Instructing Group (or Majority Second Lien Creditors as applicable) have (A) given no instructions as to the manner of enforcement or have instructed the Security Agent neither to enforce or cease enforcing and (B) not required any Debtor or Third Party Security Provider to make a Distressed Disposal, a Topco Agent or the Topco Notes Trustee (acting on the instructions of the Majority Topco Creditors).

Subject to the Transaction Security having become enforceable in accordance with its terms, the Instructing Group or any other persons entitled to give instructions in accordance with the preceding paragraph may give or refrain from giving instructions to the Security Agent to enforce, or refrain from enforcing, the Transaction Security as they see fit.

Notwithstanding the above paragraphs, if at any time the agents or representatives of the Second Lien Creditors or Topco Creditors then entitled to give the Security Agent instructions to enforce the Transaction Security give such instruction or indicate any intention to give such instruction (or, as the case may be, do not give any such instruction or indication):

(a) then the applicable Instructing Group may give instructions or indication to the Security Agent to enforce the Transaction Security as the Instructing Group sees fit in lieu of any instructions or indication to enforce given (or not given, as applicable) by the agents or representatives of the Second Lien Creditors or Topco Creditors (as applicable) and the Security Agent shall act on such instructions received from the applicable Instructing Group;

(b) if the ABL Priority Instructing Group has not given an instruction to enforce the ABL Priority Security, the Senior Secured Priority Instructing Group shall be permitted to give instructions to the Security Agent to enforce the ABL Priority Security as the Senior Secured Priority Instructing Group sees fit in lieu of any instructions or indication to enforce given (or not given, as applicable) by the Second Lien Agent, the Second Lien Notes Trustee or the Topco Creditor Representative and such Second Lien Agent, the Second Lien Notes Trustee or the Topco Creditor Representative may not provide any such instructions of indications for a period of 90 days after such time as the Senior Secured Priority Instructing Group is permitted to provide such instructions or indications and Security Agent shall act on such instructions received from the Senior Secured Priority Instructing Group provided that if the ABL Priority Instructing Group subsequently provide such instructions in relation to the ABL Priority Security then the Security Agent shall act on the instructions received from the ABL Priority Instructing Group; and

(c) if the Senior Secured Priority Instructing Group has not given an instruction to enforce the Senior Secured Priority Security, the ABL Priority Instructing Group shall be permitted to give instructions to the Security Agent to enforce the Senior Secured Priority Security as the ABL Priority Instructing Group sees fit in lieu of any instructions or indication to enforce given (or not given, as applicable) by the Second Lien Agent, the Second Lien Notes Trustee or the Topco Creditor Representative under this Agreement and such Second Lien Agent, the Second Lien Notes Trustee or the Topco Creditor Representative may not provide any such instructions of indications for a period of 90 days after such time as the ABL Priority Instructing Group is permitted to provide such instructions or indications and Security Agent shall act on such instructions received from the ABL Priority Instructing Group provided that if the Senior Secured Priority Instructing Group subsequently provide such instructions in relation to the Senior Secured Priority Security then the Security Agent shall act on the instructions received from the Senior Secured Priority Instructing Group.

Unless (i) the Transaction Security has become enforceable as a result of an Insolvency Event or (ii) the relevant Instructing Group or any agent of the creditors represented in the relevant Instructing Group determines in good faith that to do so could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce the Transaction Security or the realization proceeds of any such enforcement, before giving any such instructions to enforce the Transaction Security or take any other enforcement action the creditors represented in the relevant Instructing Group will be required to consult with each other agent (provided that any agent in respect of Topco Liabilities need only be consulted if such enforcement relates to Topco Shared

Security) for a period of up to ten Business Days or take any Enforcement Action (the "Consultation Period") and the relevant Instructing Group will only be entitled to give the enforcement instructions described above or take any Enforcement Action after the expiry of such Consultation Period.

Enforcement of Transaction Security on or after the Designation Date

On or after the Designation Date, the Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise in accordance with the provisions described in this paragraph. If the Transaction Security has become enforceable, if (i) either the Majority ABL Priority Security Creditors or the Majority Super Senior Creditors, in relation to the ABL Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted ABL Priority Security, or (ii) the Majority Senior Secured Priority Security Creditors or the Majority Super Senior Creditors, in relation to the Senior Secured Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted Senior Secured Priority Security wish to issue enforcement instructions they shall deliver a copy of those instructions (an "Initial Enforcement Notice") to the Security Agent and to the other agents, trustees and hedge counterparties.

The Security Agent will act in accordance with any instructions (provided they are consistent with the Enforcement Principles (as defined below)) received from (i)(x) the Majority ABL Priority Security Creditors in relation to any ABL Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted ABL Priority Security, and (y) the Majority Senior Secured Priority Security Creditors in relation to any Senior Secured Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted Senior Secured Priority Security, (ii) if (x) the Majority ABL Priority Security Creditors (in relation to any ABL Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted ABL Priority Security), and (y) the Majority Senior Secured Priority Security Creditors (in relation to any Senior Secured Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted Senior Secured Priority Security) have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue within three months of the Initial Enforcement Notice or the Super Senior Discharge has not occurred within six months of the Initial Enforcement Notice, the Majority Super Senior Creditors, until the Super Senior Discharge Date has occurred, (iii) if an Insolvency Event (other than an Insolvency Event directly caused by enforcement action taken at the request of a Super Senior Creditor) is continuing, the Super Senior Creditors, until the Super Senior Discharge Date has occurred, (iv) if (x) the Majority ABL Priority Security Creditors (in relation to any ABL Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted ABL Priority Security), and (y) the Majority Senior Secured Priority Security Creditors (in relation to any Senior Secured Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted Senior Secured Priority Security) have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue and the Majority Super Senior Creditors determine in good faith that a delay could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce the Transaction Security or on the realization of proceeds and the Majority Super Senior Creditors deliver instructions before the Security Agent has received any instructions from (A) the Majority ABL Priority Security Creditors (in relation to any ABL Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted ABL Priority Security), and (B) the Majority Senior Secured Priority Security Creditors (in relation to any Senior Secured Priority Security and any Debtor or Third Party Security Provider that has granted or purported to have granted Senior Secured Priority Security), the Majority Super Senior Creditors, until the Super Senior Discharge Date has occurred, (v) if, prior to the later of the Senior Secured Discharge Date and the Super Senior Discharge Date, both the ABL/Super Senior Priority Instructing Group and the Senior Secured/Super Senior Priority Instructing Group have not given instructions or they have instructed the Security Agent (A) not to enforce or cease enforcing or (B) required any Debtor or Third Party Security Provider to make a Distressed Disposal, any agent or trustee in relation to the Second Lien Liabilities (the "Second Lien Agent") (acting on the instructions of the Majority Second Lien Creditors) where the rights of the Second Lien Creditors to enforce have arisen under the Intercreditor Agreement, or (vi) if, prior to the Priority Discharge Date, the Majority ABL Priority Security Creditors, the Majority Senior Secured Priority Security Creditors or the Majority Super Senior Creditors or the Majority Second Lien Creditors (as applicable) have not given instructions or they have instructed the Security Agent (A) not to enforce or cease enforcing or (B) required any Debtor or Third Party Security Provider to make a Distressed Disposal an agent or trustee under the Topco Finance Documents (acting on the instructions of the Majority Topco Creditors).

Notwithstanding the preceding paragraph, if at any time the agents or representatives of the Second Lien Creditors or Topco Creditors then entitled to give the Security Agent instructions give such instruction or

indicate any intention to give such instruction (or, as the case may be, do not give such instruction or indication), then the Majority Senior Secured Creditors or Majority Super Senior Creditors to the extent that such group is entitled to give enforcement instructions as described in the paragraph above may give instructions to the Security Agent to enforce the Transaction Security as they see fit in lieu of any instructions to enforce given (or not given, as applicable) by the agents or representatives of the Second Lien Creditors or Topco Creditors (as applicable) and the Security Agent shall act on such instructions provided that notwithstanding the foregoing:

(a) if the ABL/Super Senior Priority Instructing Group has not given an instruction to enforce the ABL Priority Security, the Senior Secured/Super Senior Priority Instructing Group shall be permitted to give instructions to the Security Agent to enforce the ABL Priority Security as the Senior Secured/Super Senior Priority Instructing Group sees fit in lieu of any instructions to enforce given (or not given, as applicable) by the Second Lien Agent or Topco Creditors and such Second Lien Agent, the Second Lien Notes Trustee or the Topco Creditor Representative may not provide any such instructions for a period of 90 days after such time as the Senior Secured/ Super Senior Priority Instructing Group is permitted to provide such instructions and the Security Agent shall act on such instructions received from the Senior Secured/Super Senior Priority Instructing Group provided that if the ABL/Super Senior Priority Instructing Group subsequently provide such instructions in relation to the ABL Priority Security then the Security Agent shall act on the instructions received from the ABL/Super Senior Priority Instructing Group; and

(b) if the Senior Secured/Super Senior Priority Instructing Group has not given an instruction to enforce the Senior Secured Priority Security, the ABL/Super Senior Priority Instructing Group shall be permitted to give instructions to the Security Agent to enforce the Senior Secured Priority Security as the ABL/Super Senior Priority Instructing Group sees fit in lieu of any instructions to enforce given (or not given, as applicable) by the agents or representatives of the Second Lien Creditors or Topco Creditors and such Second Lien Agent, the Second Lien Notes Trustee or the Topco Creditor Representative may not provide any such instructions for a period of 90 days after such time as the ABL/ Super Senior Priority Instructing Group is permitted to provide such instructions and Security Agent shall act on such instructions received from the ABL/Super Senior Priority Instructing Group provided that if the Senior Secured Priority Instructing Group subsequently provide such instructions in relation to the Senior Secured Priority Security then the Security Agent shall act on the instructions received from the Senior Secured/Super Senior Priority Instructing Group.

"Enforcement Principles" means certain requirements as to the manner of enforcement, including that (i) to the extent consistent with a prompt and expeditious realization of value, the method of enforcement chosen should maximize the value realized from such enforcement, (ii) certain proceeds must be received in cash, and (iii) enforcement in relation to assets over €5,000,000 or shares if not carried out by way of a public auction or other competitive sales process, shall (if the Security Agent is so requested by the Majority Super Senior Creditors or Majority Senior Secured Creditors) benefit from a fairness opinion from an investment bank, firm of accountants or third party financial adviser.

Enforcement—Topco Independent Transaction Security

Subject to the Topco Independent Transaction Security having become enforceable in accordance with its terms, an agent or trustee under the Topco Finance Documents (acting on the instructions of the Majority Topco Creditors) may give or refrain giving, instructions to the Security Agent to enforce or refrain from enforcing the Topco Independent Transaction Security as they see fit.

Manner of Enforcement

If the Transaction Security or Topco Independent Transaction Security is being enforced in accordance with any of the above paragraphs, the Security Agent shall enforce the relevant Transaction Security or Topco Independent Transaction Security in such manner (including the selection of any administrator of any Debtor or Third Party Security Provider to be appointed by the Security Agent) as any persons entitled at any time under the above provisions shall instruct it or, in the absence of any such instructions, as the Security Agent sees fit (which may include taking no action).

No Secured Party shall have any independent power to enforce, or to have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent.

Security Held by Other Creditors

If any Transaction Security or Topco Independent Transaction Security is held by a creditor other than the Security Agent, then creditors may only enforce that Transaction Security or Topco Independent Transaction Security in accordance with instructions given by instructing creditors in accordance with the paragraphs above.

Enforcement Regime

Restrictions on Enforcement by Second Lien Creditors

Certain of the features set out below with respect to Topco Creditors may apply to the Second Lien Creditors, with appropriate modifications for the relative position in the capital structure.

Restrictions on Enforcement by Topco Creditors

Until the Priority Discharge Date, except with the prior consent of or as required by an Instructing Group, (i) no Topco Creditor or Topco Investor shall direct the Security Agent to enforce, or otherwise (to the extent applicable) require the enforcement of any Transaction Security (including the crystallization of any floating charge forming part of the Transaction Security), (ii) no Topco Creditor nor Topco Investor shall take or require the taking of any Enforcement Action (as defined below) against any member of the Senior Secured Group or Third Party Security Provider (other than in each case (and to the extent not restricted by (i) above and (iii) below) against a Topco Borrower in relation to the Topco Group Liabilities), and (iii) no Topco Creditor nor Topco Investor nor Topco Borrower shall take or require the taking of any Enforcement Action (as defined below) in relation to Topco Proceeds Loan Liabilities, except in the case of each of (i) through (iii) as set out under "Permitted Topco Enforcement" below and provided that no such action required by an Instructing Group need be taken except to the extent that such Instructing Group otherwise is entitled under the Intercreditor Agreement to direct such action.

Other than as restricted by (i) and (iii) in the paragraph above, any Topco Creditor may at any time take any Enforcement Action (as defined below) available against any person that is not a member of the Senior Secured Group, in each case in accordance with the terms of the Topco Finance Documents.

"Enforcement Action" is defined as:

(a) (i) in relation to any liabilities (other than unsecured liabilities) the acceleration, putting on demand, making of a demand, requiring a member of the Topco Group or Third Party Security Provider to acquire such liabilities (subject to certain exceptions), exercising of rights of set-off (other than certain netting under hedging agreements or as otherwise permitted under the Secured Debt Documents), or (ii) suing or commencing proceedings against any member of the Topco Group or a Third Party Security Provider in relation to such liabilities;

(b) premature termination or close-out of a hedging agreement, save to the extent permitted by the Intercreditor Agreement;

(c) the taking of steps to enforce or require the enforcement of the Transaction Security or, as the case may be, Topco Independent Transaction Security (including the crystallization of any floating charge) as a result of an acceleration event which was continuing at the time the request for enforcement was made;

(d) entering into any composition, compromise, assignment or similar arrangement with any Third Party Security Provider or a member of the Topco Group which owes any liabilities or has given any security, guarantee or indemnity or other assurance against loss in respect of liabilities owed to a creditor under the Intercreditor Agreement (other than any action permitted under the Intercreditor Agreement or any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers entered into in accordance with the Secured Debt Documents, and not undertaken as part of an announced restructuring or turnaround plan or while a default was outstanding under the relevant Secured Debt Document); or

(e) petitioning, applying, voting for or taking steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganization of any Third Party Security Provider or a member of the Topco Group which owes any liabilities or has given any security, guarantees, indemnity or other assurance against loss in respect of liabilities owed to a creditor under the Intercreditor Agreement or any of such Third Party Security Provider or member of the Topco Group's assets or any suspension of payments or moratorium of any

indebtedness of any such Third Party Security Provider or member of the Topco Group, or any analogous procedure or step in any jurisdiction, except that the following shall not constitute Enforcement Action, (1) suing, commencing proceedings or taking any action referred to in paragraph (a)(ii) or (e) where necessary to preserve a claim, (2) discussions between or proposals made by any of the Secured Parties with respect to enforcement of the Transaction Security in accordance with the Intercreditor Agreement, (3) bringing proceedings in connection with a securities violation, securities or listing regulations or common law fraud or to restrain any breach of the Debt Documents or for specific performance with no claims for damages, (4) proceedings brought by a Secured Party to obtain injunctive relief to restrain any actual or putative breach of any Debt Document, specific performance with no claim for damages or to request judicial interpretation in relation to a Debt Document to which it is party with no claim for damages, (5) demands made by Intra-Group Creditors or Subordinated Creditors to the extent they relate to (x) payments permitted under the Intercreditor Agreement, or (y) the release of the liabilities owed to such creditors in return for the issue of shares in the relevant member of the Senior Secured Group provided that the ownership interest of the member of the Senior Secured Group prior to such issue is not diluted as a result and provided further that (in any such case) in the event that the shares of such member of the Senior Secured Group are subject to Transaction Security prior to such issue, then the percentage of shares in such member of the Senior Secured Group subject to Transaction Security is not diluted, (6) any ABL Priority Cash Dominion, Borrowing Base or Advance Action, (7) proceedings brought by an ancillary lender, a lender of Cash Management Facility Liabilities (a "Cash Management Facility Lender"), hedge counterparty, issuing bank, or agent or trustee in respect of the Second Lien Liabilities or Topco Liabilities to obtain injunctive relief to restrain any actual or putative breach of any Debt Document, specific performance (other than specific performance of an obligation to make a payment) with no claim for damages or to request judicial interpretation in relation to a Debt Document to which it is party with no claim for damages or to bring legal proceedings in connection with any securities violation, securities or listing regulations or common law fraud or to restrain any actual or putative breach of the Secured Debt Documents or for specific performance with no claims for damages, and (8) the taking of any action by a member of the Topco Group not prohibited by the Finance Documents.

Permitted Topco Enforcement

The restrictions set out above under "*Restrictions on Enforcement by Topco Creditors*" will not apply in respect of the Topco Group Liabilities, Topco Proceeds Loan Liabilities, or any Transaction Security securing the Topco Group Liabilities, if:

(a) an event of default under a Topco Finance Document or a Topco Proceeds Loan Agreement (the "Relevant Topco Default") is continuing;

(b) all agents or trustees in respect of the Senior Lender Liabilities, Senior Secured Notes Liabilities, and Second Lien Liabilities have received a notice of the Relevant Topco Default specifying the event or circumstance in relation to the Relevant Topco Default from the Topco Agent, the Topco Notes Trustee or the Topco Borrower;

(c) a Topco Standstill Period (as defined below) has elapsed; and

(d) the Relevant Topco Default is continuing at the end of that Topco Standstill Period.

Promptly upon becoming aware of an event of default under a Topco Finance Document, a Topco Notes Trustee, Topco Agent or Topco Investor (as the case may be) may give a Topco Enforcement Notice notifying any agent under a Permitted Senior Secured Facilities Agreement (the "Senior Agent"), Senior Secured Notes Trustee, the Second Lien Agent and any second lien notes trustee of the existence of such event of default.

"Topco Standstill Period" means the period beginning on the date (the "Topco Standstill Start Date") a Topco Enforcement Notice is served in respect of such a Relevant Topco Default and ending on the earliest to occur of:

(a) the date falling one hundred and seventy nine (179) days after the Topco Standstill Start Date (the "Topco Standstill Period");

(b) the date the Priority Secured Parties take any Enforcement Action in relation to a particular Debtor or Third Party Security Provider, provided that:

(i) if a Topco Standstill Period ends pursuant to this paragraph (b), the Topco Creditors or a Topco Investor (in respect of the Topco Proceeds Loan Liabilities only) may only take the same

Enforcement Action in relation to a Topco Guarantor as the Enforcement Action taken by the Priority Secured Parties against such Topco Guarantor and not against any other member of the Senior Secured Group or Third Party Security Provider; and

(ii) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realize it;

(c) the date of an Insolvency Event (as defined above) in relation to a particular Topco Guarantor against whom Enforcement Action is to be taken;

(d) the expiry of any other Topco Standstill Period outstanding at the date such first mentioned Topco Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy); and

(e) the first date on which the Majority Super Senior Creditors, the Majority Senior Secured Creditors and the Majority Second Lien Creditors (as applicable) have given their consent to the relevant Enforcement Action.

The Topco Creditors or Topco Investor (in respect of the Topco Proceeds Loan Liabilities only) may take Enforcement Action under the provisions described in this section (Permitted Topco Enforcement) in relation to a Relevant Topco Default even if, at the end of any relevant Topco Standstill Period or at any later time, a further Topco Standstill Period has begun as a result of any other event of default in respect of the Topco Liabilities.

Option to Purchase: Topco Creditors

Following acceleration or the enforcement of Transaction Security upon acceleration under any Senior Secured Creditor Liabilities, Second Lien Liabilities or Topco Liabilities, Topco Creditors may, by giving not less than 10 days' prior written notice to the Security Agent, elect to purchase all, but not part of, the Senior Lender Liabilities, Super Senior Lender Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Second Lien Lender Liabilities and Second Lien Notes Liabilities for the amount that would have been required to prepay or redeem such liabilities on such date plus certain costs and expenses. Topco Creditors must also elect for the counterparties to hedging obligations to transfer their hedging obligations to holders in exchange (subject to specified conditions) for the amount that would have been payable under such hedging obligations had they been terminated on such date plus certain costs and expenses in connection with any such purchase.

Option to Purchase: Qualifying Senior Secured Creditors

Following acceleration or the enforcement of Transaction Security upon acceleration under any Senior Secured Creditor Liabilities, Second Lien Liabilities or Topco Liabilities, one or more Senior Secured Creditors (other than any ABL Lender or any other Senior Secured Creditor in respect of any ABL Priority Liabilities) (the "Qualifying Senior Secured Creditors") may, by giving not less than 10 days' prior written notice to the Security Agent, elect to purchase all, but not part of, the ABL Lender Liabilities and ABL Cash Management Facility Liabilities for the amount that would have been required to prepay or redeem such liabilities on such date plus certain costs and expenses. Qualifying Senior Secured Creditors must also elect for the counterparties to hedging obligations to transfer their hedging obligations to holders in exchange (subject to specified conditions) for the amount that would have been payable under such hedging obligations had they been terminated on such date plus certain costs and expenses in connection with any such purchase.

Non-Distressed Disposals

The Security Agent (on behalf of itself and the other Secured Parties) and each other person party to a Transaction Security document or a Topco Independent Transaction Security document agrees that it shall (and is irrevocably authorized, instructed and obliged to do so without further consent, agreement, instruction, direction, confirmation, payment, certification or other document, request or information from any creditor, other Secured Party or Debtor) promptly following receipt of a written request from the Company to the Security Agent:

(a) release (or procure the release) from the Transaction Security or Topco Independent Transaction Security and the Secured Debt Documents:

(i) any security (and/or other claim relating to a Debt Document) over any asset which the Company has confirmed is the subject of:

(1) a disposal not prohibited under the Finance Documents or where any applicable release and/or consent has been obtained under the applicable Finance Document including a disposal to

a member of the Senior Secured Group but without prejudice to any obligation of any member of the Senior Secured Group in a Finance Document to provide replacement security; or

(2) any other transaction not prohibited by the Finance Documents or where any applicable release and/or consent has been obtained under the applicable Finance Document pursuant to which that asset will cease to be held or owned by a member of the Senior Secured Group; and

in each case where such disposal is not a Distressed Disposal (as defined below) (in each case, a "Non-Distressed Disposal");

(ii) any security (and/or other claim relating to a Debt Document) over any document or other agreement requested in order for any member of the Senior Secured Group to the extent that the Company has confirmed that such action is not prohibited by any Finance Document to effect any amendment or waiver or otherwise exercise any rights, comply with any obligations or take any action in relation to such document or agreement;

(iii) any security (and/or other claim relating to a Debt Document) over any asset of any member of the Senior Secured Group which has ceased or will cease to be a Debtor or guarantor simultaneously with such release to the extent that the Company has confirmed that such ceasing to be a Debtor or guarantor in accordance with the terms of each Finance Document or the Agreed Security Principles (as defined in the Senior Term Facilities Agreement and the ABL Facility Agreement (as applicable)); and

(iv) any security (and/or other claim relating to a Debt Document) over any other asset to the extent that the Company has confirmed that such security is not required to be given or such release is otherwise, in accordance with the terms of any Finance Document or the Agreed Security Principles (as defined in the Senior Term Facilities Agreement and the ABL Facility Agreement (as applicable));

(b) in the case of a disposal of share or ownership interests in a Debtor, other member of the Senior Secured Group or any holding company of any Debtor or any other transaction pursuant to which a Debtor, other member of the Senior Secured Group or any holding company of any Debtor will cease to be a member of the Topco Group or a Debtor, release or procure the release of that Debtor or other member of the Senior Secured Group and its subsidiaries from all present and future liabilities under the Secured Debt Documents and the respective assets of such Debtor and its subsidiaries from the Transaction Security or Topco Independent Transaction Security and the Secured Debt Documents (including any claim relating to a Debt Document); and

(c) effect a Debt Transfer (as defined below).

When making any request for a release pursuant to paragraphs (a)(i), (a)(ii) and (b) above, the Company shall confirm in writing to the Security Agent, that the relevant disposal or other action is not prohibited as at the date of completion of such release or, at the option of the Company, on the date that the definitive agreement for such disposal or similar transaction is entered into.

When making any request for a release pursuant to paragraph (a)(iii) or (a)(iv) above, the Company shall confirm in writing to the Security Agent, that such security is not required to be given or the relevant release or cessation is otherwise in accordance with the terms of the Finance Documents or the Agreed Security Principles (as defined in the Senior Term Facilities Agreement and the ABL Facility Agreement (as applicable)).

In the case of a disposal of shares or other ownership interests in a Debtor, member of the Senior Secured Group or holding company of any Debtor or any other transaction pursuant to which a Debtor, member of the Senior Secured Group or holding company of any Debtor will cease to be a member of Topco Group or a Debtor, to the extent the Company has confirmed to the Security Agent that such disposal or other transaction or designation is not prohibited by the Finance Documents, if such member of the Topco Group or a Debtor is a borrower, issuer or primary debtor under any Debt Document, such person shall have the right to voluntarily prepay all liabilities outstanding under any Debt Document to the applicable creditors concurrently with ceasing to be a member of the Topco Group or Debtor; and any right to decline, delay or prevent any prepayment in any Debt Document shall be disapplied to the extent that if exercised such right would prevent the repayment of all such liabilities in full by such person (but without prejudice to any prepayment fees, make-whole payment, break costs or other payment required by the relevant Finance Documents).

The Company may at any time require that all of the rights and obligations of any borrower of Super Senior Liabilities, Senior Lender Liabilities, Cash Management Facility Liabilities or Second Lien Lender Liabilities (each, a "Borrower") under the applicable Secured Debt Documents be novated or otherwise transferred by that Borrower (a "Debt Transfer") provided that (i) either (A) such Debt Transfer is to another member of the Senior Secured Group; (B) such Debt Transfer is by a Borrower where (I) that Borrower or any holding company of that Borrower is being disposed of in accordance with the Finance Documents, and (II) the proceeds of such disposal are not otherwise required to be applied unconditionally in prepayment of that Borrower's liabilities under the applicable Finance Documents; or (C) such Debt Transfer is undertaken in connection with an IPO, and (ii) the transferee in respect of such Debt Transfer is another borrower under the Super Senior Liabilities, Senior Lender Liabilities, Cash Management Facility Liabilities or Second Lien lender Liabilities (as applicable). Any Debt Transfer may (and shall upon the request of the Company) be effected on a cashless basis, by way of book entries and not as physical cash movement to repay and reborrow any applicable liabilities.

Distressed Disposals

"Distressed Disposal" means a disposal of an asset or shares of, or other financial securities issued by a member of the Senior Secured Group or, in the case of a Third Party Security Provider, any assets or shares or financial securities which are subject to the Transaction Security which is being effected (a) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable as a result of an acceleration event which was continuing at the time the request for enforcement was made, (b) by enforcement of the Transaction Security as a result of an acceleration event which was continuing at the time the request for enforcement was made, or (c) after the occurrence of an acceleration event which has occurred and is continuing or the enforcement of any Transaction Security as a result of an acceleration event which has occurred and is continuing, by a Debtor or Third Party Security Provider to a person or persons which is not a member of the Senior Secured Group.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorized (subject to acting in accordance with certain conditions set out below) at the cost of the relevant Debtor, Third Party Security Provider and the Company and without any consent, sanction, authority or further confirmation from any creditor under the Intercreditor Agreement, Third Party Security Provider or Debtor:

(a) to release the Transaction Security or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(b) if the asset which is disposed of consists of shares in the capital of a Debtor to release (A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing, guarantee or other liabilities; (B) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets, and (C) any other claim of an intra-group lender, a Topco Investor, Subordinated Creditor or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor, on behalf of the relevant creditors, Third Party Security Providers and Debtors;

(c) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor to release (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing, guarantee or other liabilities; (B) any Transaction Security granted by that holding company or any subsidiary of that holding company over any of its assets, and (C) any other claim of an intra-group lender, a Topco Investor, Subordinated Creditor or a Debtor over that holding company's assets or over the assets of any subsidiary of that Debtor, on behalf of the relevant creditors and Debtors;

(d) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities owed by such Debtor or holding company or any of their subsidiaries to creditors or other Debtors:

    (i) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities (the "Transferee") will be treated as a Secured Creditor or a Secured Party for the purposes of the Intercreditor Agreement) to execute and deliver or enter into any agreement to dispose of all or part of those liabilities, provided that, notwithstanding any other provision of any Debt Document, the Transferee shall not be treated as a Secured Creditor or Secured Party for the purposes of the Intercreditor Agreement; and

(ii) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Secured Creditor or a Secured Party for the purposes of the Intercreditor Agreement) to execute and deliver or enter into any agreement to dispose of all (and not part only) of the liabilities owed to the Secured Creditors and all or part of any other liabilities,

on behalf of, in each case, the relevant creditors, Third Party Security Providers and Debtors;

(e) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of a subsidiary of that Disposed Entity in respect of the intra-group liabilities or liabilities owed to any Debtor, to execute and deliver or enter into any agreement to:

(i) transfer all or part of the obligations in respect of those intra-group liabilities or liabilities to any Debtor on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(ii) (provided that the Receiving Entity is a holding company of the Disposed Entity which is also a Guarantor of the Senior Secured Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities, liabilities owed to Debtors on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or liabilities owed to Debtors are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities as described above) shall be paid to the Security Agent for application in accordance with the provisions set out under "*—Application of Proceeds*" below as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of liabilities has occurred, as if that disposal of liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent, the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (although the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

If a Distressed Disposal is being effected at a time when the Senior Secured Priority Instructing Group or, after the Designation Date, the Senior Secured/Super Senior Priority Instructing Group are entitled to give, and have given, instructions, the Security Agent is not authorized to release any ABL Priority Security or release any Debtor, subsidiary or holding company from any ABL Priority Security or borrowing liabilities or guarantee liabilities owed to any creditor in respect of the Senior Liabilities (a "Senior Creditor"), Senior Agent or an arranger under the Original ABL Facility Agreement (or any arranger in respect of any Permitted Senior Secured Facilities Agreement (a "Senior Arranger")) by a Debtor, subsidiary or holding company who owns ABL Priority Security unless an ABL Discharge Date will occur prior to or contemporaneous with that release.

If a Distressed Disposal is being effected at a time when the ABL Priority Instructing Group or, after the Designation Date, the ABL/Super Senior Priority Instructing Group are entitled to give, and have given, instructions, the Security Agent is not authorized to release any Senior Secured Priority Security or release any Debtor, subsidiary or holding company from any Senior Secured Priority Security or borrowing liabilities or guarantee liabilities owed to any holder of a Senior Secured Note or Hedge Counterparty by a Debtor, subsidiary or holding company who owns Senior Secured Priority Security unless the Senior Secured Priority Liabilities have been fully and finally discharged prior to or contemporaneous with that release.

If a Distressed Disposal is being effected at a time when the Majority Second Lien Creditors are entitled to give and have given instructions in accordance with the Intercreditor Agreement, the Security Agent is not authorized to release any Debtor, subsidiary or holding company from any borrowing liabilities, guarantee liabilities or any other liabilities owed to any Senior Secured Creditor unless those borrowing liabilities, guarantee liabilities or any other liabilities and any other Senior Secured Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit, cash management facility or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor) immediately following that release.

If a Distressed Disposal is being effected at a time when the Majority Topco Creditors are entitled to give, and have given instructions in accordance with the Intercreditor Agreement, the Security Agent is not authorized

to release any Debtor, subsidiary or holding company from any borrowing liabilities, guarantee liabilities or any other liabilities owed to any Senior Secured Creditor or any Second Lien Creditor unless those borrowing liabilities, guarantee liabilities or any other liabilities and any other Senior Secured Liabilities or Second Lien Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit, cash management facility or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor) immediately following that release.

Where borrowing, guarantee or other liabilities would otherwise be released pursuant to the provisions described above, the creditor concerned may elect to have those borrowing, guarantee or other liabilities transferred to a holding company of the Company specified by such creditor, in which case the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Company and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing, guarantee or other liabilities.

Subject to the provisions described below, if a Distressed Disposal (or a disposal of liabilities pursuant to paragraphs (d) and (e) above) is being effected by or at the request of the Security Agent, unless the consent of each Senior Agent and each Senior Secured Notes Trustee (as applicable) has been obtained, it is a further condition to any release, transfer or disposal that:

(a) the consideration for such sale or disposal is in cash (or substantially all in cash); and

(b) such sale or disposal (including any sale or disposal of any claim) is made:

(i) pursuant to a public auction or other competitive sale process conducted with the advice of a reputable, independent and internationally recognized investment bank or firm of accountants or (if all such banks or firms are conflicted), a reputable, independent and internationally recognized third party professional firm which is regularly engaged in providing valuations of businesses or assets similar or comparable to those subject to the relevant Transaction Security and, in each case, not being an auditor or administrator or other relevant officer of the applicable company (a "Financial Advisor") as selected by the Security Agent (it being acknowledged that the Security Agent has no obligation to select or engage any Financial Advisor until it has been indemnified and/or secured and/or prefunded to its satisfaction), in respect of which the Secured Creditors are entitled to participate (a "Competitive Sales Process"); or

(ii) where a Financial Adviser selected by the Security Agent has delivered an opinion (including an enterprise valuation of the Senior Secured Group which can be relied upon by the Security Agent and disclosed to the Senior Secured Creditors, the Second Lien Creditors and the Topco Creditors on a non-reliance basis) that the proceeds received or recovered in connection with such sale or disposal are fair from a financial point of view taking into account all relevant circumstances including the method of enforcement (it being acknowledged that the Security Agent has no obligation to select or engage any Financial Adviser unless it has been indemnified and/or secured and/or prefunded to its satisfaction).

If before the Second Lien Discharge Date, a Distressed Disposal (or a disposal of liabilities pursuant to paragraphs (d) and (e) above) is being effected such that any Second Lien Liabilities and/or Transaction Security securing Second Lien Liabilities will be released, transferred or disposed of pursuant to the Intercreditor Agreement, it is a further condition to any release, transfer or disposal that either:

(a) each agent and trustee in respect of any Second Lien Liabilities has approved the release, transfer or disposal; or

(b) where shares or assets of a borrower, issuer or guarantor in respect of Second Lien Liabilities are sold:

(c) the consideration for such sale or disposal is in cash (or substantially all in cash); and

(d) at the time of completion of the sale or disposal the borrowing, guarantee and (to the extent permitted by the Intercreditor Agreement) other liabilities owing to each of the Secured Creditors and Unsecured Creditors by the Debtors and their respective subsidiaries being sold or disposed of (a "Relevant Claim") are (to the same extent) unconditionally released and discharged or sold or disposed of concurrently with such sale (and not assumed by the purchaser or its affiliates), and all security under documents creating security in respect of the Secured Obligations in respect of the assets of such members of the Senior Secured Group is simultaneously and unconditionally released and discharged concurrently with such sale, provided that, if each Senior Agent and Senior Secured Notes Trustee

(acting reasonably and in good faith) determines that the Senior Secured Creditors will recover a greater cash amount if such Relevant Claim is sold or otherwise transferred to the purchaser or its affiliates and not released or discharged and provided such amount is nevertheless less than the aggregate amount of outstanding Senior Secured Liabilities, which shall be deemed to be the case if there are no bidders or if each Senior Agent and Senior Secured Notes Trustee (acting reasonably and in good faith) determines that there are no bona fide and fully committed bids in cash or substantially all in cash in excess of the outstanding amount of Senior Secured Liabilities and serves a written notice on the Security Agent confirming the same, then the Security Agent shall be entitled immediately to sell and transfer such Relevant Claim to the purchaser or its affiliate; and

(e) such sale or disposal (including any sale or disposal of any claim) is made pursuant to a Competitive Sales Process or where a Financial Adviser selected by the Security Agent has delivered an opinion (including an enterprise valuation of the Senior Secured Group which can be relied upon by the Security Agent and disclosed to the Senior Secured Creditors, the Second Lien Creditors and the Topco Creditors on a non-reliance basis) that the proceeds received or recovered in connection with such sale or disposal are fair from a financial point of view taking into account all relevant circumstances including the method of enforcement (it being acknowledged that the Security Agent has no obligation to select or engage any Financial Adviser unless it has been indemnified and/or secured and/or prefunded to its satisfaction).

If before the Topco Discharge Date, a Distressed Disposal (or a disposal of liabilities pursuant to paragraphs (d) and (e) above) is being effected such that any Topco Liabilities or Transaction Security securing Topco Liabilities will be released, transferred or disposed of pursuant to the provisions described above, it is a further condition to any release, transfer or disposal that either:

(a) each agent and trustee in respect of any Topco Liabilities has approved the release, transfer or disposal; or

(b) where shares or assets of a borrower, issuer or guarantor in respect of Topco Liabilities are sold:

(i) the consideration for such sale or disposal is in cash (or substantially all in cash); and

(ii) at the time of completion of the sale or disposal the borrowing, guarantee and (to the extent permitted by the Intercreditor Agreement) other liabilities owing to each of the Secured Creditors and Unsecured Creditors by the Debtors and their respective subsidiaries being sold or disposed of (a "Relevant Claim") are (to the same extent) unconditionally released and discharged or sold or disposed of concurrently with such sale (and not assumed by the purchaser or its affiliates), and all security under documents creating security in respect of the Secured Obligations in respect of the assets of such members of the Senior Secured Group is simultaneously and unconditionally released and discharged concurrently with such sale, provided that, if each Senior Agent, Senior Secured Notes Trustee and each agent and trustee in respect of any Second Lien Liabilities (acting reasonably and in good faith) determines that the Priority Secured Parties will recover a greater cash amount if such Relevant Claim is sold or otherwise transferred to the purchaser or its affiliates and not released or discharged and provided such amount is nevertheless less than the aggregate amount of outstanding Priority Secured Liabilities, which shall be deemed to be the case if there are no bidders or if each Senior Agent, Senior Secured Notes Trustee and each agent and trustee in respect of any Second Lien Liabilities (acting reasonably and in good faith) determines that there are no bona fide and fully committed bids in cash or substantially all in cash in excess of the outstanding amount of the Priority Secured Liabilities and serves a written notice on the Security Agent confirming the same, then the Security Agent shall be entitled immediately to sell and transfer such Relevant Claim to the purchaser or its affiliate; and

(c) such sale or disposal (including any sale or disposal of any claim) is made pursuant to a Competitive Sales Process or where a Financial Adviser selected by the Security Agent has delivered an opinion (including an enterprise valuation of the Senior Secured Group which can be relied upon by the Security Agent and disclosed to the Senior Secured Creditors, the Second Lien Creditors and the Topco Creditors on a non-reliance basis) that the proceeds received or recovered in connection with such sale or disposal are fair from a financial point of view taking into account all relevant circumstances including the method of enforcement (it being acknowledged that the Security Agent has no obligation to select or engage any Financial Adviser unless it has been indemnified and/or secured and/or prefunded to its satisfaction).

When acting for the purposes of the above paragraphs, the Security Agent shall always act (i) if the relevant Distressed Disposal is being effected by way of enforcement of the Transaction Security in accordance with the provisions set out under "*—Manner of Enforcement*" above, and (ii) in any other case on the instructions of the Instructing Group or, in the absence of such instructions, as the Security Agent sees fit (which may include taking no action).

Application of Proceeds

Order of Application—ABL Priority Security

Subject to certain provisions set out in the Intercreditor Agreement and to the proviso described below, all amounts from time to time received or recovered by the Security Agent in relation to the ABL Priority Security or in relation to a Debtor that has granted or purported to have granted ABL Priority Security pursuant to the terms of any Debt Document (other than amounts in respect of Topco Independent Transaction Security or in connection with the realization or enforcement of any other security which is not ABL Priority Security or any guarantees provided by any holding company of Topco or any subsidiary of any holding company of the Company (other than a member of the Senior Secured Group) in respect of any Topco Liabilities or Topco Proceeds Loan Liabilities) or in connection with the realization or enforcement of all or any part of the ABL Priority Security shall be applied at any time as the Security Agent (in its discretion) sees fit to the extent permitted by applicable law, in the following order of priority:

(a) in discharging any Agent Liabilities relating to the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities and any sums owed to the Security Agent and any receiver or delegate on a pari passu basis;

(b) in payment of all costs and expenses incurred by any agent or Secured Creditor in connection with any realization or enforcement of the ABL Priority Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(c) if the Designation Date has occurred, for application towards the discharge of:

  (i) the Super Senior Lender Liabilities and liabilities to arrangers and agents thereof; and

  (ii) Hedging Liabilities that have been designated by the Company as ranking alongside the Super Senior Lender Liabilities (the "Super Senior Hedging Liabilities") (on a pro rata basis between the Super Senior Hedging Liabilities of each hedge counterparty),

on a pro rata basis and ranking pari passu between paragraphs (i) and (ii) above;

(d) if or after the Super Senior Discharge Date has occurred, for application towards the discharge of the applicable Senior Arranger Liabilities and the ABL Priority Liabilities, or, if the ABL Discharge Date has occurred, for application towards the discharge of:

  (i) the Senior Secured Notes Liabilities;

  (ii) the Senior Lender Liabilities and liabilities to arrangers thereof;

  (iii) the Cash Management Facility Liabilities; and

  (iv) the Hedging Liabilities which are not Super Senior Hedging Liabilities,

on a pro rata basis between paragraphs (i) to (iv) above;

(e) if the Designation Date has not occurred, for application towards the discharge of the applicable Senior Arranger Liabilities and the ABL Priority Liabilities, or, if the ABL Discharge Date has occurred, for application towards the discharge of:

  (i) the Senior Secured Notes Liabilities;

  (ii) the Senior Lender Liabilities and liabilities to arrangers thereof;

  (iii) the Cash Management Facility Liabilities; and

  (iv) the Hedging Liabilities,

on a pro rata basis and ranking pari passu between paragraphs (i) to (iv) above;

(f) if the Senior Secured Discharge Date has occurred, for application towards the discharge of:

(i) the Second Lien Lender Liabilities and liabilities to arrangers thereof; and

(ii) the Second Lien Notes Liabilities,

on a pro rata basis and ranking pari passu between paragraphs (i) and (ii) above;

(g) if the Priority Discharge Date has occurred, for application towards the discharge of:

(i) the Topco Facility Liabilities and liabilities to arrangers thereof; and

(ii) the Topco Notes Liabilities,

on a pro rata basis and ranking pari passu between paragraphs (i) and (ii) above provided that this paragraph (g) shall only apply to any proceeds from the realisation or enforcement of (1) all or any part of the Topco Shared Security created, or expressed to be created, pursuant to the Transaction Security Documents, and (2) any guarantees provided by a Topco Guarantor that is a member of the Group or Third Party Security Provider in respect of any of the Topco Liabilities;

(h) if none of the Debtors or Third Party Security Providers are under any further actual or contingent liability under any Secured Debt Document in payment to any other person to whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(i) the balance, if any, in payment to the relevant Debtor,

provided that, all amounts from time to time received or recovered by the Security Agent from or in respect of a Topco Borrower pursuant to the terms of any Debt Document (other than in connection with the realization or enforcement of all or any part of the Transaction Security or Topco Independent Transaction Security) shall be held by the Security Agent on trust to apply at any time as the Security Agent (in its discretion) sees fit to the extent permitted by applicable law (and subject to the provisions of the Intercreditor Agreement), in the following order of priority:

(1) in accordance with paragraph (a) above;

(2) in accordance with paragraph (b) above;

(3) in accordance with paragraphs (c) to (g) above (in each case only to the extent there are liabilities due from the relevant Topco Borrower to such creditors) provided that payments will be made on a pro rata basis and pari passu basis across all Liabilities subject to such paragraphs;

(4) if none of the Debtors are under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(5) the balance, if any, in payment to the relevant Debtor.

Order of Application—Senior Secured Priority Security

Subject to certain provisions set out in the Intercreditor Agreement and to the proviso described below, all amounts from time to time received or recovered by the Security Agent (other than amounts in respect of ABL Priority Security) or in relation to a Debtor that has granted or purported to have granted Transaction Security (other than amounts in respect of ABL Priority Security) pursuant to the terms of any Debt Document (other than amounts in respect of Topco Independent Transaction Security or in connection with the realization or enforcement of any other security which is not Transaction Security or any guarantees provided by any holding company of Topco or any subsidiary of any holding company of the Company (other than a member of the Senior Secured Group) in respect of any Topco Liabilities or Topco Proceeds Loan Liabilities) or in connection with the realization or enforcement of all or any part of the Transaction Security (other than amounts in respect of ABL Priority Security) shall be applied by the Security Agent to the extent permitted by applicable law, in the following order of priority:

(a) in discharging any Agent Liabilities relating to the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities and any sums owed to the Security Agent and any receiver or delegate on a pari passu basis;

(b) in payment of all costs and expenses incurred by any agent or Secured Creditor in connection with any realization or enforcement of the Transaction Security (other than in respect of ABL Priority Security) taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(c) if the Designation Date has occurred, for application towards the discharge of:

(i) the Super Senior Lender Liabilities and liabilities to arrangers and agents thereof; and

(ii) Hedging Liabilities that have been designated by the Company as ranking alongside the Super Senior Lender Liabilities (the "Super Senior Hedging Liabilities") (on a pro rata basis between the Super Senior Hedging Liabilities of each hedge counterparty),

on a pro rata basis and ranking pari passu between paragraphs (i) and (ii) above;

(d) if the Super Senior Discharge Date has occurred, for application towards the discharge of:

(i) the Senior Secured Notes Liabilities;

(ii) the Senior Lender Liabilities and liabilities to arrangers thereof;

(iii) the Cash Management Facility Liabilities; and

(iv) the Hedging Liabilities which are not Super Senior Hedging Liabilities,

on a pro rata basis between paragraphs (i) to (iv) above;

if the Senior Secured Priority Discharge Date has occurred, for application towards the discharge of the applicable Senior Arranger Liabilities and the ABL Priority Liabilities, or, if the Designation Date has not occurred, for application towards the discharge of:

(i) the Senior Secured Notes Liabilities;

(ii) the Senior Lender Liabilities and liabilities to arrangers thereof;

(iii) the Cash Management Facility Liabilities; and

(iv) the Hedging Liabilities,

on a pro rata basis and ranking pari passu between paragraphs (i) to (iv) above;

(e) if the Senior Secured Priority Discharge Date has occurred, for application towards the discharge of the Senior Arranger Liabilities and the ABL Priority Liabilities;

(f) if the Senior Secured Discharge Date has occurred, for application towards the discharge of:

(i) the Second Lien Lender Liabilities and liabilities to arrangers thereof; and

(ii) the Second Lien Notes Liabilities,

on a pro rata basis and ranking pari passu between paragraphs (i) and (ii) above;

(g) if the Priority Discharge Date has occurred, for application towards the discharge of:

(i) the Topco Facility Liabilities and liabilities to arrangers thereof; and

(ii) the Topco Notes Liabilities,

on a pro rata basis and ranking pari passu between paragraphs (i) and (ii) above provided that this paragraph (g) shall only apply to any proceeds from the realisation or enforcement of (1) all or any part of the Topco Shared Security created, or expressed to be created, pursuant to the Transaction Security Documents, and (2) any guarantees provided by a Topco Guarantor that is a member of the Group or Third Party Security Provider in respect of any of the Topco Liabilities;

(h) if none of the Debtors or Third Party Security Providers are under any further actual or contingent liability under any Secured Debt Document in payment to any other person to whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(i) the balance, if any, in payment to the relevant Debtor,

provided that, all amounts from time to time received or recovered by the Security Agent from or in respect of a Topco Borrower pursuant to the terms of any Debt Document (other than in connection with the realization

or enforcement of all or any part of the Transaction Security or Topco Independent Transaction Security) shall be held by the Security Agent on trust to apply at any time as the Security Agent (in its discretion) sees fit to the extent permitted by applicable law (and subject to the provisions of the Intercreditor Agreement), in the following order of priority:

(1) in accordance with paragraph (a) above;

(2) in accordance with paragraph (b) above;

(3) in accordance with paragraphs (c) to (g) above (in each case only to the extent there are liabilities due from the relevant Topco Borrower to such creditors) provided that payments will be made on a pro rata basis and pari passu basis across all Liabilities subject to such paragraphs;

(4) if none of the Debtors are under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(5) the balance, if any, in payment to the relevant Debtor.

Order of Application—Topco Independent Transaction Security

Subject to certain provisions set out in the Intercreditor Agreement, all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Topco Document in connection with the realization or enforcement of Topco Independent Transaction Security or any guarantees provided by a Topco Guarantor (other than a member of the Senior Secured Group) (the "Topco Recoveries") shall be held by the Security Agent on trust and be applied at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law and subject to the provisions in the Intercreditor Agreement, in the following order of priority:

(a) in discharging any agent Liabilities in respect of the Topco Liabilities (to the extent related to such Topco Recoveries), the Security Agent and any receiver or delegate, on a pari passu basis;

(b) in payment of all costs and expenses incurred by any agent or Topco Creditor in connection with any realization or enforcement of the Topco Independent Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement; and

(c) for application towards the discharge of:

(i) the Topco Facility Liabilities; and

(ii) the Topco Notes Liabilities,

on a pro rata basis and ranking pari passu between paragraphs (i) and (ii) above;

(d) if none of the Debtors or Third Party Security Providers or Topco Independent Obligors is under any further actual or contingent liability in respect of the Secured Liabilities, in payment to any other person whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider or Topco Independent Obligor; and

(e) the balance, if any, in payment to the relevant Debtor.

Equalization

The Intercreditor Agreement will provide that if, for any reason, any liabilities relating to ABL Priority Liabilities, Second Lien Liabilities, Senior Secured Priority Liabilities, Super Senior Liabilities or Topco Liabilities remain unpaid after the first date on which certain types of Enforcement Action are taken (the "Enforcement Date") and the resulting losses are not borne by the creditors in any given specified class in the proportions which their respective exposures at the Enforcement Date bore to the aggregate exposures of all the creditors in that specified class at the Enforcement Date, the relevant class of creditors will make such payments amongst themselves as the Security Agent shall require to put the relevant creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Required Consents

The Intercreditor Agreement will provide that, subject to certain exceptions, its terms may be amended or waived only with the consent of the Company, the agents and trustees for the Secured Parties, and the Security

Agent, provided that, to the extent that an amendment, waiver or consent only affects one class of creditors, and such amendment, waiver or consent could not reasonably be expected materially or adversely to affect the interests of the other classes of creditors, only written agreement from the relevant agent or trustee acting on behalf of the affected class (or in the case of hedging counterparties, each affected hedge counterparty) shall be required.

An amendment or waiver of the Intercreditor Agreement that has the effect of changing or which relates to, among other matters, the provisions set out under "Application of Proceeds" above and the order of priority or subordination under the Intercreditor Agreement shall not be made without the consent of:

(a) each of the agents or trustees (acting in accordance with the relevant finance documents) under the Senior Liabilities, the Super Senior Liabilities, the Second Lien Liabilities and the Topco Liabilities,

(b) each Cash Management Facility Lender (only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such Cash Management Facility Lender under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors other than the Cash Management Facility Lenders (solely in their capacity as such)),

(c) each hedge counterparty (only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such hedge counterparty under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors other than the hedge counterparties (solely in their capacity as such)), and

(d) the Company.

Each agent or trustee shall, to the extent instructed to consent by the requisite percentage of creditors it represents or as otherwise authorized by the Debt Documents to which it is party, act on such instructions or authorizations in accordance therewith (save to the extent any amendments so consented or authorized to relate to any provision affecting the personal rights and obligations of that agent or trustee in its capacity as such).

Amendments and Waivers: Transaction Security Documents

Subject to certain exceptions under the Intercreditor Agreement (as described below), the Security Agent (a) may, if the Company consents, amend the terms of, release or waive any of the requirements of or grant consents under, any document creating Transaction Security or Topco Independent Transaction Security which shall be binding on each party, and (b) may if the Company consents, and shall promptly upon request of the Company, amend, release and/or retake any document creating Transaction Security where such amendment, release and/or retake is required in order to ensure the validity, perfection or priority of the relevant Transaction Security, together with any related or consequential waiver (including by reason of a failure to register any relevant document with Companies House within the prescribed time limit set out in section 859 of the Companies Act 2006, in which case the Security Agent shall also irrevocably waive any payment or other obligation or default arising out of such failure to register) and any such amendment, release, waiver and retake shall be binding on each Party.

Where any such amendment, release or waiver of, or consent under, any document creating Transaction Security or Topco Independent Transaction Security would adversely affect the nature or scope of the assets subject to Transaction Security or Topco Independent Transaction Security (as the case may be) or the manner in which the proceeds of enforcement of the Transaction Security or Topco Independent Transaction Security are distributed, such amendment may not be made without the prior consent of:

(a) each of the agents or trustees other than an agent under any Cash Management Facility, if appointed (acting in accordance with the relevant finance documents) under the Senior Liabilities, the Super Senior Liabilities, the Second Lien Liabilities and the Topco Liabilities,

(b) each Cash Management Facility Lender or the agent for the relevant Cash Management Facility on its behalf but only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such Cash Management Facility Lender under the Intercreditor Agreement in their capacity as such and would not materially adversely affect the rights and obligations of any other creditor or class of creditors,

(c) each hedge counterparty (only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such hedge counterparty under the under the Intercreditor

Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors other than the hedge counterparties (solely in their capacity as such)), and

(d) the Company.

Exceptions

Subject to the paragraph below, an amendment, waiver or consent which relates to the rights or obligations which are personal to an agent, an arranger or the Security Agent in its capacity as such (including any ability of that Security Agent to act in its discretion under the Intercreditor Agreement) may not be effected without the consent of that agent, arranger or, as the case may be, Security Agent.

The preceding paragraph and the first paragraph above under "*Amendments and Waivers: Transaction Security Documents*" are subject to certain exceptions under the Intercreditor Agreement, relating in particular to (i) any release of Transaction Security or Topco Independent Transaction Security, claims or liabilities, or (ii) to any amendment waiver or consent, which, in each case, the Security Agent gives in accordance with the provisions of the Intercreditor Agreement relating to the incurrence of additional or refinancing debt or the provisions set out under "*New Debt Financings*," "*Non-Distressed Disposals*" and "*Distressed Disposals*" above. Any release, amendment, waiver or consent effected in accordance with the relevant provisions of the Debt Documents relating to such matters can be effected solely by the Company and the Security Agent.

Snooze / Lose

If in relation to:

(a) a request for a consent in relation to any of the terms of the Intercreditor Agreement (or any other Debt Document other than a notes indenture which does not contain a similar snooze / lose provision or which applies a longer period than that specified in the Intercreditor Agreement);

(b) a request to participate in any vote of a class of creditors under the terms of the Intercreditor Agreement (or any other Debt Document other than a notes indenture which does not contain a similar snooze / lose provision or which applies a longer period than that specified in the Intercreditor Agreement);

(c) a request to approve any other action under the terms of the Intercreditor Agreement (or any other Debt Document other than a notes indenture which does not contain a similar snooze / lose provision or which applies a longer period than that specified in the Intercreditor Agreement); or

(d) a request to provide any confirmation or notification under the Intercreditor Agreement (or any other Debt Document other than a notes indenture which does not contain a similar snooze / lose provision or which applies a longer period than that specified in the Intercreditor Agreement),

then, in each case, any creditor:

(i) fails to respond to that request within ten (10) Business Days (or any other period of time notified by the Company, with the prior agreement of the Agents if the period for this provision to operate is less than ten (10) Business Days) of that request being made; or

(ii) fails to provide details of its participation within the timescale specified by the Security Agent:

(iii) in the case of paragraphs (a) to (c) above, that the creditor's participation (as the case may be) shall be deemed to be zero for the purpose of calculating their participation in respect of the matter when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of their participation or has been obtained to give that consent, carry that vote or approve that action;

(iv) in the case of paragraphs (a) to (c) above, that the creditor's status shall be disregarded for the purposes of ascertaining whether the agreement of any specified group of creditors has been obtained to give that consent, carry that vote or approve that action; and

(v) in the case of paragraph (d) above, that confirmation or notification shall be deemed to have been given,

provided that, notwithstanding the foregoing, this Snooze/Loose clause shall not apply to any Noteholder in respect of any request where such Noteholder is not given the option to respond to such request in the negative but shall otherwise apply to all Noteholders.

Provisions Following an IPO

On or following an initial public offering of a member of the Senior Secured Group (or a holding company thereof) (an "IPO Event"), the Company is entitled to give notice to each agent and each hedge counterparty (a "Pushdown Notice") that the terms of the Debt Documents will automatically operate (with effect from the date specified in the relevant Pushdown Notice (the "IPO Pushdown Date")) so that, amongst other things, (i) the Senior Secured Group (and all related provisions) will now refer to the member of the Senior Secured Group or holding company of the Company who will issue shares or whose shares are to be sold pursuant to such IPO (the "IPO Pushdown Entity," and if any Topco Notes are not refinanced in full on or before the IPO Pushdown Date, the IPO Pushdown Entity shall be any holding company of the Company which is the issuer or borrower of any Topco Liabilities) and its Restricted Subsidiaries, (ii) all financial ratio calculations shall be made excluding any holding company of the IPO Pushdown Entity and all reporting obligations shall be assumed at the level of the IPO Pushdown Entity, (iii) each reference in the Debt Documents to the Company or any holding company of the IPO Pushdown Entity shall be deemed to be a reference to the IPO Pushdown Entity (to the extent applicable and unless the context requires otherwise) (iv) certain provisions of the Debt Documents (including representations, undertakings and events of default), will cease to apply to any holding company of the IPO Pushdown Entity, (v) no event, matter or circumstance relating to any holding company of the IPO Pushdown Entity shall directly or indirectly result in a breach of any representation, warranty, undertaking of event of default, (vi) each holding company of the IPO Pushdown Entity shall be irrevocably and unconditionally released from all obligations and restrictions under the Debt Documents (including any Transaction Security or Topco Independent Transaction Security) and (vii) unless otherwise notified by the Company, each Subordinated Creditor, Third Party Security Provider, Investor (as defined in the Senior Term Facilities Agreement) or Topco Independent Obligor will be irrevocably and unconditionally released from its obligations and restrictions under the Intercreditor Agreement in the appropriate capacity.

Subject to the consent of the majority lenders under and as defined in the Senior Lender Liabilities, noteholders representing more than 50% of any Senior Secured Notes Liabilities, the majority lenders under and as defined in any Second Lien Facility Agreement, noteholders representing more than 50% of any Second Lien Notes Liabilities, the majority lenders under and as defined in any Topco Facility and noteholders representing more than 50% of any Topco Notes Liabilities (following the relevant IPO), each subsidiary of the IPO Pushdown Entity shall also be released from all obligations as Debtor and guarantor under the Debt Documents and from the Transaction Security (other than, in each case, borrowing liabilities). Each party to the Intercreditor Agreement shall be required to enter into any amendment, release or replacement of any Debt Document required to facilitate such matters.

Agreement to Override

Unless expressly stated otherwise therein, the Intercreditor Agreement overrides anything in any other Debt Document (other than any Transaction Security Documents which are governed by German law).

DESCRIPTION OF THE NOTES

The following is a description of the €430.0 million aggregate principal amount of 5.25% Senior Notes due 2029 (the "Notes"). The Notes will be issued by BK LC Lux Finco 1 S.à r.l., a limited liability company (*société à responsibilité limitée*) incorporated and existing under the laws of Luxembourg, having its registered office at 40, Avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B252262 (the "Issuer"). For purposes of this "*Description of the Notes*," (i) the "Issuer" refers only to BK LC Lux Finco 1 S.à r.l., and none of its subsidiaries, (ii) the "BIRKENSTOCK Group" refers to (x) prior to the Acquisition Closing Date, Birkenstock GmbH & Co KG, Birkenstock Immobilien GmbH & Co. KG and Birkenstock Cosmetics GmbH & Co. KG, together with their respective Subsidiaries and (y) after the Acquisition Closing Date, Birkenstock Holding B.V. & Co. KG together with its Subsidiaries, as the context may require, and (iii) the "Group" refers to the Issuer and the Restricted Subsidiaries, collectively.

The proceeds from the offering of the Notes issued on the Issue Date will be used by the Issuer, together with certain proceeds from Facility B, the Equity Contribution, the Vendor Note and the Shareholder Rollover, to pay the purchase price for the Acquisition, to repay certain Existing Debt, as cash overfunding and to pay certain fees and expenses in connection therewith and in connection with the offering of Notes, as set forth in this offering memorandum under the caption "*Summary—The Transactions—Sources and Uses for the Acquisitions*" and "*Use of Proceeds*."

If and to the extent that the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the Issuer will, concurrently with the closing of the Offering of Notes on the Issue Date, deposit, or cause to be deposited on its behalf, an amount in cash equal to the gross proceeds of the Notes sold on the Issue Date into the Escrow Account (as defined below). In the event that (i) the Escrow Longstop Date (as defined below) occurs and the Escrow Agent and the Trustee (each, as defined below) shall not have received the Escrow Release Officer's Certificate (as defined below) on or prior to such date or (ii) the Issuer informs the Escrow Agent and the Trustee in writing that, in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date, the Issuer will redeem the entire outstanding aggregate principal amount of Notes at a price equal to 100% of the issue price of the Notes as stated on the cover page of this offering memorandum, plus accrued and unpaid interest on the Notes and Additional Amounts, if any, from, and including, the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined below). See "*—Escrow of Proceeds; Special Mandatory Redemption*." If and to the extent the Issue Date is expected to occur within three business days prior to the Acquisition Closing Date, the Issuer shall not be required to deposit cash equal to the gross proceeds of the Notes sold on the Issue Date into the Escrow Account.

Upon the initial issuance of the Notes on the Issue Date, the Notes will only be obligations of the Issuer and the Initial Guarantors (as defined below) and will not be guaranteed by any member of the BIRKENSTOCK Group. Assuming that the Acquisition Closing Date occurs on or prior to the Escrow Longstop Date, the Post-Closing Guarantors will, within 120 days from the Business Day immediately after the Acquisition Closing Date, subject to the Agreed Security Principles and to certain material limitations pursuant to applicable laws, substantially concurrently with such entity's guarantee of the Senior Term Facilities Agreement, accede to the Indenture (as defined below) and the Intercreditor Agreement and guarantee the Notes on a senior subordinated basis.

Prior to the Acquisition Closing Date, neither the Issuer nor the Initial Guarantors will control the BIRKENSTOCK Group, and no member of the BIRKENSTOCK Group will be subject to the covenants described in this "*Description of the Notes*." As such, we cannot assure you that, prior to the Acquisition Closing Date, the BIRKENSTOCK Group will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities as of the Issue Date, and any such non-compliance will not constitute a Default or Event of Default under the Indenture prior to the Acquisition Closing Date.

The Issuer will issue the Notes under an indenture (the "*Indenture*"), to be dated as of the Issue Date, among, *inter alios*, the Issuer, the Initial Guarantors, GLAS Trust Company LLC, as trustee (the "*Trustee*"), and Goldman Sachs Bank USA, as security agent (the "*Security Agent*"). The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act, and will be subject to certain terms restricting their transfer. See "*Notice to Investors*." The Notes are subject to all such terms pursuant to the provisions of the Indenture, and Holders are referred to the Indenture for a statement thereof.

The following is a summary of the material provisions of the Indenture and refers to the Notes, the Intercreditor Agreement, the Transaction Security Documents and the Escrow Agreement. Because this is a summary, it may not contain all the information that is important to you. You should read each of the Indenture, the Notes, the Intercreditor Agreement, the Transaction Security Documents and the Escrow Agreement in their entirety. Copies of such documents are available as described under "*Where You Can Find Other Information*." The capitalized terms defined in "*—Certain Definitions*" below are used in this "*Description of the Notes*" as so defined.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below), and in the case of a conflict between the Indenture, the Notes or the Transaction Security Documents and the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail. The terms of the Intercreditor Agreement are important to understanding the relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, the procedures for undertaking enforcement action, the subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" for a description of certain terms of the Intercreditor Agreement.

The Issuer will not be required to, nor does the Issuer currently intend to, offer to exchange the Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Notes for resale under the Securities Act. The Indenture will not be qualified under, or incorporate by reference or include, or be subject to, any provisions of the Trust Indenture Act, including Section 316(b) thereof. Accordingly, the terms of the Notes include only those stated in the Indenture, and the Holders will not be entitled to the protections provided under the Trust Indenture Act to holders of debt securities issued under a qualified indenture, including among other things, those requiring the Trustee to resign in the event of certain conflicts of interest and to inform Holders of certain relationships between it and us.

Brief Description of the Notes and the Note Guarantees

Prior to the consummation of the Acquisition, the Notes will be obligations of the Issuer, guaranteed solely by the Initial Guarantors, will be secured by the Issue Date Collateral (as defined below) and to the extent the proceeds of the Notes are deposited into the Escrow Account the Escrowed Property (as defined below) and will not have the benefit of any Note Guarantees or any other credit support from the BIRKENSTOCK Group. See "*—Escrow of Proceeds; Special Mandatory Redemption*." Prior to the Acquisition Closing Date, neither the Issuer nor the Initial Guarantors will control the BIRKENSTOCK Group, and no member of the BIRKENSTOCK Group will be subject to the covenants described in this "*Description of the Notes*." As such, we cannot assure you that, prior to the Acquisition Closing Date, the BIRKENSTOCK Group will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities as of the Issue Date, and any such non-compliance will not constitute a Default or Event of Default under the Indenture prior to the Acquisition Closing Date.

The Notes will:

- be general senior obligations of the Issuer, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes, including their respective obligations in respect of the Senior Secured Facilities and certain Hedging Obligations;
- rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;
- be effectively subordinated to any existing or future Indebtedness or other liabilities of the Issuer and their respective subsidiaries that is secured by property or assets that do not secure the Notes (including the obligations under the Senior Secured Facilities), to the extent of the property and value of the assets securing such Indebtedness or liabilities;
- be structurally subordinated to any existing and future Indebtedness and other liabilities, including preferred stock and obligations to trade creditors, of Subsidiaries of the Issuer that are not Guarantors;
- be guaranteed on a senior subordinated basis (i) on the Issue Date, by the Initial Guarantors and (ii) within 120 days from the Business Day immediately after the Acquisition Closing Date, subject to

the Agreed Security Principles and to certain material limitations pursuant to applicable laws, by the Post-Closing Guarantors; and

- be represented by one or more registered Notes in global form, but in certain circumstances may be represented by certificated Notes. See "*Book-Entry, Delivery and Form*."

Each Note Guarantee (as defined below) will:

- be a general senior subordinated obligation of the Guarantor, secured as set forth under "—*Security*";
- be subordinated in right of payment to any existing and future senior indebtedness of that Guarantor, including its obligations under the Senior Secured Facilities;
- rank *pari passu* in right of payment with any existing and future indebtedness of such Guarantor that is not subordinated in right of payment to the Note Guarantee of such Guarantor;
- rank senior in right of payment to any existing and future indebtedness of such Guarantor that is expressly subordinated in right of payment to the Note Guarantee of such Guarantor;
- be effectively subordinated to any existing and future Indebtedness or other liabilities of such Guarantor and its subsidiaries that is secured by property or assets that do not secure the Notes or the Note Guarantees, including obligations under the Senior Secured Facilities, or that is secured on a senior-priority basis over property or assets that secure the Notes or the Note Guarantees on a junior-priority basis, including the obligations under the Senior Secured Facilities, to the extent of the value of the assets securing such Indebtedness or liabilities; and
- be structurally subordinated to any existing and future Indebtedness and other liabilities, including preferred stock and obligations to trade creditors, of Subsidiaries of such Guarantor that are not Guarantors.

Each Note Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the U.S. Bankruptcy Code or any comparable provision of foreign or state law to comply with corporate benefit, financial assistance and other laws and be further limited as required under the Agreed Security Principles.

As of December 31, 2020, as adjusted to give effect to the Transaction, the Issuer and its consolidated Subsidiaries would have had total as adjusted Indebtedness in an aggregate principal amount of €1,508.6 million, including the Notes offering hereby and €1,077.0 million (equivalent) of term loan drawings under the Senior Term Facilities Agreement. The €200.0 million (equivalent) ABL Facility is expected to remain undrawn as of the Issue Date.

Principal and Maturity

On the Issue Date, the Issuer will issue €430.0 million in aggregate principal amount of Notes. The Notes will mature on April 30, 2029. Each series of Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. For the avoidance of doubt, Euroclear and Clearstream (as applicable, the "*Relevant Clearing Systems*" and each, a "*Relevant Clearing System*") are not required to monitor or enforce the minimum amount. The rights of Holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of the Relevant Clearing System, as applicable. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest

Interest on the Notes will accrue at the rate of 5.25% per annum and will be payable, in cash, semi-annually in arrears on April 30 and October 30 of each year, commencing on October 30, 2021. The Issuer will make each interest payment for so long as the Notes are global Notes to the Holders of record at the close of business (in Euroclear or Clearstream, as applicable) on the Clearing System Business Day immediately before the due date for such payment, where "*Clearing System Business Day*" means a day on which the Relevant Clearing System

for which the global note representing the Notes is being held is open for business, or to the extent Definitive Registered Notes have been issued, Holders of record at the close of business on the April 15 and October 15 preceding the applicable interest payment date. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest on overdue principal and interest on the Notes will accrue at a rate that is 1% higher than the interest rate on the overdue principal or interest. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period will end on (but not include) the relevant interest payment date. If the Issuer delivers global notes to the Trustee for cancellation on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Note is registered at the close of business on such record date in accordance with the applicable procedures of Relevant Clearing System, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Any Notes represented by global notes held by a nominee of the Relevant Clearing System will be subject to the then applicable procedures of the Relevant Clearing System, as applicable. Euroclear's and Clearstream's current practice is to make payments in respect of global notes to participants of record that hold an interest in the relevant global notes on the business day immediately preceding the applicable interest payment date.

Additional Notes

The Indenture will be unlimited in aggregate principal amount, of which €430.0 million in aggregate principal amount of Notes will be issued on the Issue Date. The Issuer may issue additional Notes (the "Additional Notes") from time to time under the Indenture, subject to compliance with the covenants contained in the Indenture. Any series of Additional Notes shall have terms substantially identical to the relevant series of Notes, as applicable, originally issued, except in respect of any of the following terms which shall be set forth in an Officer's Certificate (defined below) or, at the election of the Issuer, a supplemental indenture, delivered to the Trustee:

(1) whether such Additional Notes shall be issued as part of a new or existing series of Notes or the title of such Additional Notes (which shall distinguish the Additional Notes of the series from Notes of any other series);

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued and will mature;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed;

(8) the ISIN, Common Code or other securities identification numbers with respect to such Additional Notes; and

(9) any relevant limitation language with respect to Notes Guarantees and Transaction Security Documents.

Such Additional Notes will be treated, along with all other Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series in such Officer's Certificate or supplemental indenture (as applicable); *provided* that any Additional

Notes that are not fungible with the applicable series of Notes offered hereunder for U.S. federal income tax purposes shall have a separate ISIN, Common Code or other securities identification number from such Notes. Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of the Notes*," references to "*Notes*" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes.

Payments

Principal, premium, if any, interest and Additional Amounts, if any, with respect to the Notes represented by one or more global notes held by a common depositary of Euroclear and Clearstream and registered in the name of its nominee will be made through the Principal Paying Agent (as defined below) by wire transfer of immediately available funds to the accounts specified by the registered Holder or Holders thereof (initially being the common depositary or its nominee for Euroclear and Clearstream).

Principal, premium, if any, interest and Additional Amounts, if any, with respect to certificated Notes will be payable at the office or agency of one or more paying agents maintained for such purpose (the "Principal Paying Agent") or, may, at the option of the Issuer, be made through the Principal Paying Agent by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders; *provided* that all payments of principal, premium, if any, interest and Additional Amounts, if any, with respect to certificated Notes may, at the option of the Issuer, be made by wire transfer to a euro account maintained by the payee with a bank in the United States or Europe if the applicable Holder elects payment by wire transfer by giving written notice to the Trustee and the Principal Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Principal Paying Agent may accept in its discretion).

The rights of Holders to receive the payments of interest on such Notes are subject to applicable procedures of the Relevant Clearing System. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Paying Agent, Registrar and Transfer Agent for the Notes

The Issuer will maintain a Paying Agent for the Notes and the initial Principal Paying Agent will be GLAS Trust Company LLC. The Issuer will also maintain a registrar (the "Registrar") and a transfer agent (the "Transfer Agent") for the Notes. The initial Registrar will be GLAS Trust Company LLC and the initial Transfer Agent will be GLAS Trust Company LLC. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and together with the Transfer Agent will facilitate transfers of the Notes on behalf of the Issuer.

Upon written notice to the Trustee, the Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of such Notes. For so long as Notes are listed on the Official List of The International Stock Exchange (the "Exchange") and if and to the extent that the rules of The International Stock Exchange Authority Limited (the "Authority") so require, the Issuer will notify the Authority of any change of Paying Agent, Registrar or Transfer Agent. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes, *provided* that it segregates and holds in a separate trust fund for the benefit of the Holders all money held by it as paying agent.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. Any such transfer or exchange will be made without charge to Holders, other than any taxes payable in connection with such transfer. The Issuer and the Transfer Agent will not be required to transfer or exchange any Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer (each as defined herein). None of the Issuer, the Transfer Agent or the Registrar will be required to transfer or exchange any Note for a period of 15 days before the delivery of a notice of redemption of Notes to be redeemed or between record date and payment date. The registered Holder of a Note will be treated as the absolute owner of the Note for all purposes. See "*Book Entry, Delivery and Form*."

Restricted Subsidiaries and Unrestricted Subsidiaries

As of the Issue Date, each Initial Guarantor will be a "Restricted Subsidiary" for the purposes of the Indenture. Immediately after the completion of the Acquisition on the Acquisition Closing Date, each member of the BIRKENSTOCK Group as of such date will become Restricted Subsidiaries. However, in the circumstances described below under "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*," the Issuer will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee, provide security with respect to, or have their shares pledged in favour of, the Notes.

Escrow of Proceeds; Special Mandatory Redemption

If the Issue Date is expected to occur more than three Business Days prior to the Acquisition Closing Date, then, concurrently with the closing of this offering of Notes on the Issue Date, the Issuer will enter into an escrow agreement (as amended, supplemented or modified from time to time, the "Escrow Agreement") among the Issuer, the Trustee, GLAS Specialist Services Limited as escrow agent (in such capacity, together with its successors, the "Escrow Agent"), pursuant to which the Issuer will deposit, or cause to be deposited on its behalf, an amount in cash equal to the gross proceeds of the Notes sold on the Issue Date into the escrow account (the "Escrow Account"). To the extent an Escrow Account is established, it will be segregated from the Issuer's other funds. Such Escrow Account will be controlled by the Escrow Agent subject to the terms of the Escrow Agreement, on behalf of the Trustee and the Holders of the Notes. The initial funds deposited in the Escrow Account (if any), and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account in connection with the Notes (less any property or funds paid in accordance with the Escrow Agreement such as ordinary course charges and fees paid to the bank holding the Escrow Account) are referred to, collectively, as the "Escrowed Property." Interest on the Notes will be calculated in accordance with the terms of the Indenture and the Notes.

To the extent the proceeds of the Offering are deposited into the Escrow Account, in order to secure the payment of the Special Mandatory Redemption Price (as defined below) of the Notes, as applicable, the Issuer will grant the Trustee, for its benefit and the benefit of the Holders of the Notes, subject to certain liens of the Escrow Agent, a first-priority security interest in the Escrow Account and the Issuer's rights under the Escrow Agreement, pursuant to one or more escrow account charges dated on or about the Issue Date between the Issuer, the Trustee and the Escrow Agent (the "Escrow Charge"); *provided* that such liens and security interest shall automatically be released and terminate upon receipt by the Trustee of either an Escrow Release Officer's Certificate (as defined below) or a notice of Special Mandatory Redemption (as defined below). The Escrow Charge (if any) will provide that the funds will be segregated and held for the purposes specified herein. By its acceptance of the Notes, each Holder shall be deemed to authorize and direct the Trustee to execute, deliver and perform its obligations under the Escrow Agreement. The Escrow Agent will invest the Escrowed Property as directed by the Issuers in such short-term liquid investments (including bank deposit products) as permitted under the Escrow Agreement, and liquidate such investments, as the Issuers will from time to time direct in writing. Receipt by the Trustee of either an Officer's Certificate for the release or a notice of Special Mandatory Redemption shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

The Escrow Agreement (if any) will provide for the Escrow Agent to release from the Escrow Account, upon instruction of the Issuer, a portion of the Escrowed Property in an amount equal to the amount of accrued and unpaid interest and Additional Amounts, if any, from, and including, the Issue Date or the most recent interest payment date, as applicable, to, but excluding, any interest payment date prior to the Escrow Release in order to satisfy the interest payment obligations in respect of the Notes under the Indenture as set forth under "*—Principal, Maturity and Interest*." In addition, the Escrow Agent will be entitled pursuant to the Escrow Agreement to deduct amounts from the Escrowed Property in respect of negative interest having accrued on the Escrowed Property.

Other than in connection with the payment of interest and Additional Amounts, if any, as set forth in the previous paragraph, the Issuer will be entitled to cause the Escrow Agent to release any Escrowed Property (in which case the Escrowed Property will be paid to, or as directed by, the Issuer) (the "Escrow Release") (the date of the Escrow Release being referred to as the "Escrow Release Date") upon delivery to the Escrow Agent, on or prior to September 30, 2021 (the "Escrow Longstop Date"), of an Officer's Certificate (the "Escrow Release

Officer's Certificate"), upon which the Escrow Agent shall be entitled to rely absolutely without further investigation, certifying that the following conditions (collectively, the "Escrow Conditions") will be met substantially concurrently with or promptly following the Release on the Escrow Release Date:

- the Escrowed Property will be applied in substantially the same manner as described in this offering memorandum;
- the Acquisition will be consummated no more than three Business Days following the release of the Escrowed Property substantially on the terms set forth under "*Summary—The Transactions*" except for any changes or other modifications that will not, when taken as a whole, have a material adverse effect on the Holders of the Notes; and
- as of the Acquisition Closing Date, there is no Default or Event of Default in respect of the Issuer under clause (5) of the first paragraph under the section titled "*—Events of Default*".

Upon the Escrow Release, the Escrowed Property will be paid out of the Escrow Accounts in accordance with the Escrow Agreement for the purposes described under "*Use of Proceeds*" and the Escrow Accounts will be reduced to zero.

In the event that (i) the Escrow Longstop Date occurs and the Escrow Agent shall not have received the Escrow Release Officer's Certificate on or prior to such date or (ii) the Issuer informs the Escrow Agent and the Trustee in writing that, in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date (the date of any such event being the "Special Termination Date"), the Issuer will redeem the entire outstanding aggregate principal amount of the Notes (the "Special Mandatory Redemption") at a price (the "Special Mandatory Redemption Price") equal to 100% of the issue price of the Notes as stated on the cover page of this offering memorandum, plus accrued and unpaid interest on the Notes and Additional Amounts, if any, from, and including, the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined below), subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

Notice of the Special Mandatory Redemption will be delivered by the Issuer no later than one Business Day following the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than the tenth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "Special Mandatory Redemption Date"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder of Notes, the Special Mandatory Redemption Price for such Holder's Notes, shall be entitled to use the Escrowed Property to make such payments and, concurrently with the payment to such Holders, deliver any excess Escrowed Property to the Issuer.

The Escrow Accounts will not include cash to fund any accrued and unpaid interest owing to Holders of the Notes that is included in the Special Mandatory Redemption Price. In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption of the Notes exceeds the amount of the applicable Escrowed Property, the Parent will be required to make an equity contribution to the Issuer to fund the difference between the applicable Special Mandatory Redemption Price and the amount of the Escrowed Property.

The Issuer from time to time, but not more than twice in aggregate, may open one or more replacement or additional accounts at an alternative bank or banks, which, in each case, must be the Trustee, Escrow Agent, an Initial Purchaser or one or more of their respective banking affiliates, and may transfer any portion of the Escrowed Property to any such replacement or additional accounts (a "Transfer") without such Transfer being deemed a Release; *provided* that the Issuer provide a substantially equivalent security interest to the Trustee for the benefit of the Holders over such replacement or additional account or accounts if such security interest was initially granted in connection with the original Escrow Account; *provided*, *further*, that use of the funds from any such account shall be subject to the same conditions as applied to the original Escrow Account. In such an event, any replacement or alternative accounts into which Escrowed Property is transferred shall be deemed to be an Escrow Account. Receipt by the Trustee from the Issuer of an Officer's Certificate in connection with a Transfer shall constitute deemed consent by the Trustee for the transfer of the Escrowed Property from the original Escrow Account to a new Escrow Account.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of the Exchange and the rules of the Authority so require, the Issuer will notify the Authority that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

The conditions applicable to a Special Mandatory Redemption may be waived or modified by Holders representing a majority in aggregate principal amount of the Notes then outstanding.

Note Guarantees

General

On the Issue Date, the obligations of the Issuer under the Notes and the Indenture will be, jointly and severally, unconditionally guaranteed on a senior basis (the "*Note Guarantees*") by BK LC Lux SPV S.à r.l., a private limited liability company (*société à responsabilité limitée*), having its registered office at 40, Avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B252419 ("*Lux SPV*"), Birkenstock Holding B.V. & Co. KG ("*German Newco*") and Birkenstock US BidCo, Inc. ("*U.S. Newco*" and together with Lux SPV and German Newco, the "*Initial Guarantors*"). Subject to and in accordance with the Agreed Security Principles and to certain material limitations pursuant to applicable laws, within 120 days from the Business Day immediately after the Acquisition Closing Date, the Notes are expected to be guaranteed on a senior subordinated basis by certain members of the BIRKENSTOCK Group organized in Germany and the United States that guarantee the Senior Term Facilities Agreement within 120 days from the Business Day immediately after the Post-Closing Date (the "*Post-Closing Guarantors*"). The Senior Secured Facilities will be guaranteed on a senior secured basis by each Post-Closing Guarantor. In addition, if required by the covenant described under "*—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*" and subject to the Intercreditor Agreement and the Agreed Security Principles, certain other Restricted Subsidiaries may provide a Note Guarantee in the future and accede to the Intercreditor Agreement. As of and for the twelve months ended December 31, 2020, (i) all the members of the BIRKENSTOCK Group organized in the United States and (ii) the material members of the BIRKENSTOCK Group incorporated in Germany, in each case, which assets and shares (as applicable) are being transferred to the Purchasers pursuant to the Transactions, represented 80.8% of the consolidated revenues of the BIRKENSTOCK Group, such entities' unconsolidated assets represented 80.9% of the sum of the unconsolidated assets of the BIRKENSTOCK Group and such entities' unconsolidated EBITDA represented 92.4% of the consolidated EBITDA of the BIRKENSTOCK Group.

By its terms, the obligations of each Guarantor under its Note Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the U.S. Bankruptcy Code or any comparable provision of foreign or state law to comply with corporate benefit, financial assistance and other laws and the Note Guarantees of, or the relevant Note Documents to be entered into by, certain Guarantors organized in certain jurisdictions, including, without limitation, Germany and the United States, will contain language limiting the amount of indebtedness guaranteed or qualifying the Note Guarantee in order to address applicable local law considerations (including preservation of share capital and statutory reserves, capitalization, prohibited financial assistance, corporate benefit principles and other legal restrictions applicable to the Guarantors and their respective shareholders and directors or managers). In addition, the Note Guarantees will be further limited as required under the Agreed Security Principles as described below under "*—Security—General*." The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Term Facilities Agreement, the ABL Facility Agreement and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, "thin capitalization" rules, capital maintenance rules, liquidity impairment rules, retention of title claims and similar matters, or where the time and cost of granting the guarantee would be disproportionate to the benefit accruing to the Holders. By virtue of these limitations, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. However, such limitations may not be effective under local law. See "*Risk Factors—Risks Related to the Notes—Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Note Guarantees and the Collateral may adversely affect the validity and enforceability of the Note Guarantees and the Collateral*" and "*Risk Factors—Risks Related to the Notes—The insolvency laws of Luxembourg and other applicable jurisdictions may not be as favorable to you as the insolvency laws of the United States or those of another jurisdiction with which you are familiar; other limitations on the Note*

Guarantees and the Security Interests (as defined herein), including fraudulent conveyance statutes, may adversely affect their validity and enforceability." The validity and enforceability of the Note Guarantees and the liability of each Guarantor will be subject to the limitations described in "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and the Security Interests*."

The Issuer is a holding company and its only material assets are its interests in the capital stock of its Subsidiaries. As such, the Issuer will be dependent upon the Restricted Subsidiaries to make payments to them to service interest, principal and other payments on the Notes.

A significant portion of the operations of the Issuer will be conducted through Subsidiaries that are not expected to become Guarantors, including Subsidiaries exempt from becoming Guarantors or having security granted over their shares or assets under the Agreed Security Principles. Claims of creditors of non-Guarantors, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries and claims against joint ventures generally will have priority with respect to the assets and earnings of those Subsidiaries and joint ventures over the claims of creditors of the Issuer and the Guarantors, including Holders. The Notes and each Note Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Subsidiaries of the Issuer (other than the Guarantors) and joint ventures. Although the Indenture limits the incurrence of Indebtedness (including Disqualified Stock, and Preferred Stock of Restricted Subsidiaries), the limitation is subject to a number of significant exceptions. Moreover, the Indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

Subordination of the Note Guarantees

The Note Guarantees will be senior subordinated indebtedness, which means that, pursuant to the terms of the Intercreditor Agreement and the Indenture, the Note Guarantees will rank behind, and will be expressly subordinated to, all the existing and future Senior Indebtedness of the Guarantors, including any obligations under the Senior Term Facilities, the ABL Facility and any future Indebtedness that ranks *pari passu* therewith. As a result of this subordination, holders of Senior Indebtedness of any Guarantor will be entitled to receive full payment on all obligations owed to them before any payment can be made to Holders of the Notes in respect of such Guarantor's Note Guarantee. The ability to take enforcement action against the Guarantors is subject to significant restrictions imposed by the Intercreditor Agreement, and potentially any Additional Intercreditor Agreements entered into after the Issue Date. For example, the ability of the Trustee or the Holders to take enforcement action with respect to the Note Guarantees will be subject to certain standstill provisions and payment blockage and other limitations on enforcement. The Trustee and the Holders will not be able to enforce the Note Guarantees until the expiration of the applicable standstill period (generally 179 days) for so long as amounts under Senior Indebtedness remain outstanding. For a description of the restrictions imposed by the Intercreditor Agreement, see "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

In addition, the Note Guarantees and the Collateral securing the Notes and the Note Guarantees will be subject to release under certain circumstances, including, but not limited to, the sale of Lux SPV pursuant to an enforcement of security over shares of Lux SPV taken by the Security Agent acting at the direction of an instructing group of senior secured creditors. Because of the foregoing subordination provisions, it is likely that holders of Senior Indebtedness and other creditors (including trade creditors) of the Guarantors would recover disproportionately more than the holders of the Notes recover in any insolvency or similar proceeding relating to such entity. In any such case, there may be insufficient assets, or no assets, remaining to pay the principal of or interest on the Notes after the repayment in full of all Senior Indebtedness. See "*Risk Factors—Risks Related to the Notes—Your right to receive payment under the Note Guarantees is contractually subordinated to senior ranking debt of the Guarantors*."

Note Guarantee Releases

The Note Guarantee of a Guarantor will be automatically and unconditionally released and discharged upon:

(1) a direct or indirect sale, exchange, transfer or other disposition (including by way of merger, amalgamation, consolidation, dividend distribution or otherwise) of (i) the Capital Stock of such Guarantor (as a result of which such Guarantor would no longer be a Restricted Subsidiary), or (ii) all

or substantially all the assets of the Guarantor, to a Person other than the Issuer or a Restricted Subsidiary and otherwise in compliance with the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement;

(2) the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;

(3) payment in full of principal, interest and all other obligations on the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes and the Indenture, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

(4) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement, including in respect of the provisions relating to an IPO Debt Pushdown;

(5) upon the release or discharge of the Guarantee and any other obligations of such Guarantor under the Senior Term Facilities Agreement, *provided* that such Guarantor is not providing a Guarantee in respect of any other Credit Facility that replaces the Senior Term Facilities Agreement at such time that will not also be released substantially simultaneously with the release of the Notes Guarantee and/or a Guarantee under the Senior Term Facilities Agreement;

(6) as described in the fifth paragraph of the covenant described below under "*—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*";

(7) upon the merger, amalgamation or consolidation of any Guarantor with and into the Issuer or another Guarantor or upon the liquidation of such Guarantor, in each case, in compliance with the covenant under "*—Merger and Consolidation*";

(8) in connection with a Permitted Transaction;

(9) upon the achievement of Investment Grade Status by the Notes; and

(10) as described under "*—Amendments and Waivers*."

The Trustee and the Security Agent, as applicable, shall, subject to the terms of the Intercreditor Agreement and subject to receipt of certain documentation requested pursuant to the Indenture, take all necessary actions at the reasonable request and cost of the Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Note Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee without the consent of the Holders and will not require any other action or consent on the part of the Trustee. None of the Issuer, the Trustee or any Guarantor will be required to make a notation on the Notes to reflect any such release, termination or discharge. The Issuer may in its sole discretion, and without prejudice to any future election in relation thereto, elect to have any Note Guarantee remain in place, as opposed to being released.

Security

General

If the Issue Date is expected to occur more than three business days prior to the Acquisition Closing Date, on the Issue Date, the Notes and the Note Guarantees thereof will be secured on a first-priority basis by the Escrow Charge. Upon receipt by the Trustee of either an Escrow Release Officer's Certificate or a notice of Special Mandatory Redemption, the Escrowed Property will be released and the first-priority security interests over the Escrowed Property will automatically be released and terminate.

In addition, on the Issue Date, subject to and in accordance with the Agreed Security Principles, the Notes and the Note Guarantees in respect thereof will be secured by:

- on a first-priority basis, (i) a share pledge in respect of the shares in the Issuer pursuant to a Luxembourg law share pledge agreement, (ii) a pledge in respect of all the material bank accounts of the Issuer located in Luxembourg pursuant to a Luxembourg law governed bank account pledge agreement, and (iii) a Luxembourg law receivables pledge agreement in respect of any intercompany receivables owed to the Parent by the Issuer in respect of any proceeds loan or other shareholder loan (collectively, the "SUN Collateral"); and

- on a junior-priority basis, (i) a security assignment and/or receivables pledge agreement in respect of any structural intercompany receivables owed to the Issuer by German Newco and Lux SPV and (ii) a share pledge in respect of the shares of Lux SPV pursuant to a Luxembourg law governed share pledge agreement (collectively, the "Shared Collateral" and, together with the SUN Collateral and the Escrow Charge, the "Collateral").

The Collateral and any other assets subject to Security Interests that may in the future be granted to secure obligations under the Notes, any Note Guarantees and the Indenture in accordance with the provisions of the Intercreditor Agreement constitute "Charged Property."

The Shared Collateral will secure the Senior Term Facilities and the ABL Facility on a senior basis to the Notes and Notes Guarantees, and may also secure certain Hedging Obligations and certain future Indebtedness on a senior basis. The Collateral may also secure any Additional Notes and certain other future Indebtedness on a *pari passu* or junior basis.

Subject to certain conditions, including compliance with the covenants described under "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Covenants—Limitation on Liens*," the Issuer and the Restricted Subsidiaries will be permitted to grant security over the Charged Property in connection with future issuances of Indebtedness or Indebtedness of the Restricted Subsidiaries, including, subject to certain requirements described herein, Additional Notes, as permitted under the Indenture and the Intercreditor Agreement.

The Charged Property will be granted to the Security Agent on behalf of the Holders and holders of the other secured obligations that are secured by the Charged Property pursuant to the Transaction Security Documents. All Charged Property will be subject to the limitations that are applicable to Note Guarantees granted by the same entity, the operation of the Agreed Security Principles and any Permitted Collateral Liens.

The proceeds from the enforcement of the Charged Property may not be sufficient to satisfy the obligations owed to the Holders. No appraisals of the Charged Property have been made in connection with the offering of the Notes. By its nature, some or all of the Charged Property will be illiquid and may have no readily ascertainable market value. Accordingly, the Charged Property may not be able to be sold in a short period of time, or at all. The proceeds from the enforcement of the Charged Property may not be sufficient to satisfy the obligations owed to the Holders. See "*Risk Factors—Risks Related to the Notes—The Notes will be secured only to the extent of the value of the Collateral that will be granted as security for the Notes and future secured debt may be secured by certain assets that do not secure the Notes*" and "*Risk Factors—Risks Related to the Notes—The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such Collateral may be reduced or diluted under certain circumstances*."

The Liens on the Charged Property will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Charged Property (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance, liquidity impairment or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and the Security Interests.*"

Notwithstanding the foregoing and the provisions of the covenant described below under "*—Certain Covenants—Limitation on Liens*," certain property, rights and assets may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), and certain guarantees may not be granted in accordance with the Agreed Security Principles. The following is a non-exhaustive summary of certain terms of the Agreed Security Principles, which include, among others:

- general legal and statutory limitations, regulatory restrictions, financial assistance, anti-trust and other competition authority restrictions, corporate benefit, fraudulent preference, equitable subordination, "*transfer pricing*", "*thin capitalization*", "*earnings stripping*", "controlled foreign corporation" and other tax restrictions, "exchange control restrictions", "*capital maintenance*" rules and "*liquidity impairment*" rules, tax restrictions, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of a member of the Group to provide a

guarantee or security or may require that the guarantee or security be limited as to amount or otherwise and, if so, the guarantee or security will be limited accordingly; *provided* that, to the extent requested by the Security Agent before signing any applicable security or accession document, the relevant member of the Group shall use reasonable endeavors (but without incurring material cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such guarantee or security document shall be subject to such limit;

- a key factor in determining whether or not (and the terms on which) a guarantee or security will be taken (and in respect of the security, the extent of its perfection and/or registration) is the applicable time and cost (including adverse effects on taxes, interest deductibility, stamp duty, registration costs and taxes, notarial costs, translation costs and all applicable legal and notarial fees and adverse effects on the ability of the Group to obtain or maintain local facilities or other financing arrangements, including any factoring or similar arrangement in each case permitted under the Indenture) which will not be disproportionate to the benefit accruing to the secured parties of obtaining such guarantee or security;
- members of the Group will not be required to give guarantees or enter into security documents if they are not wholly owned by another member of the Group or if it is not within the legal capacity of the relevant members of the Group or if it would conflict with the fiduciary or statutory duties of their officers or contravene any applicable legal, regulatory or contractual prohibition or restriction or have the potential to result in a material risk of personal or criminal liability for any officer of or for any member of the Group; *provided* that, to the extent requested by the Security Agent before signing any applicable security document or accession document, the relevant member of the Group shall use reasonable endeavors (but without incurring material cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such guarantee or security document shall be subject to such limit;
- guarantees and security will be limited so that the aggregate of notarial costs and all registration and like taxes and duties relating to the provision of security will not exceed an amount to be agreed between the Issuer and the Security Agent;
- where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will be granted over the material assets only;
- it is expressly acknowledged that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;
- any asset subject to a legal requirement, contract, lease, license, instrument, regulatory constraint (including any agreement with any government or regulatory body) or other third party arrangement (other than restrictions contained in the constitutional documents of a member of the Group or in any intra-Group loan agreement), which may prevent or condition the asset from being charged, secured or being subject to the applicable security document (including requiring a consent of any third party, supervisory board or works council (or equivalent)) and any asset which, if subject to the applicable security document, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations with respect to any member of the Group in respect of the asset or require the relevant chargor to take any action materially adverse to the interests of the Group or any member thereof, in each case will be excluded from a guarantee or security document;
- the giving of a guarantee, the granting of security and the registration and/or the perfection of the security granted will not be required if it would have a material adverse effect on the ability of the relevant member of the Group to conduct its operations and business in the ordinary course as otherwise permitted by the Finance Documents (as defined in the section entitled "*Description of Certain Financing Arrangements—Intercreditor Agreement*" above) (including dealing with the secured assets and all contractual counterparties or amending, waiving or terminating (or allowing to lapse) any rights, benefits or obligations, in each case prior to an Acceleration Event (as defined in the Intercreditor Agreement) which is continuing), and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to the Agreed Security Principles;
- any security document will only be required to be notarized if required by law in order for the relevant security to become effective or admissible in evidence;

- no guarantee or security will be required to be given by or over any acquired person or asset (and no consent shall be required to be sought with respect thereto) which are required to support Acquired Indebtedness to the extent such Acquired Indebtedness is permitted by the Indenture to remain outstanding after an acquisition. No member of a target group or other entity acquired pursuant to an acquisition permitted by the Indenture shall be required to become a Guarantor or grant security with respect to the Notes if prevented by the terms of the documentation governing that acquired indebtedness (including Acquired Indebtedness or any Refinancing Indebtedness in respect of such Acquired Indebtedness) or if becoming a Guarantor or the granting of any security would give rise to an obligation (including any payment obligation) under or in relation thereto; no security will be granted over any asset secured for the benefit of any debt permitted by the Indenture and/or to the extent constituting a Permitted Lien unless specifically required by a Finance Document to the contrary;
- no title investigations or other diligence on assets will be required and no title insurance will be required;
- security will not be required over any assets subject to security in favor of a third party (other than in relation to security under general business conditions of account banks which do not prohibit or prevent the creation of Transaction Security over such accounts) or any cash constituting regulatory capital or customer cash (and such assets or cash shall be excluded from any relevant security document);
- to the extent legally effective, all security will be given in favor of the Security Agent and not the secured creditors individually (with the Security Agent to hold one set of security documents for all secured parties); "*parallel debt*" provisions will be used where necessary, to the extent permitted by applicable law (and included in the Intercreditor Agreement and not the individual security documents); no member of the Group will be required to take any action in relation to any guarantees or security as a result of any assignment or transfer by a secured party;
- guarantees and security will not be required from or over the assets of, any joint venture or similar arrangement, any minority interest or any member of the Group that is not wholly owned by another member of the Group;
- each security document shall be deemed not to restrict or condition any transaction permitted under the Indenture or the Intercreditor Agreement and the security granted under each security document shall be deemed to be subject to these Agreed Security Principles, before and after the execution of the relevant security document and creation of the relevant security;
- no security may be provided on terms which are inconsistent with the turnover or sharing provisions in the Intercreditor Agreement;
- the secured parties (or any agent or similar representative appointed by them at the relevant time) will not be able to exercise any power of attorney or set-off granted to them under the terms of the Finance Documents prior to the occurrence of an Acceleration Event which is continuing;
- no guarantee or security shall guarantee or secure any "Excluded Swap Obligations" defined in accordance with the LSTA Market Advisory Update dated February 15, 2013 entitled "Swap Regulations' Implications for Loan Documentation", and any update thereto by the LSTA;
- other than a general filing relating to a floating charge or blanket lien, no perfection, filing or other action will be required with respect to assets of a type not owned by members of the Group or not in Canada, Germany, Luxembourg, United Kingdom, the United States of America (each, a "Guarantor Jurisdiction") or otherwise over the shares of a member of the Group not located in a Guarantor Jurisdiction; and
- no translation of any document relating to any security or any asset subject to any security will be required to be prepared or provided to the secured parties, unless (i) required for such documents to become effective or admissible in evidence and (ii) an Acceleration Event is continuing.

The Agreed Security Principles with respect to the Notes will be interpreted and applied in good faith by the Issuer.

Priority

The relative contractual priority with regard to the security interests in the Charged Property that are created by the Transaction Security Documents (the "Security Interests" and each, a "Security Interest") as between

(a) the lenders under the Senior Term Facilities Agreement, (b) the lenders under the ABL Facility Agreement, (c) the counterparties under certain Hedging Obligations, (d) the Trustee, the Security Agent and the Holders under the Indenture and (e) the creditors of certain other Indebtedness (including Indebtedness that may be Incurred in the future) permitted to be secured by such Charged Property, respectively, will be established by the terms of the Intercreditor Agreement, which will provide, among other things, that (i) the obligations under the Senior Term Facilities Agreement and certain Hedging Obligations and the guarantees thereof are secured equally and ratably by, among other things, first-priority Security Interests in the Shared Collateral, (ii) the Notes and the Note Guarantees are secured equally and ratably by first-priority Security Interests in the SUN Collateral, (iii) the obligations under the ABL Facility Agreement are secured, among other things in equally and ratably by second-priority Security Interests in the Shared Collateral and (iv) the Notes and the Notes Guarantees are secured equally and ratably by third-priority Security Interests in the Shared Collateral. Pursuant to the terms of the Intercreditor Agreement, the Holders will receive proceeds from the enforcement of, or certain distressed disposals of, the SUN Collateral on a *pari passu* basis with all indebtedness of the Issuer that is not subordinated in right of payment to the Notes. In addition, the Holders will receive proceeds from the enforcement of, or certain distressed disposals of, the Shared Collateral only after any existing or future Indebtedness with a prior-ranking Lien on such Shared Collateral is repaid in full, including the Senior Term Facilities and the ABL Facility. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

In addition, the Intercreditor Agreement will restrict the ability of the Trustee or the holders of the Notes to instruct the Security Agent to take enforcement action. The circumstances in which the holders of the Notes may instruct the Security Agent to take enforcement action in respect of the Security Interests over the Shared Collateral are significantly limited. Generally, the Intercreditor Agreement will provide that the holders of prior-ranking security interests in the Shared Collateral will be entitled to control virtually all decisions relating to the exercise of remedies with respect to these Security Interests, will be able to block enforcement of such Security Interests, will be able to release the Security Interests constituting Shared Collateral in certain circumstances and will receive any proceeds from the enforcement of those Security Interests before amounts will be available to the holders of the Notes.

In general, the rights of the Security Agent (acting on its own behalf or on behalf of the holders of the Notes) to take enforcement action under the Transaction Security Documents with respect to the Shared Collateral will be subject to certain standstill provisions and payment blockage and other limitations on enforcement. The Trustee and the holders of the Notes may only act through the Security Agent and will not be able to independently pursue the remedies of a secured creditor under the Transaction Security Documents or until the expiration of the applicable standstill period (being a period of up to 179 days subject to certain exceptions) and for so long as any amounts under the Senior Term Facilities Agreement, certain Hedging Obligations and any such other Senior Indebtedness or obligations remain outstanding, force a sale of such Shared Collateral. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

Transaction Security Documents

Under the Transaction Security Documents, the Issuer and the Parent will grant security over the Charged Property to secure the payment when due of the Issuer's and the Guarantors' payment obligations under the Notes, the Note Guarantees and the Indenture. The Transaction Security Documents will be entered into by the relevant security provider and the Security Agent for itself and as agent for the secured parties. When entering into such Transaction Security Documents, the Security Agent will act in its own name, but for the benefit of the secured parties (including itself, the Trustee and the Holders from time to time). Under the Intercreditor Agreement, the Security Agent also acts as an agent of the lenders under the Senior Term Facilities Agreement, the ABL Facility Agreement and the counterparties under certain Hedging Obligations in relation to the Security Interests created in favor of such parties.

In certain jurisdictions, due to the laws governing the creation and perfection of Security Interests and local court decisions, the relevant Transaction Security Documents will secure "parallel debt" obligations created under the Intercreditor Agreement in favor of the Security Agent (and not the obligations under the Notes and the Note Guarantees). The parallel debt construct has not been fully tested under the law in certain of these jurisdictions. See "*Risk Factors—Risks Related to the Notes—The Escrow Charge (if any) will be granted to the Trustee and the security interests in the remaining Collateral will be granted to the Security Agent, in each case, rather than directly to the holders of the Notes. The ability of the Trustee or the Security Agent, as applicable, to enforce the Collateral may be restricted by local law*."

The Escrow Charge (if any) will be granted solely for the benefit of the Trustee on behalf of the Holders of the Notes, and no other persons (including for the avoidance of doubt any lender under the Senior Term Facilities Agreement, any lender under the ABL Facility Agreement, counterparties under any Hedging Obligations or any other creditors) will be entitled to benefit from the Escrow Charge.

The Indenture and the Intercreditor Agreement will provide that, to the extent permitted by applicable law, only the Security Agent will have the right to enforce the Transaction Security Documents on behalf of the Trustee and the Holders. As a consequence of such contractual provisions, Holders will not be entitled to take enforcement action in respect of the Charged Property securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent. In addition, prior to the discharge of obligations under the Senior Secured Facilities, certain Hedging Obligations and other obligations constituting priority indebtedness under the Intercreditor Agreement, the representatives of the Holders will be subject to a 179-day standstill on the taking of any enforcement action over the Shared Collateral. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

The Indenture will provide that, subject to the terms thereof and of the Transaction Security Documents and the Intercreditor Agreement, the Notes and the Indenture, as applicable, will be secured by Security Interests in the Charged Property until all obligations under the Notes and the Indenture have been discharged. However, the Security Interests with respect to the Notes and the Indenture may be released under certain circumstances as provided under "*—Security—Release of Liens*."

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Transaction Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Transaction Security Documents. See "*Risk Factors—Risks Related to the Notes—The granting of the Note Guarantees and security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening or voidance periods for such security interests in accordance with the laws applicable in certain jurisdictions*."

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement will restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Transaction Security Documents in certain circumstances upon enforcement by the Security Agent in accordance with the terms of the Intercreditor Agreement. These limitations are described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and the Security Interests.*" The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Charged Property in compliance with the Indenture and the Intercreditor Agreement.

The creditors under the Senior Secured Facilities Agreements, the counterparties to Hedging Obligations secured by the Charged Property and the Trustee will have or have and, by accepting a Note as described below, each Holder will be deemed to have appointed the Security Agent to act as its agent under the Intercreditor Agreement and the security documents securing such Indebtedness.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that each Holder, by accepting a Note, will be deemed (without any further consent of the Holders) to have:

(1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement, any Additional Intercreditor Agreements and the Transaction Security Documents and perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the Transaction Security Documents securing such Indebtedness, together with any other incidental rights, power and discretions;

(2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Transaction Security Documents; and

(3) irrevocably appointed the Security Agent and the Trustee to act in its name and on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Transaction Security Documents (including the execution of, and compliance with, any waiver, modification, amendment, renewal or replacement expressed to be executed by the Trustee or the Security Agent on its behalf) and to be bound thereby and to perform their respective obligations and exercise their respective rights thereunder in accordance therewith.

See the section entitled "*Risk Factors—Risks Related to the Notes—The Escrow Charge (if any) will be granted to the Trustee and the security interests in the remaining Collateral will be granted to the Security Agent, in each case, rather than directly to the holders of the Notes. The ability of the Trustee or the Security Agent, as applicable, to enforce the Collateral may be restricted by local law.*"

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the covenant described under "*—Certain Covenants—Additional Intercreditor Agreements.*"

Release of Liens

Subject to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, release of the Security Interests in respect of the Charged Property will be permitted under any one or more of the following circumstances:

(1) other than the Liens over the Capital Stock of the Issuer, in connection with any sale or other disposition of Charged Property to (a) a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Merger and Consolidation*"), if such sale or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" and is otherwise not prohibited by the Indenture or (b) any Restricted Subsidiary; *provided* that this sub-clause (b) shall not be relied upon in the case of a transfer of Capital Stock or of accounts receivable (including intercompany loan receivables and hedging receivables) to a Restricted Subsidiary (except to a Securitization Subsidiary) unless the relevant property and assets remain subject to, or otherwise become subject to, a Lien in favor of the Notes following such sale or disposal;

(2) in the case of a Guarantor that is released from its Note Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*—Amendments and Waivers*" and "*—Certain Covenants—Limitation on Liens*";

(4) upon payment in full of principal, interest and all other obligations on the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

(5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary, and the release of any assets designated by the Issuer as Receivables Assets in connection with a Receivables Facility;

(6) in connection with the granting of Liens on such property or assets, which may include Charged Property, or the sale or transfer of such property or assets, which may include Charged Property, in each case pursuant to a Qualified Securitization Financing;

(7) in connection with a Permitted Transaction; or

(8) as otherwise permitted in accordance with the Indenture.

In addition, the Security Interests created by the Transaction Security Documents will be released (a) in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement, including in respect of the provisions relating to an IPO Debt Pushdown and (b) as may be permitted by the covenant described under "*—Certain Covenants—Impairment of Security Interest*."

The Security Interests over the assets subject to the Escrow Charge will be released upon the occurrence of the Escrow Release or in connection with the Special Mandatory Redemption.

The Security Agent and the Trustee (but only if required) will take all necessary action reasonably requested by, and at the cost of, the Issuer to effectuate any release of Charged Property securing the Notes and the Note Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Transaction Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release). The Security Agent and the Trustee shall be entitled to request and rely solely upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the Security Interests has occurred, and that such release complies with the Indenture; *provided* that with respect to the release of the Security Interests over the assets subject to the Escrow Charge, the Trustee shall only be entitled to receive (i) in connection with the Escrow Release, the Escrow Release Officer's Certificate or (ii) in connection with the Special Mandatory Redemption, a notice of the Special Mandatory Redemption, in each case, as described under "*—Escrow of Proceeds; Special Mandatory Redemption*."

IPO Debt Pushdown

On or following certain public equity offerings (an "IPO Event") (or in contemplation of an IPO Event with respect to the release of Security Interests if required to implement such IPO Event), the terms of the Intercreditor Agreement provide (and the Indenture and the Notes shall be subject to such provisions) that the Issuer shall be entitled to require (by written notice to the Trustee and the Security Agent) that the terms of the Indenture, the Intercreditor Agreement (and any Additional Intercreditor Agreement) and the Transaction Security Documents shall operate (with effect from the date specified in such notice) as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Required Consents—Provisions Following an IPO*" (an "IPO Debt Pushdown"). Following such notice, among other things, the Group would comprise of the member of the Group or holding company of the Issuer who will issue shares or whose shares are to be sold pursuant to such IPO Event, subject to certain limitations while the Notes are outstanding or in certain other circumstances (the "IPO Pushdown Entity") and its restricted subsidiaries and the Indenture will include provisions to provide for substitution of the IPO Pushdown Entity as issuer to the extent permitted in accordance with the provisions of the Intercreditor Agreement. Any Parent Holding Company of the IPO Pushdown Entity would not be subject to the provisions of the Indenture and the other Notes Documents and any security over its assets may be released or if a Guarantor, its Notes Guarantee may be released, in each case, in accordance with the provisions of the Indenture. The Trustee and the Security Agent shall be required to enter into any amendment to the Indenture, the Intercreditor Agreement (and any Additional Intercreditor Agreement) or the Transaction Security Documents (in the case of the Security Agent) required by the Issuer, enter into any document or instrument in connection therewith and/or take such other action as is required by the Issuer in order to facilitate or reflect any of the matters contemplated by the Intercreditor Agreement; *provided* that such amendment, replacement or other document or instrument does not impose personal obligations on the Trustee or the Security Agent, or affect the rights, duties, liabilities, indemnification or immunity of the Trustee or the Security Agent under such amendment, release or replacement or other document or instrument.

Optional Redemption

Except as set forth below and except as described under "*—Redemption for Taxation Reasons*," the Notes are not redeemable at the option of the Issuer.

At any time and from time to time prior to April 30, 2024, the Issuer may, at its option, redeem the Notes, in whole or in part, upon notice as described under "*—Selection and Notice*," at a redemption price equal to 100% of the principal amount of such Notes plus the Applicable Premium with respect to the Notes as of, and accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date.

At any time and from time to time prior to April 30, 2024, the Issuer may, at its option, redeem an aggregate principal amount of Notes not to exceed the Net Cash Proceeds received by the Issuer from one or more Equity Offerings or a contribution to the Issuer's common share capital made with the Net Cash Proceeds of one or more Equity Offerings, at a redemption price equal to 105.25% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date; *provided* that:

(1) the aggregate principal amount redeemed shall not exceed 40% of the aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes of the same series);

(2) at least 50% of the original aggregate principal amount of the Notes originally issued under the Indenture on the Issue Date (excluding Additional Notes of the same series) remains outstanding immediately after the occurrence of each such redemption (unless all Notes are redeemed substantially concurrently); and

(3) each such redemption occurs not later than 180 days after the closing of the related Equity Offering.

At any time and from time to time on or before April 30, 2024, the Issuer may redeem all, but not less than all, of the outstanding Notes issued under the Indenture on the Issue Date (together with any Additional Notes) with the Net Cash Proceeds received from a Qualified IPO at a redemption price equal to 105.25% of the principal amount of such Notes, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date.

At any time and from time to time on or after April 30, 2024, the Issuer may, at its option, redeem the Notes in whole or in part, upon notice as described under "—*Selection and Notice*," at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to, but excluding, the applicable redemption date, if redeemed during the twelve-month period beginning on April 30 of the year indicated below:

Year	Percentage
2024	102.6250%
2025	101.3125%
2026, and thereafter	100.000%

Other Redemption Terms

Notwithstanding the foregoing, in connection with any tender offer for any series of Notes, including a Change of Control Offer or Asset Disposition Offer, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all Notes of such series, in whole or in part, that remain outstanding following such purchase at a price equal to the price offered to each other Holder (excluding any early tender or incentive fee) in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, the date of such redemption. Without prejudice to any provision of the Indenture regarding Notes deemed not to be outstanding for voting purposes if held by the Issuer or its Affiliates, in determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Notes of a series have validly tendered and not validly withdrawn Notes in a tender offer, including a Change of Control Offer or Asset Disposition Offer, Notes owned by an Affiliate of the Issuer or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer and such determination.

Notice of redemption will be provided as set forth under "—*Selection and Notice*" below.

Notice of any redemption of the Notes (other than a Special Mandatory Redemption) may, at the Issuer's discretion, be given prior to the completion of a transaction (including an Equity Offering, an incurrence of Indebtedness, a Change of Control, an Asset Disposition or other transaction) and any redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a related transaction. If such redemption or purchase is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption or repurchase date may be delayed until such time (including more than 60 days after the date the notice of redemption or offer to purchase was sent) as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the redemption or purchase date, or by the redemption or purchase date as so delayed, or that such notice may be rescinded at any time in the Issuer's sole discretion if the Issuer determines that any or all of such conditions will not be satisfied or waived. In addition, the Issuer may provide in such notice that payment of the redemption or purchase price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

The Issuer may redeem Notes pursuant to one or more of the relevant provisions in the Indenture, and, subject to the requirements of Euroclear and/or Clearstream, a single notice of redemption may be delivered with respect to redemptions made pursuant to different provisions. Any such notice may provide that redemptions made pursuant to different provisions will have the same or different redemption dates.

If the optional redemption date is on or after a record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Note is registered at the close of business on such record date in accordance with the applicable procedures of the Relevant Clearing System, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Mandatory Redemption or Sinking Fund

Except as described under the caption "*—Escrow of Proceeds; Special Mandatory Redemption*," the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under "*—Change of Control*" and "*—Certain Covenants—Limitations on Sales of Assets and Subsidiary Stock*." As market conditions warrant, we and our equity holders, including the Permitted Holders, their respective Affiliates and members of our management, may from time to time seek to purchase our outstanding debt securities or loans, including the Notes or derivative instruments related thereto, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, including the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new secured or unsecured debt, including borrowings under our credit facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may be with respect to a substantial amount of a particular class or series of debt, with the attendant reduction in the trading liquidity of such class or series.

Selection and Notice

In the event that any global Note (or any portion thereof) is redeemed, the Relevant Clearing System, as applicable, will redeem an equal amount of the Book-Entry Interests in such global Note from the amount received by them in respect of the redemption of such global Note. The redemption price payable in connection with the redemption of such Book Entry Interests will be equal to the amount received by the Relevant Clearing System, as applicable, in connection with the redemption of such global Note (or any portion thereof).

Under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a pro rata basis (such as by way of a pool factor), by lot or on such other basis as they deem fair and appropriate and in accordance with their applicable procedures (unless otherwise required by law or applicable stock exchange rules); *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part. If the Notes are not held through Euroclear or Clearstream, the Notes will be selected on a pro rata basis, subject to adjustments so that no Note in an unauthorized denomination remains outstanding after such redemption; *provided*, *however*, that no such partial redemption shall reduce the outstanding principal amount of any Notes below €100,000. The Trustee, the Paying Agent and the Registrar shall not be liable for selections made under this paragraph.

Notices of redemption will be delivered electronically or mailed by first-class mail, postage prepaid, at least 10 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of the Relevant Clearing System, except that redemption notices may be delivered electronically or mailed more than 60 days prior to a redemption date if the notice is issued in connection with a legal or covenant defeasance of the Notes or a satisfaction and discharge of the Indenture.

If and for so long as any Notes are listed on the Official List of the Exchange and if and to the extent the rules of the Authority so require, the Issuer will notify the Authority of any such notice to the Holders of the

Notes and, in connection with any redemption, the Issuer will notify the Authority of any change in the principal amount of Notes outstanding.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. When the Notes are held in certificated form, a new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. When the Notes are held in the form of global notes, an appropriate notation will be made on such Note (or otherwise in accordance with the applicable procedures of the Relevant Clearing Systems) to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, unless the Issuer defaults in the payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption.

Except as otherwise required under the Indenture, the Issuer may elect to redeem or repurchase one or more series of Notes or a portion of a series of Notes without redeeming any other series of Notes.

Redemption for Taxation Reasons

The Issuer may redeem the Notes in whole, but not in part, at any time at its discretion upon giving not less than 10 nor more than 60 days' prior written notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, as defined below under "—*Withholding Taxes*," if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, official guidance or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below under "—*Withholding Taxes*") affecting taxation; or

(2) any amendment to, or change in an official application, administration or written interpretation of such laws, treaties, regulations, official guidance or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) (each of the foregoing in clauses (1) and (2), a "Change in Tax Law"),

a Payor (as defined below under "—*Withholding Taxes*") is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts (or increased Additional Amounts) with respect to the Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be formally announced and become effective on or after the Issue Date (or if the applicable Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obliged to make at least one payment on the Notes and (b) mutatis mutandis to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have been satisfied and that the obligation to pay Additional Amounts cannot be avoided by the relevant Payor taking reasonable measures available to it (but in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the

obligation to pay Additional Amounts) and (b) a written opinion of an independent tax counsel of recognized standing qualified under the laws of the Relevant Taxing Jurisdiction and satisfactory to the Trustee (such approval not to be unreasonably withheld) to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely conclusively on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without liability or further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "Payor") in respect of the Notes or with respect to any Note Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law or by the relevant taxing authority's interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Note or Note Guarantee is made by any Payor or by the Paying Agent on behalf of any Payor, or any political subdivision or governmental authority thereof or therein having the power to tax (including the jurisdiction of the Paying Agent); or

(2) any other jurisdiction in which a Payor is incorporated or organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "Relevant Taxing Jurisdiction"),

will at any time be required by law or by the relevant taxing authority's interpretation or administration thereof to be made from any payments made by any Payor or by the Paying Agent on behalf of any Payor, with respect to any Note or any Note Guarantee, including (without limitation) payments of principal, redemption price, interest or premium, if any, such Payor will pay (together with such payments) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such withholding or deduction from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Note Guarantee in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes, to the extent such Taxes would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in or place of management present in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note, the Indenture or a Note Guarantee;

(2) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a reasonable written request of the Payor addressed to the Holder or beneficial owner, after reasonable notice (at least 30 days before payment from which any such withholding or deduction is required would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a law, statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of, all or part of such Tax, but, in each case, only to the extent the Holder or beneficial owner is legally entitled to do so;

(3) any Taxes, to the extent such Taxes are imposed as a result of the presentation of the Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the later of the applicable payment date or the date the relevant payment is first made

available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment with respect to the Notes or with respect to any Note Guarantee;

(5) any estate, inheritance, gift, sales, transfer, capital gains, excise taxes, personal property or similar Taxes imposed on any Note or the transfer thereof;

(6) any Taxes imposed, deducted or withheld pursuant to section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, in each case, as of the Issue Date (and any amended or successor version that is substantively comparable), any current or future regulations or agreements thereunder, official interpretations thereof or similar law or regulation implementing an intergovernmental agreement relating thereto;

(7) any U.S. federal back-up withholding tax under section 3406 of the Code;

(8) any U.S. federal withholding taxes that would not have been imposed or withheld but for the beneficial owner being or having been a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States, or a corporation that has accumulated earnings to avoid United States federal income tax; or

(9) any combination of the items (1) through (8) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any Person other than the beneficial owner of the Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settler, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant tax authority in accordance with applicable law. The Payor will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of such other reasonable evidence as is available of such payments as soon as reasonably practicable to the Trustee (with a copy to the Paying Agent). Such copies shall be made available to the Holders upon reasonable request and will be made available at the offices of the Paying Agent.

If any Payor is obligated to pay Additional Amounts with respect to any payment made on any Note or any Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee and the Paying Agent shall be entitled to conclusively rely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "*Description of the Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) redemption prices or purchase prices in connection with a redemption or purchase of the Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or any Note Guarantee, such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and reimburse each applicable Holder for any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest

or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, issuance, delivery, registration, enforcement of, or receipt of payments with respect to any Notes, any Note Guarantee, the Indenture, or any other document or instrument in relation thereto (in each case, other than in connection with a transfer after this offering) and limited, solely to the extent of such taxes or similar charges or levies that arise from the receipt of any payments of principal or interest on the Notes, to any such taxes or similar charges or levies that are not excluded under clauses (1) through (3) and (5) through (8) (save that in respect of clause (5), this proviso shall not apply in connection with transfer, personal property or similar Taxes).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner, and will apply mutatis mutandis to any jurisdiction in which any successor to a Payor is incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes (or any Note Guarantee) is made by or on behalf of such successor Payor, or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

The Indenture will provide that if a Change of Control occurs, unless (i) a third party makes a Change of Control Offer or (ii) the Issuer has previously or substantially concurrently therewith delivered a redemption notice with respect to all the outstanding Notes as described in the seventh paragraph under this heading "—*Change of Control*," the Issuer will make an offer to purchase all of the Notes (*provided* that Notes of €100,000 or less in principal amount may only be redeemed in whole and not in part) pursuant to the offer described below (the "Change of Control Offer") at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the date of repurchase; *provided* that if the repurchase date is on or after the record date and on or before the corresponding interest payment date, then Holders in whose name the Notes are registered at the close of business on such record date will receive interest on the repurchase date. Within 60 days following any Change of Control, the Issuer will deliver or cause to be delivered a notice of such Change of Control Offer electronically in accordance with the applicable procedures of the Relevant Clearing Systems or by first-class mail, with a copy to the Trustee, to each Holder of Notes at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of the Relevant Clearing Systems, describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice, except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below.

To the extent that the provisions of any securities laws, rules or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof. The Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The occurrence of events which would constitute a Change of Control would entitle each lender under the Senior Term Facilities Agreement (individually) and each lender under the ABL Facility Agreement (individually) to cancel its commitments and require prepayment of amounts outstanding to it under the Senior Term Facilities Agreement or the ABL Facility Agreement, as applicable, and could trigger a change of control under other financing arrangements of the Group. Future Indebtedness of the Issuer's Subsidiaries may contain prohibitions on certain events which would constitute a change of control or require such Indebtedness to be repurchased upon a change of control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The Issuer's ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by its then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management.

Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described under "*—Optional Redemption*," unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control.

The definition of "*Change of Control*" includes a disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, to certain Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

If and for so long as the Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require, the Issuer will notify the Authority of any Change of Control Offer.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture. For the avoidance of doubt, the consummation of the Transaction shall not be prohibited by the covenants below under "*—Certain Covenants*."

Suspension of Covenants on Achievement of Investment Grade Status

Following the first day:

(a) a series of Notes has achieved Investment Grade Status; and

(b) no Default or Event of Default has occurred and is continuing under the Indenture,

(the occurrence of such events, a "*Covenant Suspension Event*" and the date thereof being referred to as the "Suspension Date"), then, beginning on the Suspension Date until the occurrence of the Reversion Date (as defined below), (i) the amount of each basket set by reference to a monetary amount for which a specific amount is set out in the Indenture and any definitions used therein (including all "annual," "*life of facilities*", "*fiscal*

year", "*financial year*", "*calendar year*", "*at any time*" and "*aggregate*" baskets) shall be increased by 50% and (ii) the covenants specifically listed under the following captions in this offering memorandum will no longer be applicable to the Notes (collectively, the "Suspended Covenants"):

- "*—Limitation on Indebtedness*";
- "*—Limitation on Restricted Payments*";
- "*—Limitation on Sales of Assets and Subsidiary Stock*";
- "*—Limitation on Affiliate Transactions*";
- the provisions of clauses (ii) and (iv) under "*—Merger and Consolidation—The Issuer"*;
- "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";
- "*—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*"; and
- "*—Impairment of Security Interest*."

During any period that the foregoing covenants have been suspended, the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries. If and while the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants, the Notes will be entitled to substantially less covenant protection. In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") the Notes no longer have an Investment Grade Rating or a Rating Agency withdraws its Investment Grade Rating or downgrades the rating assigned to the relevant series of Notes below an Investment Grade Rating (in each case, to the extent given an Investment Grade Rating by such Rating Agency), then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the "Suspension Period." The Note Guarantees (other than the Note Guarantee of the Issuer) will be suspended during the Suspension Period. Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from any Asset Dispositions shall be reset to zero.

During the Suspension Period, the Issuer and its Restricted Subsidiaries will be entitled to incur Liens to the extent provided for under "*—Limitation on Liens*" (including, without limitation, Permitted Liens) and any Permitted Liens which may refer to one or more Suspended Covenants shall be interpreted as though such applicable Suspended Covenant(s) continued to be applicable during the Suspension Period (but solely for purposes of the "*—Limitation on Liens*" covenant and the "*Permitted Liens*" and "*Permitted Collateral Liens*" definitions and for no other covenant).

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any of its Restricted Subsidiaries prior to such reinstatement will give rise to a Default or Event of Default under the Indenture, and no Default or Event of Default will be deemed to exist or have occurred as a result of any failure by the Issuer or any Restricted Subsidiary to comply with any of the Suspended Covenants during the Suspension Period; provided, that (1) with respect to Restricted Payments (as defined herein) made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under the caption "*—Limitation on Restricted Payments*" had been in effect prior to, but not during, the Suspension Period (including with respect to an Applicable Transaction entered into during the Suspension Period); (2) all Indebtedness incurred, committed or issued during the Suspension Period (or deemed incurred or issued in connection with an Applicable Transaction entered into during the Suspension Period) will be classified to have been incurred or issued pursuant to clause (iv)(A) of the second paragraph of "*—Limitation on Indebtedness*"; (3) any Affiliate Transaction (as defined herein) entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (vi) of the second paragraph of the covenant described under "*—Limitation on Affiliate Transactions*"; (4) any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (i) through (iii) of the first paragraph of the covenant described under "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (i) of the second paragraph of the covenant described under "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*"; (5) no Subsidiary of the Issuer shall be required to comply with the covenant described under "*—Limitation on Guarantees of*

Indebtedness by Restricted Subsidiaries" after such reinstatement with respect to any guarantee or obligation entered into by such Subsidiary during any Suspension Period; and (6) all Investments made during the Suspension Period (or deemed made in connection with an Applicable Transaction entered into during the Suspension Period) will be classified to have been made under clause (i) of the definition of "*Permitted Investments*."

Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date, (1) no Default, Event of Default or breach of any kind will be deemed to exist under the Indenture, the Notes or the Note Guarantees with respect to the Suspended Covenants, and none of the Issuer or any of its Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, in each case as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time based solely on any action taken or event that occurred during the Suspension Period) and (2) following a Reversion Date, the Issuer and each Restricted Subsidiary will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period and to consummate the transactions contemplated thereby.

There can be no assurance that any series of Notes will ever achieve or maintain an Investment Grade Rating. The Trustee shall be notified of a Covenant Suspension Event and a Reversion Date; *provided* that no such notification shall be a condition for the Covenant Suspension Event to be effective. The Trustee shall have no duty to (i) monitor the ratings of the Notes, (ii) ascertain whether a Covenant Suspension Event or Reversion Date have occurred or (iii) notify the Holders of any of the foregoing.

Limitation on Indebtedness

The Issuer will not, and will not permit any of the Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided* that the Issuer and any of the Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness), if on the Applicable Test Date and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), either: (i) the Fixed Charge Coverage Ratio is at least 2.00:1.00 or (ii) the Total Net Leverage Ratio does not exceed 8.00:1.00.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness (collectively, "*Permitted Debt*"):

(i) the Incurrence by the Issuer or any of the Restricted Subsidiaries of Indebtedness under any Credit Facility (and the issuance and creation of letters of credit, guarantees and bankers' acceptances thereunder) in an aggregate principal amount at any time outstanding not to exceed the sum of:

  (A) the aggregate of:

    (1) the greater of (x) €375.0 million or, if higher, the principal amount of Facility B (EUR) as at the Acquisition Closing Date and (y) an amount equal to 175% of LTM EBITDA; plus

    (2) the greater of (x) $850.0 million or, if higher, the principal amount of Facility B (USD) as at the Acquisition Closing Date and (y) an amount equal to 325% of LTM EBITDA; plus

    (3) the greater of (x) the sum of (A) the greater of (I) €200.00 million and (II) the Borrowing Base as of the date of Incurrence, or if higher, the principal amount of the ABL Facility at the Acquisition Closing Date and (B) €75.0 million and (y) an amount equal to 93% of LTM EBITDA; plus

  (B) the greater of (x) €215.00 million and (y) an amount equal to 100% of LTM EBITDA; plus

  (C) the maximum amount of Senior Secured Indebtedness such that, on the Applicable Test Date after giving pro forma effect to such Incurrence, the Senior Secured Net Leverage Ratio does not exceed 4.90:1.00; plus

  (D) the maximum amount of Indebtedness that constitutes Total Secured Debt that is not Senior Secured Indebtedness such that, on the Applicable Test Date after giving pro forma effect to such Incurrence, either:

    (1) the Total Secured Net Leverage Ratio does not exceed 5.50:1.00; or

(2) the Fixed Charge Coverage Ratio is at least 2.00:1.00; plus

(E) the maximum amount of Indebtedness that is not Senior Secured Indebtedness or Total Secured Debt, or is unsecured such that on the Applicable Test Date, after giving pro forma effect to such Incurrence, either:

(1) the Total Net Leverage Ratio does not exceed 8.00:1.00; or

(2) the Fixed Charge Coverage Ratio is at least 2.00:1.00,

provided that any Indebtedness or unutilized commitments in respect of Indebtedness Incurred or deemed to be Incurred pursuant to this clause (i) may be refinanced at any time if such refinancing does not exceed the greater of (x) the aggregate principal amount of Indebtedness permitted to be Incurred pursuant to this clause (i) on the Applicable Test Date for such refinancing and (y) the aggregate principal amount of the Indebtedness or unutilized commitments in respect of Indebtedness being refinanced at such time (together with an amount necessary to pay accrued and unpaid interest and any fees and expenses (including original issue discount, upfront fees or similar fees), including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred or payable in connection with such refinancing) and, in the case of a refinancing of Indebtedness under Facility B (EUR), Facility B (USD) and the ABL Facility, such Indebtedness shall be treated for all purposes as Incurred pursuant to clauses (A)(1), (A)(2) and (A)(3) above, respectively;

(ii) any (A) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary and (B) without limiting the covenant set out under "*—Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such person securing Indebtedness of the Issuer or any Restricted Subsidiary, in each case, so long as the Incurrence of such Indebtedness or other obligations is permitted by the terms of the Indenture;

(iii) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary;

(iv) Indebtedness represented by:

(A) Indebtedness of the Issuer and its Subsidiaries outstanding as of the Acquisition Closing Date or Incurred (or available for Incurrence) under a facility committed or as in effect as of the Acquisition Closing Date (other than any Indebtedness to be refinanced with the proceeds of Facility B and/or the Notes);

(B) the Notes (other than any Additional Notes) and any Notes Guarantees;

(C) Refinancing Indebtedness Incurred in respect of any Indebtedness described in:

(1) this clause (iv);

(2) clause (v)(B) below; or

(3) the first paragraph of this covenant; and

(D) other Indebtedness Incurred to finance Management Advances;

(v) Indebtedness (x) of the Issuer, any Restricted Subsidiary or any person that will be a Restricted Subsidiary or that will be merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary Incurred or issued to finance an acquisition (including an acquisition of any assets), merger, amalgamation or consolidation or similar transaction ("Acquisition Debt") or any capital expenditure or (y) of persons that are, or secured by any assets that are, acquired by the Issuer or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture; in an aggregate amount not to exceed:

(A) an amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (v)(A) and then outstanding, does not exceed the greater of (x) €53.75 million and (y) an amount equal to 25% of LTM EBITDA as of the Applicable Test Date; plus

(B) unlimited additional Indebtedness to the extent that:

(1) after giving effect to such acquisition (including an acquisition of any assets), merger, amalgamation or consolidation or similar transaction or capital expenditure:

(I) if such Indebtedness is Senior Secured Indebtedness, either (x) the Issuer would be permitted to Incur at least €1.00 of additional Indebtedness pursuant to clause (i)(C) above or (y) the Senior Secured Net Leverage Ratio would not increase as a result;

(II) if such Indebtedness constitutes Indebtedness that is Total Secured Debt but is not Senior Secured Indebtedness, either (x) the Issuer would be permitted to Incur at least €1.00 of additional Indebtedness pursuant to clause (i)(D) above; (y) the Total Secured Net Leverage Ratio would not increase as a result or (z) the Fixed Charge Coverage Ratio would not decrease as a result;

(III) if such Indebtedness is not Senior Secured Indebtedness or Total Secured Debt, or is unsecured, either (x) the Issuer would be permitted to Incur at least €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant or clause (i)(E) above; (y) the Total Net Leverage Ratio would not increase as a result or (z) the Fixed Charge Coverage Ratio would not decrease as a result;

(2) in the case of Acquired Indebtedness, such Indebtedness is discharged within six months of such Incurrence or would otherwise constitute Permitted Debt or Indebtedness Incurred pursuant to the first paragraph of this covenant.

(vi) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes as determined in good faith by the Issuer);

(vii) Indebtedness:

(A) represented by (x) Purchase Money Obligations or (y) Capitalized Lease Obligations, mortgage financings or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness either:

(1) Incurred in the ordinary course of business or consistent with past practice; or otherwise

(2) in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (vii)(A)(2) and then outstanding, does not exceed the greater of (x) €107.5 million and (y) an amount equal to 50% of LTM EBITDA as of the Applicable Test Date,

provided that, in each case, the Indebtedness exists on the date of such purchase, lease, rental, construction, design, installation or improvement or is created within 270 days thereafter; or

(B) arising out of Sale and Leaseback Transactions;

(viii) Indebtedness in respect of:

(A) workers' compensation claims, old-age-part-time arrangements, self-insurance obligations, unemployment insurance (including premiums related thereto), other types of social security, pension obligations or partial retirement obligations, vacation pay, health, disability or other employee benefits, customer guarantees performance, indemnity, surety, judgment, appeal, advance payment (including progress premiums), customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred either:

(1) Incurred in the ordinary course of business or consistent with past practice; or otherwise

(2) in an aggregate principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred

pursuant to this sub-clause (viii)(A)(2) and then outstanding, does not exceed the greater of (x) €10.75 million and (y) an amount equal to 5% of LTM EBITDA, as of the Applicable Test Date;

(B) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practice; *provided* that such Indebtedness is extinguished within 45 days of Incurrence;

(C) customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice;

(D) letters of credit, bankers' acceptances, warehouse receipts, guarantees, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes or other similar instruments or obligations issued or relating to liabilities or obligations either:

(1) Incurred in the ordinary course of business or consistent with past practice; or otherwise

(2) in an aggregate principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (viii)(D)(2) and then outstanding, does not exceed the greater of (x) €10.75 million and (y) an amount equal to 5% of LTM EBITDA, as of the Applicable Test Date;

(E) the financing of insurance premiums, take-or-pay obligations contained in supply arrangements, any customary treasury, depositary, cash management, credit card processing, automatic clearinghouse arrangements, overdraft protections, credit or debit card, purchase card, electronic funds transfer, the collection of checks and direct debits, cash pooling or netting or setting off arrangements, operating facilities or similar arrangements either:

(1) Incurred in the ordinary course of business (and in the case of operating facilities, consistent with past practice in scope and nature); or otherwise

(2) Indebtedness Incurred in an aggregate principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (viii)(E)(2) and then outstanding, does not exceed the greater of (x) €32.25 million and (y) an amount equal to 15% of LTM EBITDA, as of the Applicable Test Date;

(F) Indebtedness:

(1) representing deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent Entity, the Issuer or any of its Subsidiaries in the ordinary course of business or consistent with past practice; or

(2) representing deferred consideration or other similar arrangements in connection with any Investment or acquisition permitted hereby;

(G) Indebtedness of any Restricted Subsidiary in respect of any letter of credit or bank guarantee issued in favor of any issuing bank or swingline lender to support any defaulting lender's participation in letters of credit issued, or swingline loans made under any ABL Facility;

(H) Indebtedness of any Restricted Subsidiary supported by any letter of credit issued under any ABL Facility or Revolving Facility;

(I) Indebtedness owed on a short-term basis of no longer than 30 Business Days owed to banks and other financial institutions Incurred in the ordinary course of business or consistent with past practice of the Issuer or any Restricted Subsidiary with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer or any Restricted Subsidiary; and

(J) Settlement Indebtedness;

(ix) Indebtedness arising from agreements providing for Guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case,

Incurred or assumed in connection with the acquisition or disposition of any business or assets or person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Issuer and the Restricted Subsidiaries in respect of all such Indebtedness in connection with a disposition shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and the Restricted Subsidiaries in connection with such disposition;

(x) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (x) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock or otherwise contributed to the equity (in each case, other than through the issuance of Disqualified Stock, Designated Preferred Stock, an Excluded Contribution or a Parent Debt Contribution) of the Issuer, in each case, subsequent to the Acquisition Closing Date, and any Refinancing Indebtedness in respect thereof, *provided* that:

(A) any such Net Cash Proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Issuer and the Restricted Subsidiaries Incur Indebtedness pursuant to this clause (x) in reliance thereon; and

(B) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (x) to the extent such Net Cash Proceeds or cash have been applied to make a Restricted Payment;

(xi) Indebtedness of Restricted Subsidiaries that are not Guarantors and Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of joint ventures in an aggregate amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (xi) and then outstanding, does not exceed the greater of (x) €43.00 million and (y) an amount equal to 20% of LTM EBITDA as of the Applicable Test Date;

(xii) Indebtedness consisting of promissory notes issued by the Issuer or any of the Restricted Subsidiaries to any future, present or former employee, director, manager, contractor or consultant of the Issuer, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, or heirs of such employee, manager, director, contractor or consultant), to finance the purchase or redemption of Capital Stock of the Issuer or any Parent Entity or payment of a transaction bonus that is not prohibited by the covenant described under "*—Limitation on Restricted Payments*";

(xiii) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (xiii) and then outstanding, will not exceed the greater of (x) €107.50 million and (y) an amount equal to 50% of LTM EBITDA as of the Applicable Test Date;

(xiv) Indebtedness Incurred pursuant to factoring financings, securitizations, receivables financings or similar arrangements, in each case, that are:

(A) not recourse to the Issuer and the Restricted Subsidiaries other than a Securitization Subsidiary (except to the extent customary in the good faith determination of the Issuer for such type of arrangement and except for Standard Securitization Undertakings);

(B) outstanding or available for Incurrence as at the Acquisition Closing Date; or

(C) in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (xiv)(C) and then outstanding, does not exceed the greater of (x) €107.50 million and (y) an amount equal to 50% of LTM EBITDA as of the Applicable Test Date;

(xv) any obligation, or guaranty of any obligation, of the Issuer or any Restricted Subsidiary to reimburse or indemnify a person extending credit to customers of the Issuer or a Restricted Subsidiary Incurred in the ordinary course of business or consistent with past practice for all or any portion of the amounts payable by such customers to the person extending such credit;

(xvi) Indebtedness to a customer to finance the acquisition of any equipment necessary to perform services for such customer; *provided* that (A) the repayment of such Indebtedness is conditional upon such customer ordering a specific volume of goods and (B) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;

(xvii) obligations in respect of Disqualified Stock of the Issuer in an amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (xvii) and then outstanding, does not exceed the greater of (x) €32.25 million and (y) an amount equal to 15% of LTM EBITDA as of the Applicable Test Date;

(xviii) Indebtedness of the Issuer or any of the Restricted Subsidiaries arising pursuant to any Permitted Tax Restructuring;

(xix) Indebtedness consisting of local lines of credit, bilateral facilities, overdraft facilities or local working capital facilities in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (xix) and then outstanding, will not exceed the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA;

(xx) [*Reserved*];

(xxi) any declaration of joint and several liability issued for the purpose of section 2:403 of the Dutch Civil Code by any Restricted Subsidiary (and any residual liability under such declaration arising pursuant to section 2:404(2) of the Dutch Civil Code); and

(xxii) any joint and several liability between Restricted Subsidiaries as a result of a fiscal unity for tax purposes.

For purposes of determining compliance with, and without prejudice to the section "*—Financial and Other Calculations*," and the outstanding principal amount of any particular Indebtedness Incurred pursuant to, and in compliance with, this covenant:

(i) subject to clause (ii) below, in the event that all or any portion of any item of Indebtedness (or any portion thereof) meets the criteria of more than one of the categories of Permitted Debt or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and will only be required to include, in any manner that complies with this covenant, the amount and type of such Indebtedness (or any portion thereof) in the first paragraph of this covenant or one of the clauses of the second paragraph of this covenant, and Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(ii) all Indebtedness under Facility B and the ABL Facility in each case outstanding as of the Acquisition Closing Date (and any Refinancing Indebtedness in respect thereof) shall be deemed to have been Incurred pursuant to:

(A) clause (i)(A)(1) of the second paragraph of this covenant, in the case of Indebtedness under Facility B (EUR);

(B) clause (i)(A)(2) of the second paragraph of this covenant, in the case of Indebtedness under Facility B (USD); and

(C) clause (i)(A)(3) of the second paragraph of this covenant, in the case of Indebtedness under the ABL Facility;

and the Issuer shall not be permitted to reclassify all or a portion of such Indebtedness;

(iii) for purposes of determining compliance with this covenant, with respect to Indebtedness Incurred under a Credit Facility, re-borrowings of amounts previously repaid pursuant to a "cash sweep" or "clean down" provisions or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to have been repaid periodically shall only be deemed for the purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent re-borrowing thereof;

(iv) in the case of any Refinancing Indebtedness, when measuring the outstanding amount of such Indebtedness, such amount shall not include any amounts necessary to pay the aggregate amount of accrued and unpaid interest and any fees and expenses (including original issue discount, upfront fees or similar fees), including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred or payable in connection with such refinancing;

(v) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(vi) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to the first or the second paragraph of this covenant and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(vii) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(viii) in the event that the Issuer or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness or commits to Incur any Lien pursuant to clause (cc) of the definition of "Permitted Liens," the Incurrence or issuance thereof for all purposes under the Indenture, including for the purposes of calculating any Applicable Metric for borrowings and reborrowings thereunder (and including issuance and creation of letters of credit and bankers' acceptances thereunder) may be determined, at the Issuer's option (A) on the date of such revolving credit facility or such entry into or increase in commitments or (B) on the date on which such facility or commitments become available or, if applicable, any other Applicable Test Date (assuming, in the case of (A) and (B) of this clause (viii) that the full amount thereof (or, at the option of the Issuer, a portion thereof) has been borrowed as of such date) and, in either case, if any such Applicable Metric is satisfied with respect thereto at such time, any borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be permitted under this covenant irrespective of the Applicable Metric at the time of any borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (viii) but not actually borrowed on such date shall be the "Reserved Indebtedness Amount" as of such date for purposes of the Fixed Charge Coverage Ratio, the Senior Secured Net Leverage Ratio, the Total Secured Net Leverage Ratio or the Total Net Leverage Ratio, as applicable, and, to the extent of any clause of the second paragraph of this covenant (if any), shall be deemed to be Incurred and outstanding under such clauses);

(ix) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness Incurred to refinance Indebtedness initially Incurred in reliance on the first paragraph of this covenant or any clause of the second paragraph of this covenant measured by reference to a percentage of LTM EBITDA as of the Applicable Test Date, if such refinancing would cause the percentage of LTM EBITDA restriction to be exceeded if calculated based on the percentage of LTM EBITDA on the Applicable Test Date of such refinancing, such percentage of LTM EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus the aggregate amount of accrued and unpaid interest and any fees and expenses (including original issue discount, upfront fees or similar fees), including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred or payable in connection with such refinancing; and

(x) except as otherwise specified herein, the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

Accrual and/or capitalization of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares or Preferred Stock or Disqualified Stock or the

reclassification of commitments or obligations not previously treated as Indebtedness due to a change in GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this covenant; *provided* that the amount of any Refinancing Indebtedness in respect of any outstanding Indebtedness may (in the Issuer's sole discretion) be increased by the amount of all such accrued and/or capitalized interest, accreted value, original issue discount and/or additional Indebtedness in respect of such Indebtedness and such Increased Amount will not be deemed to be Indebtedness for the purpose of calculating any basket, permission or threshold under which such Refinancing Indebtedness is permitted to be Incurred.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this covenant, the Issuer shall be in default of this covenant).

For purposes of determining compliance with any restriction on the incurrence of Indebtedness denominated in a given currency, the Currency Equivalent of the aggregate principal amount of Indebtedness (or liquidation preference in the case of Disqualified Stock or Preferred Stock) denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, or, at the option of the Issuer, first committed or first incurred or upon execution of the definitive documentation in respect thereof (whichever yields the lower Currency Equivalent); *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in another currency, and such refinancing would cause the applicable currency denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such currency denominated restriction, as applicable, shall be deemed not to have been exceeded so long as the principal amount (or liquidation preference in the case of Disqualified Stock or Preferred Stock) of such Refinancing Indebtedness does not exceed the principal amount (or liquidation preference in the case of Disqualified Stock or Preferred Stock) set forth in sub-clause (c) of the definition of "Refinancing Indebtedness".

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The Issuer shall not permit any Guarantor to, and no Guarantor shall Incur any Indebtedness that is or purports to be contractually subordinated (either by its terms or the terms of the agreement governing such Indebtedness) in right of payment to any Senior Indebtedness of such Guarantor unless such Indebtedness ranks *pari passu* with such Guarantor's Note Guarantee or is also contractually subordinated (either by its terms or the terms of the agreement governing such Indebtedness) in right of payment to such Guarantor's Note Guarantee; *provided* that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of the Notes or where such ranking or subordination arises as a matter of law; *provided*, *further*, that this limitation shall not apply to distinctions between categories of Senior Indebtedness that exist by reason of any Liens or Guarantees or the ordering of payment for any Liens or by virtue of being secured on a junior-priority basis (including, for the avoidance of doubt, any Indebtedness incurred under the ABL Facility or any asset-backed loan facility or other facility secured on the Collateral on a junior-ranking basis to such Senior Indebtedness); *provided* in addition that and that Indebtedness under a Credit Facility that is Senior Indebtedness of a Guarantor may provide for an ordering of payments among the tranches of such Credit Facility.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of the Restricted Subsidiaries, directly or indirectly, to:

(i) declare or pay any dividend or make any distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any such payment in connection with any merger or consolidation involving the Issuer or any of the Restricted Subsidiaries) except:

(A) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding;

(B) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of the Issuer or any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a pro rata basis); and

(C) dividends or distributions payable to any Parent Entity to fund payments of interest, premia or break costs in respect of Indebtedness of such Parent Entity (or Refinancing Indebtedness thereof) which is Guaranteed by the Issuer or any Restricted Subsidiary or is otherwise considered Indebtedness of the Issuer or any Restricted Subsidiary; *provided* that:

(1) any net proceeds from such Indebtedness are, directly or indirectly, contributed to the equity of the Issuer or any Restricted Subsidiary in any form or otherwise received (including by way of Indebtedness) by the Issuer or any Restricted Subsidiary (a "Parent Debt Contribution");

(2) any net proceeds described in sub-clause (1) above shall be excluded for purposes of increasing the amount available for distribution pursuant to clause (C) of this paragraph below and shall not be Excluded Contributions; and

(3) in the case that any net proceeds described in sub-clause (1) above are contributed to or received by the Issuer or the Restricted Subsidiaries in the form of Indebtedness, there shall be no double-counting of interest paid on such Indebtedness, any proceeds loan relating to such Indebtedness and any dividends or distributions payable to the relevant Parent Entity to fund interest payments in respect of Indebtedness of such Parent Entity;

(ii) purchase, repurchase, redeem, retire or otherwise acquire or retire for value any Capital Stock of the Issuer or any Parent Entity held by persons other than the Issuer or a Restricted Subsidiary other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock) or in exchange for options, warrants or other rights to purchase such Capital Stock of the Issuer;

(iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (A) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (B) any Indebtedness Incurred pursuant to clause (iii) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(iv) make any payment (whether of principal, interest or other amounts) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(v) make any Restricted Investment,

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (i) through (v) above are referred to herein as a "Restricted Payment"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(A) an Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" immediately after giving effect, on a pro forma basis, to such Restricted Payment; or

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments made pursuant to clauses (i) and (xiii)(C) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next paragraph below) would exceed the sum of (without duplication):

(1) 50% of Consolidated Net Income of the Issuer for the period (treated as one accounting period) from the first day of the Financial Quarter in which the Issue Date occurs to the end of the most recent Financial Quarter ending prior to the date of such Restricted Payment for

which internal consolidated financial statements of the Issuer are available, *provided* that the amount taken into account pursuant to this sub-clause (1) shall not be less than zero; plus

(2) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Issuer from the issue or sale of its Subordinated Shareholder Funding or Capital Stock or as the result of a merger or consolidation with another person or otherwise contributed to the equity (in each case other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Issuer subsequent to the Issue Date (other than (I) Subordinated Shareholder Funding or Capital Stock sold to a Subsidiary of the Issuer, (II) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of their employees to the extent funded by the Issuer or any Restricted Subsidiary, (III) cash or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (vi) of the next paragraph, (IV) the Transaction Equity Contribution and (V) Excluded Contributions); plus

(3) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received subsequent to the Issue Date by the Issuer or any Restricted Subsidiary from the issuance or sale (other than (I) Subordinated Shareholder Funding, (II) the Transaction Equity Contribution or (III) Capital Stock sold to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of their employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness, Disqualified Stock or Designated Preferred Stock that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preferred Stock) plus, without duplication, the amount of any cash, and the fair market value of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary upon such conversion or exchange; plus

(4) 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by the Issuer, of marketable securities or other property received subsequent to the Issue Date by the Issuer or any Restricted Subsidiary by means of: (I) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of Restricted Investments made by the Issuer or the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Issuer or the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments by the Issuer or the Restricted Subsidiaries, in each case after the Issue Date; or (II) the sale (other than to the Issuer or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or a dividend from a person that is not a Restricted Subsidiary after the Issue Date (in each case, other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (xvii) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of "Permitted Investment" or clause (xvii) of the next paragraph, as the case may be); plus

(5) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary subsequent to the Issue Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith by the Issuer at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation or consolidation or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged, amalgamated or consolidated or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (xvii) of the next paragraph and will increase the amount available under the

applicable clause of the definition of "Permitted Investment" or clause (xvii) of the next paragraph below, as the case may be; plus

(6) the greater of (x) €53.75 million and (y) an amount equal to 25% of LTM EBITDA.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(i) the payment of any dividend or distribution or any purchase, redemption, defeasance, repurchase, other acquisition or retirement for value, completed within 60 days after the date of declaration or notice thereof, if at the date of declaration or notice such payment would have complied with the provisions of this covenant or the redemption, repurchase or retirement of Indebtedness if, at the date of any redemption or repayment notice, such payment would have complied with the provisions of this covenant as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;

(ii) any:

(A) prepayment, purchase, repurchase, redemption, defeasance or other acquisition, discharge or retirement of Capital Stock of the Issuer (including any accrued and unpaid dividends thereon) ("Treasury Capital Stock") or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Subordinated Shareholder Funding or Capital Stock of the Issuer (other than Disqualified Stock or Designated Preferred Stock) ("Refunding Capital Stock") or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock, the Transaction Equity Contribution or through an Excluded Contribution or a Parent Debt Contribution) of the Issuer; *provided* that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Subordinated Shareholder Funding or Capital Stock or such contribution will be excluded from clause (C)(2) of the first paragraph of this covenant; and

(B) if immediately prior to the retirement of Treasury Capital Stock the declaration and payment of dividends thereon was permitted under sub-clause (xiii) below, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Capital Stock of a Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(iii) any prepayment, purchase, repurchase, exchange, redemption, defeasance, discharge or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*";

(iv) any prepayment, purchase, repurchase, redemption, defeasance, discharge or other acquisition or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*";

(v) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness (other than Subordinated Shareholder Funding) or Disqualified Stock or Preferred Stock of a Restricted Subsidiary:

(A) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of:

(1) a Change of Control (or other similar event described therein as a "change of control"); or

(2) an Asset Disposition (or other similar event described therein as an "asset disposition" or "asset sale"),

but only if (and to the extent required) the Issuer shall have first complied with the provisions of the Indenture that require (I) a Change of Control Offer or (II) an Asset Disposition Offer (other than as provided in clause (iii)(A)(2) or, solely as it relates to this clause (v), clause (iii)(C) of the

first paragraph of the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*") and, in each case all Notes validly tendered by Holders of such Notes in connection with such Change of Control Offer or Asset Disposition Offer, as applicable, have been repurchased, redeemed, acquired or retired for value; or

(B) consisting of Acquired Indebtedness, other than Indebtedness Incurred:

(1) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary; or

(2) otherwise in connection with or contemplation of such acquisition;

(vi) a Restricted Payment to pay for the repurchase, redemption, prepayment, purchase, defeasance, cancellation, retirement or other acquisition or retirement for value of Capital Stock (including any options, warrants or other rights in respect thereof) (other than Disqualified Stock) or Subordinated Shareholder Funding of the Issuer or any Parent Entity held by any future, present or former employee, director, manager, or consultant of the Issuer, any of its Subsidiaries or any Parent Entity (or permitted transferees, assigns, estates, trusts or heirs of such employee, director, manager, contractor or consultant); *provided* that the aggregate Restricted Payments made under this clause (vi) do not exceed (x) the greater of (I) €16.13 million and (II) an amount equal to 7.5% of LTM EBITDA in any calendar year (with unused amounts in any calendar year being carried forward to succeeding calendar years) or (y) subsequent to the consummation of an Initial Public Offering of common stock of any IPO Entity, the greater of (I) €32.25 million and (II) an amount equal to 15% of LTM EBITDA in any calendar year (with unused amounts in any calendar year being carried forward to succeeding calendar years); *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed

(A) the cash proceeds from the issuance or sale of Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preferred Stock, any Transaction Equity Contribution or Excluded Contributions) of the Issuer and, to the extent contributed to the capital of the Issuer or any Parent Entity (other than through the issuance of Disqualified Stock or Designated Preferred Stock, the Transaction Equity Contribution or an Excluded Contribution), Subordinated Shareholder Funding or Capital Stock of any Parent Entity, in each case to members of management, directors, managers or consultants of the Issuer, any of its Subsidiaries or any Parent Entity that occurred after the Issue Date, to the extent the cash proceeds from the sale of such Capital Stock or Subordinated Shareholder Funding have not otherwise been applied to the payment of Restricted Payments by virtue of clause (C) of the first paragraph of this covenant; *plus*

(B) the cash proceeds of key man life insurance policies received by the Issuer, the Restricted Subsidiaries or any Parent Entity (to the extent contributed to the Issuer or any Restricted Subsidiary) after the Issue Date,

provided, *further*, that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by sub-clauses (A) and (B) of this clause (vi) in any calendar year. In addition, cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any future, present or former members of management, directors, managers, employees, contractors or consultants of the Issuer or Restricted Subsidiaries or any Parent Entity in connection with a repurchase of Capital Stock of the Issuer or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(vii) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(viii) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise, conversion or exchange of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof or withholding or similar taxes in respect thereof and payments in respect of withholding or similar taxes payable upon exercise or vesting thereof;

(ix) dividends, loans, advances or distributions to any Parent Entity or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(A) the amounts required for any Parent Entity to pay any Parent Entity Expenses or any Related Taxes;

(B) any Permitted Tax Distribution;

(C) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (ii), (iii), (v), (xi), (xii) and (xvii)(A) (but only in respect of the parenthetical thereto) of the second paragraph of the covenant described under "*—Limitation on Affiliate Transactions*", *provided* that any such dividends, loans, advances or distributions to make payments in respect of annual management fees specified in clause (xi)(A) of the second paragraph under "*—Limitation on Affiliate Transactions*" and made pursuant to this sub-clause (C) shall not exceed in aggregate, the greater of (x) €10.75 million and (y) an amount equal to 5% of LTM EBITDA in any Financial Year; and

(D) up to the greater of (x) €16.13 million and (y) an amount equal to 7.5% of LTM EBITDA in any Financial Year;

(x) the declaration and payment of dividends on, or the purchase, redemption, defeasance or other acquisition or retirement for value of, the Capital Stock, common stock or common equity interests of the Issuer, any Parent Entity or any IPO Entity following a Public Offering of such Capital Stock, common stock or common equity interests following the Issue Date; *provided* that the aggregate amount of all such dividends or distributions shall not exceed the greater of:

(A) up to 6% per annum of the amount of Net Cash Proceeds received by the Group or contributed to the Issuer's common equity by any Parent Entity or any IPO Entity from any such public offering, other than public offerings with respect to the Issuer's, any Parent Entity's or any IPO Entity's common equity registered on Form S-8, other than issuances to any Subsidiary of the Issuer and other than any public sale constituting an Excluded Contribution; and

(B) an aggregate amount per annum not to exceed 7% of the greater of Market Capitalization or IPO Market Capitalization;

(xi) payments by the Issuer, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Issuer or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock; *provided* that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Issuer);

(xii) Restricted Payments that are made (A) in an amount that does not exceed the aggregate amount of (x) Excluded Contributions, or (y) non-cash Excluded Contributions, in each case, received by the Issuer or any Restricted Subsidiary after the Issue Date or (B) without duplication with the immediately preceding sub-clause (A) and without double counting any such cash proceeds that otherwise increase amounts available under clause (C) of the first paragraph of this covenant, in an amount not to exceed the cash proceeds from a sale, conveyance, transfer or other disposition in respect of property or assets acquired after the Issue Date, if the acquisition of such property or assets was financed with Excluded Contributions;

(xiii) the declaration and payment of dividends:

(A) on Designated Preferred Stock of the Issuer issued after the Issue Date;

(B) to a Parent Entity in an amount sufficient to allow the Parent Entity to pay dividends to holders of its Designated Preferred Stock issued after the Issue Date; and

(C) on Refunding Capital Stock that is Preferred Stock issued after the Issue Date in excess of the dividends declarable and payable thereon pursuant to clause (ii) of the second paragraph of this covenant; *provided* that:

(1) in the case of sub-clauses (A) and (B) above, the amount of all dividends declared or paid to a person pursuant to such clauses shall not exceed the cash proceeds received by the Issuer or the aggregate amount contributed as Subordinated Shareholder Funding or in cash to the

equity of the Issuer (other than through the issuance of Disqualified Stock or an Excluded Contribution or a Parent Debt Contribution of the Issuer), from the issuance or sale of such Designated Preferred Stock; and

(2) in the case of sub-clauses (A), (B) and (C) above, as at the Applicable Test Date, after giving effect to such payment on a pro forma basis the Issuer would be permitted to Incur at least €1.00 of additional Indebtedness pursuant to the test set forth in the first paragraph of the covenant described under "*—Limitation on Indebtedness*";

(xiv) distributions, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock, of equity interests in, or Indebtedness owed to the Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, substantially all the assets of which are cash and Cash Equivalent Investments), or proceeds thereof;

(xv) distributions or payments of Securitization Fees, sales contributions and other transfers of Securitization Assets or Receivables Assets and purchases of Securitization Assets or Receivables Assets pursuant to a Securitization Repurchase Obligation, in each case in connection with a Qualified Securitization Financing or Receivables Facility;

(xvi) any Restricted Payment made in connection with the Transaction (including those Restricted Payments contemplated by the final tax structure memorandum prepared in connection with the Transaction (other than any exit steps described therein) and compensation arising from an indemnity claim or other claim under the Acquisition Agreement) and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto or used to fund amounts owed to Affiliates in connection with the Transaction (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts);

(xvii) so long as no Event of Default is continuing:

(A) any Restricted Payments (including loans or advances):

(1) up to the greater of (x) €86.00 million and (y) an amount equal to 40% of LTM EBITDA; plus

(2) in an amount equal to any Declined Proceeds; plus

(B) any Restricted Payments (including loans or advances), so long as immediately after giving pro forma effect to the payment of any such Restricted Payment and the Incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, either:

(1) the Total Net Leverage Ratio shall be no greater than 6.00:1.00;

(2) in the case that the Total Net Leverage Ratio exceeds 6.00:1.00, the Total Secured Net Leverage Ratio shall be no greater than 6.75:1.00, and 50% of such Restricted Payment shall be funded from the Available Amount (without double counting) at the time of such Restricted Payment; or

(3) in the case that the Total Net Leverage Ratio exceeds 6.75:1.00, 100% of such Restricted Payment shall be funded from the Available Amount (without double counting) at the time of such Restricted Payment;

(xviii) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment;

(xix) so long as no Event of Default is continuing, the redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Restricted Subsidiary:

(A) in an aggregate amount at the time redeemed, defeased, repurchased, exchanged or otherwise acquired or retired not to exceed the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA; plus

(B) such that immediately after giving pro forma effect to the payment of any such Restricted Payment and the redemption, defeasance, repurchase, exchange or other acquisition or retirement of any such Subordinated Indebtedness, either;

(1) the Total Net Leverage Ratio shall be no greater than 6.75:1.00;

(2) in the case that the Total Net Leverage Ratio exceeds 6.75:1.00, the Total Net Leverage Ratio shall be no greater than 7.25:1:00, and 50% of such Restricted Payment shall be funded from the Available Amount (without double counting) at the time of such Restricted Payment; or

(3) in the case that the Total Net Leverage Ratio exceeds 7.25:1.00 and 100% of such Restricted Payment shall be funded from the Available Amount (without double counting) at the time of such Restricted Payment;

(xx) payments or distributions to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Issuer and the Restricted Subsidiaries, taken as a whole, that complies with the covenants described under "*—Merger and Consolidation*";

(xxi) Restricted Payments to a Parent Entity to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Issuer, *provided* that:

(A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment;

(B) such Parent Entity shall, promptly following the closing thereof, cause:

(1) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Issuer or one of the Restricted Subsidiaries; or

(2) the merger or amalgamation of the person formed or acquired into the Issuer or one of the Restricted Subsidiaries (to the extent not prohibited by the covenant described under "*—Merger and Consolidation*") to consummate such Investment;

(C) such Parent Entity and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture;

(D) any property received by the Issuer shall not increase amounts available for Restricted Payments pursuant to clause (C)(2) of the first paragraph or clauses (ii) or (vi) of this paragraph or be deemed to be an Excluded Contribution or a Parent Debt Contribution; and

(E) such Investment shall be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to another provision of this covenant (other than pursuant to clause (xxi) hereof) or pursuant to the definition of "Permitted Investments" (other than pursuant to clause (l) thereof);

(xxii) any dividends, repayments of equity, reductions of capital or any other distribution by the Issuer or any Restricted Subsidiary to any other company or Parent Entity (i) that is a member of the same fiscal unity for corporate income tax, trade tax or value added tax or similar purposes, or (ii) a limited partner of a company pursuant to sub-clause (i) to the extent required to cover Taxes on a consolidated basis on behalf of the Group;

(xxiii) any Restricted Payment to repay any equity injected into the Group on or around the Acquisition Closing Date in an amount equal to any post-closing purchase price adjustment payment received by the Group;

(xxiv) so long as no Event of Default is continuing, Restricted Payments of amounts deemed to not constitute Excess Proceeds pursuant to the second paragraph of the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*";

(xxv) Restricted Payments in an amount not to exceed the aggregate amount of the Closing Overfunding; and

(xxvi) any dividends, repayments of equity, reductions of capital, loans or any other distribution (a "tax distribution") by the Issuer or any Restricted Subsidiary to any Parent Entity that is a member of the same fiscal unity (*steuerliche Organschaft*) for German corporate income tax and trade tax purposes; *provided* that:

(A) where payments under a German fiscal unity are required to be made by any Parent Entity to cover Taxes on a consolidated basis on behalf of the Group, a tax distribution shall be made in cash to such Parent Entity in accordance with the definition of Permitted Tax Distribution; and

(B) the remainder of such tax distribution in excess of the amount permitted pursuant to clause (A) above shall not be paid to such Parent Entity in cash but instead be converted into an intercompany loan made by such Parent Entity to the Issuer which constitutes Subordinated Liabilities, save to the extent otherwise agreed by the Agent.

For purposes of determining compliance with this covenant and without prejudice to the section "*—Financial and Other Calculations*," in the event that a Restricted Payment (or portion thereof) (i) meets the criteria of more than one of the categories of Permitted Payments described in the second paragraph of this covenant, and/or (ii) is permitted pursuant to the first paragraph of this covenant and/or (iii) constitutes a Permitted Investment, the Issuer will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as a Permitted Investment.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the Applicable Test Date of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment, property or assets other than cash shall be determined conclusively by the Issuer acting in good faith.

Unrestricted Subsidiaries may use value transferred from the Issuer and the Restricted Subsidiaries in a Permitted Investment or a Restricted Investment not prohibited under this covenant to purchase or otherwise acquire Indebtedness or Capital Stock of the Issuer, any Parent Entity or any of the Issuer's Restricted Subsidiaries, and to transfer value to the holders of the Capital Stock or any Parent Entity and to Affiliates thereof, and such purchase, acquisition, or transfer will not be deemed to be a "direct or indirect" action by the Issuer or the Restricted Subsidiaries.

Limitation on Liens

The Issuer will not, and the Issuer will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Issuer), and the Parent will not, directly or indirectly, create, incur, or suffer to exist any Lien upon the Charged Property owned by it, in each case, whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "Initial Lien"), except:

(i) in the case of any property or asset that does not constitute Charged Property:

(A) Permitted Liens; or

(B) Liens on property or assets that are not Permitted Liens if obligations under the Notes and the Indenture are directly secured equally and rateably with, prior to in the case of Subordinated Indebtedness, or, in the case of Liens with respect to Senior Indebtedness (at the Issuer's option), junior to, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured; and

(ii) in the case of any property or asset that constitutes Charged Property, Permitted Collateral Liens.

Any Lien created in favor of the Notes pursuant to sub-clause (i)(B) of the first paragraph of this covenant will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth in the Indenture, the Intercreditor Agreement and/or under the relevant Transaction Security Document.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "*Increased Amount*" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any of the Restricted Subsidiaries to, make any Asset Disposition unless:

(i) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Issuer, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(ii) in any such Asset Disposition, or series of related Asset Dispositions, with a purchase price in excess of the greater of (x) €32.25 million and (y) an amount equal to 15% of LTM EBITDA, except in the case of a Permitted Asset Swap, at least 75% of the consideration for such Asset Disposition, together with all other Asset Dispositions since the Issue Date (on a cumulative basis), received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalent Investments; and *provided* that the amount of:

(A) the greater of the principal amount and the carrying value of any liabilities (as reflected on the Issuer's or such Restricted Subsidiary's most recent consolidated balance sheet or in the footnotes thereto or, if Incurred or increased subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Issuer's or such Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or increase had taken place on or prior to the date of such balance sheet, as determined by the Issuer) of the Issuer or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Notes, that are (1) assumed by the transferee of any such assets (or a third party in connection with such transfer) pursuant to a written agreement which releases or indemnifies the Issuer or such Restricted Subsidiary from such liabilities or (2) otherwise cancelled or terminated in connection with the transaction;

(B) any securities, notes or other obligations or assets received by the Issuer or such Restricted Subsidiary from such transferee that are converted or reasonably expected by the Issuer acting in good faith to be converted by Issuer or such Restricted Subsidiary into Cash Equivalent Investments (to the extent of the Cash Equivalent Investments received or expected to be received) or by their terms are required to be satisfied for Cash Equivalent Investments within 180 days following the closing of such Asset Disposition; and

(C) any Designated Non-Cash Consideration received by the Issuer or such Restricted Subsidiary in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (C) that is at that time outstanding, not to exceed the greater of (x) €53.75 million and (y) an amount equal to 25% of LTM EBITDA at the time of the receipt of such Designated Non-Cash Consideration (or, at the Issuer's option, at the time of contractually agreeing to such Asset Disposition), with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall each be deemed to be Cash Equivalent Investments for purposes of this provision and for no other purpose; and

(iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied, to the extent the Issuer or any Restricted Subsidiary, as the case may be, elects (at its sole discretion):

(A) to prepay, repay or purchase:

(1) any Senior Indebtedness; and/or

(2) any other Permitted Debt (*provided* that such application would comply with the covenant described under "*—Limitation on Restricted Payments*"),

(in each case, other than Indebtedness owed to the Issuer or any Restricted Subsidiary);

(B) to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary equal to the amount of Net Available Cash received by the Issuer or another Restricted Subsidiary); and/or

(C) to make any Restricted Payment or Permitted Payment permitted to be made under the covenant described under "*—Limitation on Restricted Payments*" or any Permitted Investment,

in each case, within 635 days from the later of (1) the date of such Asset Disposition and (2) the receipt of such Net Available Cash; *provided* that:

(1) in connection with any prepayment, repayment or purchase of Indebtedness pursuant to sub-clause (iii)(A) above, the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (other than in the case of any asset-based credit facility (including the ABL Facility) or any revolving credit facility (including a Revolving Facility)) to be reduced in an amount equal to the principal amount so prepaid, repaid or purchased;

(2) a binding commitment or letter of intent entered into not later than such 635th day shall be treated as a permitted application of the Net Available Cash from the date of such commitment or letter of intent so long as the Issuer, or such Restricted Subsidiary, enters into such commitment or letter of intent with the good faith expectation that such Net Available Cash will be applied to satisfy such commitment or letter of intent within the later of such 635th day and 180 days of such commitment or letter of intent (an "*Acceptable Commitment*") or, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Available Cash is applied in connection therewith, the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment (a "Second Commitment") within 180 days of such cancellation or termination; *provided*, *further*, that if any Second Commitment is later cancelled or terminated for any reason before such Net Available Cash is applied, then such Net Available Cash shall constitute Excess Proceeds; and

(3) pending the final application of the amount of any such Net Available Cash in accordance with sub-clauses (iii)(A) to (iii)(C) above or otherwise in accordance with this covenant, the Issuer and the Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise use such Net Available Cash in any manner not prohibited by the Indenture.

The following amount of Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the first paragraph of this covenant will be deemed to constitute "*Excess Proceeds*" under the Indenture:

(i) if the Senior Secured Net Leverage Ratio as at the Applicable Test Date in respect of the relevant Asset Disposition exceeds 4.65:1.00 on a pro forma basis, 100% of the Net Available Cash from such Asset Disposition; or

(ii) if the Senior Secured Net Leverage Ratio as at the Applicable Test Date in respect of the relevant Asset Disposition exceeds 4.40:1.00 but does not exceed 4.65:1.00 on a pro forma basis, 50% of the Net Available Cash from such Asset Disposition; or

(iii) if the Senior Secured Net Leverage Ratio as at the Applicable Test Date in respect of the relevant Asset Disposition does not exceed 4.40:1.00 on a pro forma basis, 0% of the Net Available Cash from such Asset Disposition; *provided* that:

(A) to the extent the Issuer or any Restricted Subsidiary has elected to prepay, repay or purchase any amount of Notes or other Pari Passu Indebtedness at a price of no less than 100% of the principal amount thereof, to the extent the creditors in respect of such Pari Passu Indebtedness (including the Holders) elect not to tender their Pari Passu Indebtedness for such prepayment, repayment or purchase, the Issuer will be deemed to have applied an amount of Net Available Cash equal to such amount not tendered under this clause (A), and such amount shall not increase the amount of Excess Proceeds (such amount, together with the aggregate amount described under the fourth paragraph of this covenant, the "Declined Proceeds"); and

(B) for the avoidance of doubt, Net Available Cash that will not constitute Excess Proceeds pursuant to clause (ii) or (iii) of this paragraph above shall be immediately available to the Group for any purposes permitted by the Indenture, including to make Restricted Payments in accordance with clause (xxiv) of the second paragraph of the covenant described under "*—Limitation on Restricted Payments*," without regard to the periods specified in clause (iii) of the first paragraph of this covenant.

On the 636th day (or such longer period permitted by the first paragraph of this covenant) after the later of an Asset Disposition or the receipt of such Net Available Cash, if the aggregate amount of Excess Proceeds under this covenant exceeds the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA in a single transaction, the Issuer will within 10 Business Days make an offer (an "Asset Disposition Offer") to all Holders of the Notes and, if required or permitted by the terms of any other Pari Passu Indebtedness, to the holders or lenders of such Pari Passu Indebtedness, to purchase the maximum aggregate principal amount (or accreted value, as applicable) of the Notes and such Pari Passu Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to (i) in the case of the Notes, 100% of the principal amount thereof (or accreted value, if less), plus accrued and unpaid interest, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture, and (ii) in the case of such other Pari Passu Indebtedness, the offer price required by the terms thereof, in accordance with the procedures set forth in the agreement(s) governing such Pari Passu Indebtedness.

The Issuer may satisfy the foregoing obligations with respect to any Net Available Cash from an Asset Disposition by making an Asset Disposition Offer with respect to such Net Available Cash prior to the expiration of the relevant 635 days (or such longer period provided above) (the "Asset Disposition Offer Period") with respect to all or part of the Net Available Cash (the "Advance Portion") in advance of being required to do so by the Indenture (an "*Advance Offer*").

If the aggregate principal amount (or accreted value, if applicable) of Notes tendered and other Pari Passu Indebtedness, as the case may be, surrendered by such holders or lenders thereof exceeds the amount offered in the Asset Disposition Offer (or in the case of an Advance Offer, the Advance Portion), the Issuer shall prepay, repay or purchase the Notes and such Pari Passu Indebtedness, as the case may be, on a *pro rata* basis (or otherwise in accordance with the Relevant Clearing System) based on the aggregate principal amount (or accreted value, if applicable) of the Notes or such Pari Passu Indebtedness, as the case may be, tendered with adjustments as necessary so that no Notes or Pari Passu Indebtedness, as the case may be, will be repurchased in part in an unauthorized denomination. Upon completion of any such Asset Disposition Offer (or Advance Offer), the amount of Excess Proceeds that resulted in the requirement to make an Asset Disposition Offer shall be reset to zero (regardless of whether there are any remaining Excess Proceeds upon such completion). Upon consummation or expiration of any Asset Disposition Offer, any remaining Net Available Cash shall not be deemed Excess Proceeds and the Issuer may use such Net Available Cash for any purpose not prohibited by the Indenture.

To the extent that the aggregate amount (or accreted value, if applicable) of Notes and Pari Passu Indebtedness, as the case may be, tendered pursuant to an Asset Disposition Offer is less than the amount offered in the Asset Disposition Offer (or, in the case of an Advance Offer, the Advance Portion), the Issuer may use any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) for any purposes not otherwise prohibited under the Indenture.

Notwithstanding the foregoing provisions of this covenant, to the extent that (x) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) is prohibited or delayed by applicable local law (including financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors or managers), (y) a distribution of any or all of the Net Available Cash of any Asset Disposition by a Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) could result in material adverse Tax consequences, as determined by the Issuer in its sole discretion, or (z) a contribution or distribution of any or all of the Net Available Cash of any Asset Disposition by a Subsidiary to the Issuer or to a Restricted Subsidiary (to the extent necessary to comply with this covenant) is subject to a contractual encumbrance or restriction affecting the distribution and such encumbrance or restriction is not prohibited by the covenant described under "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*", the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant.

An Asset Disposition Offer or Advance Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Indenture, the Notes and/or the Note Guarantees (but the Asset Disposition Offer or Advance Offer may not condition tenders on the delivery of such consents).

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with

the repurchase of the Notes pursuant to an Asset Disposition Offer or an Advance Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof. The Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The provisions under the Indenture related to the Issuer's obligation to make an offer to repurchase the Notes as a result of an Asset Disposition may be waived or modified with the written consent of the Holders of a majority in principal amount of all the then outstanding Notes.

For the purposes of calculating the principal amount of any such indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amount into its Euro Equivalent amount determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period.

The Senior Term Facilities Agreement and the ABL Facility Agreement may prohibit or limit, and future credit agreements or other agreements to which the Issuer or another member of the Group becomes a party may prohibit or limit, the Issuer from purchasing any Notes pursuant to this covenant. In the event the Issuer is prohibited from purchasing the Notes, the Issuer could seek the consent of the lenders under such agreements to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default (subject to the relevant grace periods and other provisions described under "*—Events of Default*" below) under the Indenture.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any Restricted Subsidiary to, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "*Affiliate Transaction*") involving aggregate value in excess of the greater of (x) €21.50 million and (y) an amount equal to 10% of LTM EBITDA unless:

(i) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a person who is not such an Affiliate; and

(ii) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of (x) €32.25 million and (y) an amount equal to 15% of LTM EBITDA, the terms of such Affiliate Transaction have been approved by a majority of the members of the Board of Directors of the Issuer; *provided* that any Affiliate Transaction shall also be deemed to have satisfied the requirements set forth in this clause (ii) if such Affiliate Transaction is approved by a majority of the Disinterested Directors of the Issuer, if any.

The provisions of the preceding paragraph will not apply to:

(i) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*" or any Permitted Investment;

(ii) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans, transaction bonuses or transaction-related securities repurchase plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors, managers or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business or consistent with past practice;

(iii) any Management Advances and any waiver or transaction with respect thereto;

(iv) any:

(A) transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries; and

(B) merger, amalgamation or consolidation with any Parent Entity; *provided* that such Parent Entity shall have no material liabilities and no material assets other than cash, Cash Equivalent Investments and the Capital Stock of the Issuer and such merger, amalgamation or consolidation is otherwise not prohibited under the Indenture;

(v) the payment of compensation, fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, managers, officers, contractors, consultants, distributors or employees of the Issuer, any Parent Entity or any Restricted Subsidiary (whether directly or indirectly and including through any Controlled Investment Affiliate of such directors, managers, officers, contractors, consultants, distributors or employees);

(vi) the entry into and performance of obligations of the Issuer or any of the Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Acquisition Closing Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders (taken as a whole) in any material respect;

(vii) any transaction effected as part of a Qualified Securitization Financing or Receivables Facility, any disposition or repurchase of Securitization Assets, Receivables Assets or related assets in connection with any Qualified Securitization Financing or Receivables Facility;

(viii) transactions with customers, clients, joint venture partners, suppliers, contractors, distributors or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent with past practice, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(ix) any transaction in the ordinary course of business or consistent with past practice between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity which would constitute an Affiliate Transaction solely:

(A) because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in, or otherwise controls such Affiliate, Associate or similar entity; or

(B) due to the fact that a director or manager of such person is also a director or manager of the Issuer or any direct or indirect Parent Entity of the Issuer (*provided* that such director abstains from voting as a director of the Issuer or such direct or indirect Parent Entity of the Issuer, as the case may be, on any matter involving such other person);

(x) any:

(A) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding and the granting of registration and other customary rights (and the performance of the related obligations) in connection therewith or any contribution to capital of the Issuer or any Restricted Subsidiary; and

(B) amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable; *provided* that such Subordinated Shareholder Funding, as amended or otherwise modified, will continue to satisfy the requirements described in the definition of Subordinated Shareholder Funding;

(xi) any:

(A) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly), including to its affiliates or its designees, of annual management, consulting, monitoring, refinancing, transaction, subsequent transaction exit fees, advisory fees and related costs and reasonable expenses and indemnitees in connection therewith and any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an Initial Public Offering); and

(B) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital markets transactions, acquisitions or divestitures; and

(C) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly), including to its affiliates or its designees, of fees, costs and expenses reflected in the funds flow memorandum in connection with the Transaction or as described in the offering memorandum,

which are, in the case of each of sub-clauses (A) and (B) only, approved by a majority of the Board of Directors of the Issuer in good faith;

(xii) payment to any Permitted Holder of all out-of-pocket expenses incurred by such Permitted Holder in connection with its direct or indirect investment in the Issuer and its Subsidiaries;

(xiii) the Transaction and the payment of all costs and expenses (including all legal, accounting and other professional fees and expenses) related to the Transaction;

(xiv) transactions in which the Issuer or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that either (x) such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or (y) that such transaction meets the requirements of clause (i) of the first paragraph of this covenant;

(xv) the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under the terms of, any equity holders agreement (including any registration rights agreement or purchase agreements related thereto) to which it is party as of the Acquisition Closing Date and any similar agreement that it may enter into thereafter; *provided* that the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under any future amendment to the equity holders' agreement or under any similar agreement entered into after the Acquisition Closing Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders (taken as a whole) in any material respect as determined in good faith by the Issuer;

(xvi) any purchases by the Issuer's Affiliates of Indebtedness or Disqualified Stock of the Issuer or any of the Restricted Subsidiaries the majority of which Indebtedness or Disqualified Stock is purchased by persons who are not the Issuer's Affiliates; *provided* that such purchases by the Issuer's Affiliates are on the same terms as such purchases by such persons who are not the Issuer's Affiliates;

(xvii) any:

(A) Investments by Affiliates in securities of the Issuer or any of the Restricted Subsidiaries (and payment of reasonable out-of-pocket expenses Incurred by such Affiliates in connection therewith) so long as the Investment is being offered by the Issuer or such Restricted Subsidiary generally to other non-affiliated third party investors on the same or more favorable terms; and

(B) payments to Affiliates in respect of securities of the Issuer or any of the Restricted Subsidiaries contemplated in sub-clause (A) above or that were acquired from persons other than the Issuer and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities;

(xviii) payments by any Parent Entity, the Issuer and/or the Restricted Subsidiaries pursuant to any tax sharing agreements or other equity agreements in respect of Related Taxes among any such Parent Entity, the Issuer and/or the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Issuer and its Subsidiaries;

(xix) payments, Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Issuer and the Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted

Subsidiary to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any of its Parent Entities pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement; and any employment agreements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, managers, officers, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) that are, in each case, approved by the Issuer in good faith;

(xx) employment and severance arrangements between the Issuer or the Restricted Subsidiaries and their respective officers, directors, managers, contractors, consultants, distributors and employees in the ordinary course of business or consistent with past practice, or entered into in connection with or as a result of the Transaction;

(xxi) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of the disposition of assets or Capital Stock in any Restricted Subsidiary permitted under the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock" or entered into with any Business Successor, in each case, that the Issuer determines in good faith is either fair to the Issuer or otherwise on customary terms for such type of arrangements in connection with similar transactions;

(xxii) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under "*—Designation of Restricted and Unrestricted Subsidiaries*" and pledges of Capital Stock of Unrestricted Subsidiaries;

(xxiii) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer that is not a Restricted Subsidiary, as lessor, which is approved by a majority of the members of the Board of Directors of the Issuer;

(xxiv) intellectual property licenses in the ordinary course of business or consistent with past practice;

(xxv) payments to or from, and transactions with, any joint venture, including for the avoidance of doubt, the entry into, and performance of obligations and related services under, any management services agreement or any licensing agreement with regards to any existing or future joint venture, in the ordinary course of business or consistent with past practice (including any cash management activities related thereto);

(xxvi) any participation in a public tender or exchange offer for securities or debt instruments issued by the Issuer or any of its Restricted Subsidiaries that provides for the same price or exchange ratio, as the case may be, to all holders accepting such tender or exchange offer;

(xxvii) the entry into, and performance of obligations and related services under, any registration rights or other listing agreement;

(xxviii) the payment of costs and expenses related to registration rights and customary indemnities provided to shareholders under any shareholder agreement; and

(xxix) any Permitted Tax Restructuring.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary;

(ii) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(iii) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary, *provided* that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to

dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(i) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Term Facilities and the ABL Facility) and any security documents related thereto, (b) the Intercreditor Agreement and any Additional Intercreditor Agreement and (c) any other agreement or instrument, in each case, in effect at or entered into on or prior to the Acquisition Closing Date;

(ii) any encumbrance or restriction pursuant to the Indenture and any other Note Documents;

(iii) any encumbrance or restriction pursuant to applicable law, rule, regulation or order;

(iv) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary or entered into in contemplation of or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause, if another Person is the Successor Company (as defined below), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Company;

(v) any encumbrance, restriction or condition: (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement; (B) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements; (C) contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of the Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary; or (D) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;

(vi) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired;

(vii) any encumbrance or restriction imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of the Issuer or any Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(viii) customary provisions in leases, licenses, shareholder agreements, joint venture agreements and other similar agreements, organizational documents and instruments;

(ix) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation, licensing requirement or order, or required by any regulatory authority;

(x) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business or consistent with past practice;

(xi) any encumbrance or restriction pursuant to Hedging Obligations;

(xii) restrictions created in connection with any Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Issuer, are necessary or advisable to effect such Securitization Facility or Receivables Facility;

(xiii) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the covenant described under "*—Limitation on Indebtedness*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders (taken as a whole) than (i) the encumbrances and restrictions contained in (A) the Senior Secured Facilities Agreements or the Indenture, together with any security documents associated therewith, and (B) the Intercreditor Agreement, in each case, as in effect on the Issue Date (or the closing date of the respective Senior Secured Facilities Agreements (as applicable)) or (ii) as is customary in comparable financings (as determined in good faith by the Issuer) and where, in the case of this sub-clause (ii), either (x) the Issuer determines at the time of entry into such agreement or instrument that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes or (y) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument, or (b) constituting an Additional Intercreditor Agreement;

(xiv) any encumbrance or restriction existing by reason of any lien permitted under the covenant described under "*—Limitation on Liens*"; or

(xv) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (i) to (xiv) of this paragraph or this clause (xv) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clauses (i) to (xiv) of this paragraph or this clause (xv); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Issuer).

Designation of Restricted and Unrestricted Subsidiaries

The Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Issuer and the Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments pursuant to the covenant described under "*—Limitation on Restricted Payments*" or under one or more clauses of the definition of "*Permitted Payments*" or "*Permitted Investments*," as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee on the date of such designation by delivering to the Trustee an Officer's Certificate certifying that such designation complies with the preceding conditions and was permitted by the covenant described under "*—Limitation on Restricted Payments*."

If the designation of any Restricted Subsidiary as an Unrestricted Subsidiary fails to meet the requirements set out in the preceding paragraph, such Subsidiary shall not be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by it as a Restricted Subsidiary as of such date and, if such Indebtedness is prohibited from being Incurred as of such date under the covenant described under "*—Limitation on Indebtedness*," the Issuer will be in default of such covenant.

The Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is not prohibited under the covenant described under "*—Limitation on Indebtedness*" (including pursuant to clause (v) of the second paragraph thereof treating such redesignation as an acquisition for the purpose of such clause), calculated on a pro forma basis as at the Applicable Test Date; and (2) no Event of Default would be in existence immediately following such designation. Any designation of an Unrestricted Subsidiary as a Restricted Subsidiary by the Issuer shall be evidenced to the Trustee by delivering to the Trustee an Officer's Certificate certifying that such designation complies with the preceding conditions.

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports following the Issue Date:

(1) within 120 days (or if such day is not a Business Day, on the next succeeding Business Day) after the end of each fiscal year of the Issuer (or, in the case of the first fiscal year ending after the Issue Date, 150 days), annual reports containing: (i) the audited consolidated balance sheet of the Issuer as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (ii) an operating and financial review of the audited financial statements, including a discussion of the consolidated financial condition, results of operations, EBITDA and material changes in liquidity and capital resources of the Issuer; (iii) unaudited pro forma income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Acquisition) that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such pro forma information has been provided in a previous report pursuant to clauses (2) or (3) of the first paragraph of this covenant); *provided* that such pro forma financial information will be provided only to the extent reasonably available and without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iv) a brief description of the business, management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments and (v) a summary description of any changes to risk factors that would be material and material recent developments; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the audited financial statements;

(2) within 60 days (or if such day is not a Business Day, on the next succeeding Business Day) after the end of each of the first three fiscal quarters in each fiscal year of the Issuer (or, in the case of the first three such fiscal quarters ending after the Issue Date, 90 days), commencing with the quarter ending after the Issue Date, quarterly financial statements containing the following information: (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) unaudited pro forma income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Acquisition) that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates (unless such pro forma information has been provided in a previous report pursuant to this clause (2) or clause (3) of the first paragraph of this covenant); *provided* that such pro forma financial information will be provided only to the extent reasonably available and without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, EBITDA and material changes in liquidity and capital resources of the Issuer and (iv) material recent developments; *provided* that the information described in clause (iv) may be provided in the footnotes to the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the

Restricted Subsidiaries, taken as a whole, or a change in a senior executive officer of the Issuer or a change in auditors of the Issuer, a report containing a description of such event.

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

All financial statement information (excluding, for the avoidance of doubt, the calculations made under any incurrence covenant, which shall be prepared in accordance with the terms of the Indenture) shall be on a basis consistent with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in GAAP, present earlier periods on a basis that applied to such periods. No report need include separate financial statements for any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. GAAP.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's pro forma consolidated revenue or LTM EBITDA for the most recent four quarters for which annual or quarterly financial reports have been delivered to the Trustee.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d).

All reports provided pursuant to this covenant shall be in English, or with a certified English translation.

Subject to compliance with the next subsequent paragraph, in the event that, and for so long as, the equity securities of the Issuer or any Parent Entity or IPO Entity are listed on the Main Market of the London Stock Exchange (or one or more of the equivalent regulated markets of the Frankfurt Stock Exchange, the Irish Stock Exchange, the Luxembourg Stock Exchange or the New York Stock Exchange) and the Issuer or such Parent Entity or IPO Entity is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on the Main Market of the London Stock Exchange (or the equivalent standards applicable to issuers of equity securities admitted to trading on one or more of the equivalent regulated markets of the Frankfurt Stock Exchange, the Irish Stock Exchange, the Luxembourg Stock Exchange or the New York Stock Exchange), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the London Stock Exchange (or one or more of the equivalent regulated markets of the Frankfurt Stock Exchange, the Irish Stock Exchange, the Luxembourg Stock Exchange or the New York Stock Exchange) pursuant to such admission and disclosure standards (or the applicable standards of one or more of the equivalent regulated markets of the Frankfurt Stock Exchange, the Irish Stock Exchange, the Luxembourg Stock Exchange or the New York Stock Exchange, as applicable). Upon complying with the foregoing requirements, and *provided* that such requirements require the Issuer or any Parent Entity or IPO Entity to prepare and file annual reports, information, documents and other reports with the Main Market of the London Stock Exchange, or one or more of the equivalent regulated markets

of the Frankfurt Stock Exchange, the Irish Stock Exchange, the Luxembourg Stock Exchange or the New York Stock Exchange, as applicable, the Issuer will be deemed to have complied with the provisions contained in this covenant.

Notwithstanding the foregoing, the Issuer may comply with any requirement to provide reports or financial statements under this covenant by providing (x) any report or financial statements of (i) any IPO Entity or (ii) any direct or indirect Parent Entity of the Issuer so long as such reports (if an annual or quarterly report) meet the requirements (including as to content and time of delivery) of this covenant as if references to the Issuer therein were references to the IPO Entity or such Parent Entity; (y) any report or financial statements of (i) German Newco or (ii) a direct or indirect Subsidiary of the Issuer that represents substantially all the assets of the Issuer and its Restricted Subsidiaries (any entity under sub-clause (y), a "Reporting Subsidiary") or (z) Person in respect of which financial statements or reports are provided to the agent under the Senior Term Facilities Agreement in compliance with the information undertakings thereunder (any such entity, the "SFA Reporting Entity" and together with the Issuer, a Reporting Subsidiary or any entity under sub-clauses (x), a "Financial Reporting Entity" (as determined at the sole discretion of the Issuer)) so long as such reports (if an annual or quarterly report) meet the requirements (including as to content and time of delivery) of this covenant as if references to the Issuer therein were references to the Reporting Subsidiary. Upon complying with the requirements set forth in the preceding sentence, the Issuer will be deemed to have complied with the provisions contained in this covenant.

For purposes of this covenant and any determination or calculation to be made under the Indenture, the Issuer may use financial statements of any Financing Reporting Entity (or a predecessor thereof) for reporting or making calculations under the Indenture.

Impairment of Security Interest

The Parent and the Issuer shall not, and the Issuer shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Charged Property (it being understood that (i) the Incurrence of Permitted Collateral Liens or the confirmation or affirmation of security interests in respect of the Charged Property, (ii) the occurrence of or implementation or any step in the Transaction or any Permitted Transaction and (iii) the implementation of an IPO Pushdown shall under no circumstances be deemed to materially impair the Security Interest with respect to the Charged Property) for the benefit of the Trustee and the Holders, and the Parent and the Issuer shall not, and the Issuer shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Transaction Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest in any of the Charged Property that is prohibited by the covenants described under "*—Limitation on Liens*"; provided, that the Parent, the Issuer and its Restricted Subsidiaries may Incur any Lien over any of the Charged Property that is not prohibited by the covenants described under "*—Limitation on Liens*", including Permitted Collateral Liens, and the Charged Property may be discharged, transferred or released in any circumstances not prohibited by the Indenture, the Intercreditor Agreement or the Transaction Security Documents.

Notwithstanding the first paragraph of this covenant, nothing in this covenant shall restrict the discharge, transfer or release of any Charged Property or Lien in any circumstance in accordance with the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and/or the Transaction Security Documents. Subject to the foregoing, the Transaction Security Documents may be amended, extended, renewed, restated, supplemented, replaced or otherwise modified or released (1) to cure any ambiguity, omission, defect or inconsistency therein; (2) for the purposes of Incurring Permitted Collateral Liens; (3) to add to the Charged Property; (4) for the purposes of undertaking any Permitted Transaction, a Permitted Tax Restructuring, an IPO Pushdown, the Transaction and/or a transaction not prohibited by the covenants described under "*—Merger and Consolidation*," (5) to make any other change thereto that does not adversely affect the Holders in any material respect; or (6) to amend, extend, renew, restate, supplement, replace or otherwise modify or release any Transaction Security Documents followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets; *provided*, *however*, that in the case of clauses (5) and (6) above, no Transaction Security Document may be amended, extended, renewed, restated, supplemented, replaced or otherwise modified or released unless contemporaneously with such amendment, extension, renewal, restatement supplement, replacement or modification or release (followed by an immediate retaking of a Lien of at least equivalent

ranking over the same assets), the Issuer delivers to the Security Agent and the Trustee, either (i) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an Independent Financial Advisor or appraiser or investment bank of international standing which confirms the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, replacement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), (ii) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting any such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, replacement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) or (iii) an Opinion of Counsel (subject to any qualifications customary for this type of Opinion of Counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, replacement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Transaction Security Document, so amended, extended, renewed, restated, supplemented, replaced, modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, replacement, modification or release and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Issuer and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to the provisions of the Intercreditor Agreement and customary protections and indemnifications) consent to such actions without the need for instructions from the Holders.

Limitation on Guarantees of Indebtedness by Restricted Subsidiaries

Subject to and in accordance with the Agreed Security Principles and the Guarantee Limitations, the Issuer shall not permit any Restricted Subsidiary, other than a Guarantor or a Securitization Subsidiary, to Guarantee the payment of (i) any syndicated Credit Facility or (ii) Public Debt of the Issuer or any Guarantor in an aggregate principal amount in excess of the greater of (x) €53.75 million and (y) 25% of LTM EBITDA at such time, unless:

(i) such Restricted Subsidiary is or becomes a Guarantor within 60 days after the guarantee of such Indebtedness; and

(ii) if applicable, executes and delivers a supplemental indenture to the Indenture providing for a Note Guarantee by such Restricted Subsidiary, which will be senior or *pari passu* with, as applicable, such Restricted Subsidiary's Guarantee of such other Indebtedness, except that (i) with respect to a guarantee or Senior Indebtedness of the Issuer or a Guarantor, such Note Guarantee may be expressly subordinated and rank junior in right of payment to such Restricted Subsidiary's Guarantee of such other Indebtedness to the same extent as the Notes Guarantees are to such Indebtedness being guarantee and (ii) with respect to a guarantee of Indebtedness of the Issuer or any Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Note Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Note Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes.

Notwithstanding the first paragraph of this covenant, no Restricted Subsidiary shall be obligated to become a Guarantor to the extent and for so long as the Incurrence of such Guarantee is contrary to the Agreed Security Principles or the Guarantee Limitations or could give rise to or result in:

(i) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, liquidity impairment rules, guidance and coordination rules, retention of title claims or the laws, rules or regulations (or analogous restriction) of any applicable jurisdiction;

(ii) any risk or liability for the officers, directors, managers or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors, managers or shareholders of the partners of such partnership); or

(iii) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses.

At the option of the Issuer, any Note Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary to recognize certain defenses generally available to guarantors (including the Guarantee Limitations and those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance, liquidity impairment or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law (including any usury laws).

The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary shall not be required to comply with the 60-day period described in this covenant. The Indenture will provide that this covenant shall not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary.

Future Note Guarantees granted pursuant to this provision shall be released as set forth under "*—Note Guarantees—Note Guarantee Releases*." A Note Guarantee of a future Guarantor may also be released at the option of the Issuer if, at the date of such release, there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture as at the date of such release if such Guarantor were not designated as a Guarantor as at that date. The validity and enforceability of the Note Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in "*Risk Factors—Risks Related to the Notes—Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Note Guarantees and the Collateral may adversely affect the validity and enforceability of the Note Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and the Security Interests.*"

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or any of its Restricted Subsidiaries of: (i) any Indebtedness secured on Charged Property or as otherwise required or not prohibited herein; and (ii) any Refinancing Indebtedness in respect of Indebtedness referred to in sub-clause (i) above, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders (taken as a whole)), including substantially the same terms with respect to release of Note Guarantees and priority and release of the Security Interests, *provided* that: (A) such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the reasonable opinion of the Trustee or the Security Agent, as applicable, adversely affect the rights, duties, liabilities, indemnities or immunities of the Trustee or the Security Agent under the Indenture, any Additional Intercreditor Agreement or the Intercreditor Agreement; and (B) if more than one such intercreditor agreement is outstanding at any time, the correlative terms of such intercreditor agreements must not conflict.

The Indenture will also provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (i) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement; (ii) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes and the Note Guarantees); (iii) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement; (iv) further secure the Notes (including Additional Notes); (v) make provision for equal and ratable pledges of the Charged Property to secure Additional Notes; (vi) to facilitate a Permitted Tax Restructuring, a Permitted Reorganization or the Transaction; (vii) implement any Permitted Collateral Liens; (viii) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof; or (ix) make any other change to any such agreement that does not adversely affect the Holders (taken as a whole) in any material respect making all necessary provisions to ensure that the Notes and the Note Guarantees are secured by Liens of equivalent priority over the Charged Property.

The Indenture will also provide that the Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or Additional Intercreditor Agreement, other than: (i) in accordance with the second paragraph of this covenant; (ii) with the consent of the requisite majority of Holders except as otherwise permitted below under "—*Amendments and Waivers*" or (iii) as otherwise permitted by such Intercreditor Agreement or Additional Intercreditor Agreement, and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or the Security Agent or, in the reasonable opinion of the Trustee or the Security Agent, adversely affect their respective rights, duties, liabilities, indemnities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture will also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the requisite majority of Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby, *provided* that such transaction would comply with the covenant described under "—*Limitation on Restricted Payments*."

The Indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein), and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement.

Financial and Other Calculations

For the purpose of calculating any Applicable Metric (including the financial definitions or components thereof but excluding for the avoidance of doubt Excess Cash Flow) in the Note Documents, including when determining (or, as applicable, forecasting) Consolidated EBITDA for any Relevant Period (including the portion thereof occurring prior to any relevant Purchase (as defined below)), the Issuer may: (a) if during such period any member of the Group (by merger or otherwise) has made or committed (unilaterally, conditionally or otherwise) to make an Investment in any person that thereby becomes (or that the Issuer expects in good faith, based upon such commitment, will become) a Restricted Subsidiary or otherwise has acquired or committed (unilaterally, conditionally or otherwise) to acquire any entity, business, property or material fixed asset (including the acquisition, opening and/or development of any new site or operation) (any such Investment, acquisition or commitment (including under a letter of intent) therefor, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made under the Indenture or the other Finance Documents, calculate Consolidated EBITDA for such period on the basis that the earnings before interest, tax, depreciation and amortization (calculated on the same basis as Consolidated EBITDA, mutatis mutandis) attributable to the assets which are the subject of such Purchase during such Relevant Period shall be included as if the Purchase occurred on the first day of such Relevant Period; and/or (b) include an adjustment in respect of any Purchase and/or any steps taken or committed or expected to be taken (in each case, unilaterally, conditionally or otherwise) in respect of such Purchase up to the amount of the pro forma increase in Consolidated EBITDA projected by the Issuser (in good faith) after taking into account the full "run rate" effect of: (i) all Synergies which the Issuer (in good faith) determines have been or will be achieved (in full or in part) at any time during such Relevant Period directly or indirectly as a consequence of the Purchase or any related steps, without prejudice to the Synergies actually realized during the Relevant Period and already included in Consolidated EBITDA, *provided* that so long as such Synergies have been or will be realized at any time during such Relevant Period, it may be assumed they were realized during the entirety of such Relevant Period; and/or (ii) all Synergies which the Issuer (in good faith) believes can be achieved within following the end of such period directly or indirectly as a consequence of the Purchase or any related steps (the "Forward-Looking Purchase Synergies"), *provided* that so long as such Forward-Looking Purchase Synergies will be realizable at any time in the future, it may be assumed they will be realizable during the entire such period; in each case, without prejudice to the Synergies actually realized during the Relevant Period and already included in Consolidated EBITDA; and/or (c) exclude any non-recurring fees, costs and expenses directly or indirectly related to the Purchase.

For the purpose of calculating any Applicable Metric (including the financial definitions or components thereof but excluding for the avoidance of doubt Excess Cash Flow) in the Note Documents, including when determining (or, as applicable, forecasting) Consolidated EBITDA for any Relevant Period (including the portion thereof occurring prior to any relevant Sale (as defined below)), the Issuer may: (a) if during such period any

member of the Group has disposed or committed (unilaterally, conditionally or otherwise) to make a disposal of any person, property, business or material fixed asset or any group of assets constituting an operating unit of a business sold, transferred or otherwise disposed of by the Group (any such sale, transfer, disposition or commitment therefor, a "Sale") or if the transaction giving rise to the need to calculate Consolidated EBITDA relates to such a Sale, calculate Consolidated EBITDA for such period on the basis that Consolidated EBITDA will be reduced by an amount equal to the earnings before interest, tax, depreciation, amortization and impairment (calculated on the same basis as Consolidated EBITDA, mutatis mutandis) (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the earnings before interest, tax, depreciation, amortization and impairment (calculated on the same basis as Consolidated EBITDA, mutatis mutandis) (if negative) attributable thereto for such period as if the Sale occurred on the first day of such Relevant Period; and/or (b) include an adjustment in respect of any Sale and/or any steps taken or committed or expected to be taken (in each case, unilaterally, conditionally or otherwise) in respect of such Sale up to the amount of the pro forma increase in Consolidated EBITDA projected by the Issuer (in good faith) after taking into account the full "run rate" effect of: (i) all Synergies which the Issuer (in good faith) determines have been or will be achieved (in full or in part) at any time during such Relevant Period directly or indirectly as a consequence of the Sale or any related steps, without prejudice to the Synergies actually realized during the Relevant Period and already included in Consolidated EBITDA, *provided* that so long as such Synergies have been realized at any time during such Relevant Period, it may be assumed they were realized during the entirety of such Relevant Period; and/or (ii) all Synergies which the Issuer (in good faith) believes can be achieved following the end of such period directly or indirectly as a consequence of the Sale or any related steps (the "Forward-Looking Sale Synergies"), *provided* that so long as such Forward-Looking Sale Synergies will be realizable at any time in the future, it may be assumed they will be realizable during the entire such period; in each case, without prejudice to the Synergies actually realized during the Relevant Period and already included in Consolidated EBITDA; and/or (c) exclude any non-recurring fees, costs and expenses directly or indirectly related to the Sale.

For the purpose of calculating any Applicable Metric (including the financial definitions or components thereof but excluding for the avoidance of doubt Excess Cash Flow) in the Note Documents, including when determining (or, as applicable, forecasting) Consolidated EBITDA for any Relevant Period (including the portion thereof occurring prior to implementing or committing to implement such Group Initiative), the Issuer may: (a) include an adjustment in respect of each Group Initiative and/or any steps taken or committed or expected to be taken (in each case, unilaterally, conditionally or otherwise) in respect of such Group Initiative up to the amount of the pro forma increase in Consolidated EBITDA projected by the Issuer (in good faith) after taking into account the full "run rate" effect of: (i) all Synergies which the Issuer (in good faith) determines have been or will be achieved (in full or in part) at any time during such Relevant Period directly or indirectly as a consequence of implementing or committing to implement such Group Initiative or any related steps, without prejudice to the Synergies actually realized during the Relevant Period and already included in Consolidated EBITDA, *provided* that so long as such Synergies have been realized at any time during such Relevant Period, it may be assumed they were realized during the entirety of such Relevant Period; and/or (ii) all Synergies which the Issuer (in good faith) believes can be achieved following the end of such period directly or indirectly as a consequence of implementing or committing to implement such Group Initiative or any related steps (the "Forward-Looking Group Initiative Synergies" and together with the Forward-Looking Purchase Synergies and the Forward-Looking Sale Synergies, the "Forward-Looking Synergies"), *provided* that so long as such Forward-Looking Group Initiative Synergies will be realizable at any time in the future, it may be assumed they will be realizable during the entire such period; in each case, without prejudice to the Synergies actually realized during the Relevant Period and already included in Consolidated EBITDA; and/or (b) exclude any non-recurring fees, costs and expenses directly or indirectly related to the implementation of, or commitment to, implement such Group Initiative.

In relation to the definitions set out in the Indenture and all other related provisions of the Notes Documents (including any Applicable Metric), all calculations in respect of Synergies (in each case actual or anticipated) may be made as though the full run-rate effect of such Synergies were realized on the first day of the Relevant Period.

Consolidated EBITDA or Consolidated Net Income for any part of a Relevant Period falling prior to the Issue Date shall be calculated on an actual basis over the Relevant Period (whereby for any part of the applicable Relevant Period falling prior to the date on which the BIRKENSTOCK Group became part of the Group, such amount shall be calculated based on actual historic data for the corresponding period available and by reference

to the BIRKENSTOCK Group as adjusted in accordance with the provisions of this paragraph and the other provisions of the Indenture) or, at the Issuer's option, on the basis of the final management case financial model.

Notwithstanding anything to the contrary (including anything in the financial definitions set out in the Indenture), when calculating any Applicable Metric, the financial definitions or component thereof but excluding Excess Cash Flow, the Issuer shall be permitted to: (a) exclude all or any part of any expenditure or other negative item (and/or the impact thereof) directly or indirectly relating to or resulting from: (i) the Transaction; (ii) any other acquisition, Investment or other joint venture permitted by the terms of the Indenture or the impact from purchase price accounting; (iii) start-up costs for new businesses and branding or re-branding of existing businesses; (iv) Restructuring Costs; (v) research and development expenditure (and the capitalization thereof); and/or (vi) the implementation of IFRS 15 (Revenue from Contracts with Customers) and/or IFRS 16 (Leases) and, in each case, any successor standard thereto (or any equivalent measure under the accounting principles) or any other changes in the applicable accounting principles; and/or (b) include any addbacks (without further verification or diligence) for adjustments (including anticipated Synergies) or costs or expenses related to the Transaction and/or any base case model or quality of earnings report relating to a Permitted Acquisition prepared by an independent third party and/or taken into account in determining "Adjusted EBITDA" or any financing EBITDA to be used in connection with financing for a Permitted Acquisition and/or any research and development expenditure (which is not otherwise capitalized).

When calculating the satisfaction of or availability under any Applicable Metric in the Indenture in connection with any Applicable Transaction, the date of determination of such Applicable Metric shall, at the option of the Issuer, be any Applicable Test Date. If the Issuer elects to determine any Applicable Metric as of any Applicable Test Date, it shall give pro forma effect to any other Applicable Transactions that have occurred up to (and including) such Applicable Test Date; *provided* that the pro forma calculation may exclude any non-recurring fees, costs and expenses attributable to any Applicable Transaction.

If compliance with an Applicable Metric is established in accordance with the preceding paragraph, such Applicable Metric shall be deemed to have been complied with (or satisfied) for all purposes; *provided* that (a) the Issuer may elect, in its sole discretion, to recalculate any Applicable Metric on the basis of a more recent Applicable Test Date, in which case, such date of redetermination shall thereafter be deemed to be the relevant Applicable Test Date for purposes of such Applicable Metrics; and (b) save as contemplated in clause (a) above, compliance with any Applicable Metric shall not be determined or tested at any time after the relevant Applicable Test Date for such transaction and any actions or transactions related thereto.

If any Applicable Metric for which compliance was determined or tested as of an Applicable Test Date would at any time after the Applicable Test Date have been exceeded or otherwise failed to have been complied with as a result of fluctuations in such Applicable Metric (or any other Applicable Metric), such Applicable Metric will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations.

If any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the Applicable Test Date would at any time after the Applicable Test Date not have been complied with or satisfied (including due to the occurrence or continuation of a Default or an Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be continuing).

Subject to clause (viii) of the third paragraph of the covenant described under "*—Limitation on Indebtedness*," in calculating the availability under any Applicable Metric in connection with any action or transaction unrelated to the Applicable Transaction following the relevant Applicable Test Date and prior to the earlier of the date on which such Applicable Transaction is consummated or the Issuer determines (in its sole discretion) that such Applicable Transaction will not be consummated, any such Applicable Metric shall be determined or tested giving pro forma effect to such Applicable Transaction.

If an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is committed, incurred or issued, any Lien is committed or incurred or any other transaction is undertaken or any Applicable Metric is tested in reliance on a ratio-based basket based on the Fixed Charge Coverage Ratio, the Senior Secured Net Leverage Ratio, the Total Secured Net Leverage Ratio or the Total Net Leverage Ratio or any other ratio-

based Applicable Metric, such ratio(s) shall be calculated without regard to the Incurrence or drawing of any Indebtedness under any revolving facility, letter of credit facility or bank guarantee facility and/or other debt which is available to be re-drawn (including under the ABL Facility, any Revolving Facility or any ancillary facility under the Senior Secured Facilities Agreements) and, for the avoidance of doubt, subject to clause (viii) of the third paragraph of the covenant described under "*—Limitation on Indebtedness*", any undrawn commitments for Indebtedness (including under a Revolving Facility) shall be disregarded for the purposes of testing the Applicable Metric.

If, in connection with the same Applicable Transaction or otherwise substantially simultaneously: (a)(i) any Applicable Metrics required to be determined by reference to a fixed currency amount or a percentage of LTM EBITDA (a "fixed permission") are intended to be utilized; and/or (ii) revolving Indebtedness (other than Indebtedness under the Reserved Indebtedness Amount) is intended to be Incurred; and (b) any Applicable Metric required to be determined by reference to the Senior Secured Net Leverage Ratio, the Total Secured Net Leverage Ratio, the Total Net Leverage Ratio, the Fixed Charge Coverage Ratio or any other ratio-based Applicable Metric (a "ratio-based permission") are intended to be utilized (including, for the avoidance of doubt, any determination of any increase or decrease in any such Applicable Metric, including in accordance with the clauses (v)(B)(1)(I), (v)(B)(1)(II) or (v)(B)(1)(III) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*"), then (x) amounts available to be incurred under the applicable ratio-based permissions shall first be calculated without giving effect to amounts to be incurred under the applicable fixed permissions or the applicable Incurrence of revolving Indebtedness, or amounts previously incurred under such fixed permissions and not reclassified that are being repaid in connection with such Applicable Transaction, unless otherwise elected by the Issuer; and (y) thereafter, compliance with any relevant fixed permissions shall be calculated, and in each case, full pro forma effect shall be given to all increases to LTM EBITDA and repayments or discharges of Indebtedness in connection with such Applicable Transaction in accordance with the Indenture.

If any Applicable Metric is determined by reference to the greater of a fixed amount (the "numerical permission") and a percentage of LTM EBITDA (the "grower permission") and the grower permission of the Applicable Metric exceeds the applicable numerical permission at any time as a result of a Permitted Acquisition or Permitted Investment, the numerical permission shall be deemed to be increased to the highest amount of the grower permission reached from time to time as a result of any such Permitted Acquisitions and/or Permitted Investments and shall not subsequently be reduced as a result of any decrease in the grower permission.

In the event that any amount or transaction meets the criteria of more than one Applicable Metric, the Issuer may (in its sole discretion), subject to the limitations imposed under clause (ii) of the third paragraph of the covenant described under "*—Limitation on Indebtedness*," classify and reclassify that amount or transaction to a particular Applicable Metric and will only be required to include that amount or transaction in one of those Applicable Metrics (and, for the avoidance of doubt, an amount may at the option of the Issuer be split between different Applicable Metrics).

Subject to the limitations imposed under clause (ii) of the third paragraph of the covenant described under "*—Limitation on Indebtedness*," if a proposed action, matter, transaction or amount (or a portion thereof) is incurred or entered into pursuant to a fixed permission and at a later time would subsequently be permitted under a ratio-based permission, unless otherwise elected by the Issuer, such action, matter, transaction or amount (or a portion thereof) shall automatically be reclassified to such ratio-based permission.

The Indenture will provide that references to (i) any matter being "permitted" under the Indenture or any other Notes Document shall include references to such matters not being prohibited or otherwise being approved under the Indenture or such other Notes Document and (ii) any transaction being in the "ordinary course of business" of a member of the Group shall be construed to include any transaction that is consistent with industry practice in the industries in which the Group operates or consistent with past practice of any member of the Group or the BIRKENSTOCK Group.

For any relevant Applicable Metric set by reference to a fiscal year, a calendar year, a Relevant Period, a four-quarter period, a twelve-month period or any other similar annual period (each an "*Annual Period*"):

(i) at the option of the Issuer, the maximum amount so permitted under such Applicable Metric during such Annual Period may be increased by: (A) an amount equal to 100% of the difference (if positive)

between the permitted amount in the immediately preceding Annual Period (or any such other preceding period as specified in such Applicable Metric) and the amount thereof actually used or applied by the Group during such preceding Annual Period (the "Carry Forward Amount"); and/or (B) an amount equal to 100% of the permitted amount in the immediately following Annual Period and the permitted amount in such immediately following Annual Period shall be reduced by such corresponding amount (the "Carry Back Amount"); and

(ii) to the extent that the maximum amount so permitted under such Applicable Metric during such Annual Period is increased in accordance with clause (i) above, any usage of such Applicable Metric during such Annual Period shall be deemed to be applied in the following order: (A) first, against the Carry Forward Amount; (B) second, against the maximum amount so permitted during such Annual Period prior to any increase in accordance with clause (i) above; and (C) third, against the Carry Back Amount.

For the purpose of this section and to the extent any Applicable Metric is used as the basis (in whole or in part) for permitting any transaction or making any determination under the Indenture (including on a pro forma basis) no item shall be included or excluded more than once where to do so would result in double counting.

Merger and Consolidation

The Issuer

Subject to the first paragraph under "*—General*" below, the Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all its assets, in one transaction or a series of related transactions, to any person, unless:

(i) the resulting, surviving or transferee person (the "*Successor Company*") will be a person organized and existing under the laws of the United Kingdom, Luxembourg, Germany, the United States (including, for the avoidance of doubt, any state thereof, the District of Columbia or any territory thereof) or a Member State of the European Union, and the Successor Company (if not the Issuer) will expressly assume, by way of supplemental indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Indenture, the Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Transaction Security Documents and any other Notes Documents, as applicable;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the applicable Successor Company or any Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or such Subsidiary at the time of such transaction), no Event of Default shall have occurred and be continuing and immediately after giving effect to such transaction:

(A) the Issuer or the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*"; or

(B) the Fixed Charge Coverage Ratio would not be lower, or the Total Net Leverage Ratio would not be higher, than it was immediately prior to giving effect to such transaction;

(iii) the Issuer or the Successor Company, as the case may be, shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel to the effect that such consolidation, merger or transfer and such supplemental indenture comply with the Indenture; *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact; and

(iv) the Holders (or the Security Agent on their behalf) will continue to have the same or substantially equivalent (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods (or any similar or equivalent concept)) guarantees and security over the same or substantially equivalent assets and over the shares (or other interests) in the Issuer or the Successor Company, save to the extent such assets or shares (or other interests) cease to exist (*provided* that if the shares (or other interests) in the Issuer cease to exist, security will be granted (subject to the Agreed Security Principles) over the shares (or other interests) in the Successor Company).

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes and the Indenture.

Guarantors

No Guarantor may:

(i) consolidate with or merge with or into any person;

(ii) sell, assign, convey, transfer, lease or dispose of, all or substantially all its assets, in one transaction or a series of related transactions, to any person; or

(iii) permit any person to merge with or into such Guarantor,

unless:

(A) the other person is the Issuer or any Restricted Subsidiary that is a Guarantor (or becomes a Guarantor substantially concurrently with the transaction); or

(B) either (x) the Issuer or a Guarantor is the continuing person or (y) the resulting, surviving or transferee person expressly assumes all of the obligations of the Guarantor under the Indenture and all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Transaction Security Documents, as applicable, and immediately after giving effect to the transaction, no Event of Default is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture.

General

The provisions set forth in this covenant shall not restrict (and shall not apply to):

(i) any Restricted Subsidiary that is not the Issuer or a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary that is not the Issuer or a Guarantor;

(ii) any Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor;

(iii) any consolidation or merger of the Issuer into any Guarantor; *provided* that, if the Issuer is not the surviving entity of such merger or consolidation:

(A) the relevant Guarantor will assume the obligations of the Issuer (as applicable) under the Notes, the Indenture, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Transaction Security Documents and with respect to the Issuer, clauses (i), (iii) and (iv) of the covenant described under "—*The Issuer*" above shall apply to such transaction; and

(B) to the extent that any Transaction Security previously granted over the shares in the capital of the relevant Guarantor would not, in accordance with applicable law, constitute a Lien over the shares in the capital of the surviving entity, the direct Parent Holding Company of the surviving entity shall, subject to the Agreed Security Principles, grant Transaction Security over the shares in the capital of the surviving entity on substantially equivalent terms to any Security Interests granted over the shares in the capital of such predecessor Guarantor immediately prior to such merger or consolidation;

(iv) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided* that, in the case of a consolidation, merger or combination of:

(A) the Issuer into or with an Affiliate that is not a Guarantor, clauses (i), (ii), (iii) and (iv) of the covenant described under "—*The Issuer*" shall apply to such transaction; and

(B) any Guarantor into or with an Affiliate, sub-clause (iii) above shall apply to such transaction; or

(v) the Transaction or any Permitted Transaction.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "*all or substantially all*" of the property or assets of a Person.

This covenant shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary.

Notwithstanding any other provision of this covenant, this covenant will not prohibit or restrict the Transaction or any Permitted Transaction, in each case, which shall be expressly permitted under this covenant.

Events of Default

Subject to the two succeeding paragraphs, each of the following is an Event of Default under the Indenture:

(a) default in any payment of interest on any Note when due and payable, continued for 30 days;

(b) default in the payment of the principal amount of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise, continued for five Business Days;

(c) failure by the Issuer or any Guarantor to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with any agreement or obligation contained in the Indenture;

(d) the occurrence of any default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any Significant Subsidiary or the payment of which is Guaranteed by the Issuer or any Significant Subsidiary, in each case, other than Indebtedness owed to the Issuer or a Restricted Subsidiary and other than any default that may occur in respect of the Existing Debt on or prior to the end of the Clean-up Period, whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(i) is caused by a failure to pay principal of such Indebtedness, at its stated final maturity (after giving effect to any applicable grace periods) provided in such Indebtedness (a "payment default"); or

(ii) results in the acceleration of such Indebtedness prior to its stated final maturity (the "cross-acceleration provision"),

and, in each case, the aggregate principal amount of all Indebtedness subject to such payment defaults or accelerations (after giving effect to any applicable grace periods), is in excess of the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA;

(e) certain events of bankruptcy, insolvency or court protection of the Parent, the Issuer or a Significant Subsidiary (the "bankruptcy provisions") which, in each case, are sanctioned by a court and become unconditional and are not with a Creditor (as defined in the Intercreditor Agreement) (in its capacity as such), the Trustee or the Security Agent;

(f) failure by the Issuer or a Significant Subsidiary to pay final judgments aggregating in excess of the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA, other than any judgments covered by indemnities provided by, or insurance policies issued by, reputable and creditworthy companies, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days (after receipt of notice from the Trustee) after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed (the "judgment default provision");

(g) any Security Interest under the Transaction Security Documents having a fair market value in excess of the greater of (x) €21.50 million and (y) an amount equal to 10% of LTM EBITDA shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Transaction Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such Security Interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Transaction Security Documents or any

such Security Interest created thereunder shall be declared invalid or unenforceable or the Issuer or any Restricted Subsidiary shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 30 days (the "security default provisions"); and

(h) except as permitted under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement (including with respect to any limitations), any Note Guarantee of any one or more Guarantors that is a Significant Subsidiary is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any one or more Guarantors that is the Issuer or a Significant Subsidiary denies or disaffirms its obligations under its Note Guarantee (the "guarantee default provisions").

However, a Default under clauses (c), (d) or (f) of the first paragraph above will not constitute an Event of Default unless (i) the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes have notified the Issuer of the Default and (ii) the Issuer has not cured such Default within 60 days after receipt of such notice; *provided* that notice of Default may not be given with respect to any action taken or reported to the Trustee more than 2 years prior to such notice of Default. Any time period providing for the cure of any actual or alleged Default or Event of Default described under the first paragraph of this section may be extended or stayed by a court of competent jurisdiction to the extent such actual or alleged Default or Event of Default is the subject of litigation.

If an Event of Default (other than an Event of Default described in clause (e) of the first paragraph of this section) occurs and is continuing, the Trustee by written notice to the Issuer, or the Holders of at least 30% in principal amount of the outstanding Notes by written notice to the Issuer and the Trustee, may, and the Trustee (subject to certain conditions) at the request of such Holders shall, subject to the provisions of the next paragraph, declare the principal of and accrued and unpaid interest, if any, on all the Notes to be due and payable. Upon such a declaration, such principal and accrued and unpaid interest, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (d) has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to such clause (d) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, within 30 days after the declaration of acceleration with respect thereto and the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction.

Any notice of Default under the first paragraph of this section, notice of acceleration with respect to an Event of Default under the first paragraph of this section or instruction to the Trustee to provide a notice of Default under the first paragraph of this section, notice of acceleration with respect to an Event of Default under the first paragraph of this section or take any other action with respect to an alleged Default or Event of Default the first paragraph of this section (a "Noteholder Direction") provided by any one or more Holders (each, a "Directing Holder") must be accompanied by a written representation from each such Holder to the Issuer and the Trustee that such Holder is not, or, in the case such Holder is a Relevant Clearing System or the Relevant Clearing System's nominee, that such Holder is being instructed solely by beneficial owners that are not, Net Short (a "Position Representation"), which representation, in the case of a Noteholder Direction relating to a notice of Default shall be deemed repeated at all times until the resulting Event of Default is cured or otherwise ceases to exist or the Notes are accelerated. In addition, each Directing Holder must, at the time of providing a Noteholder Direction, covenant to provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such Directing Holder's Position Representation within five Business Days of request thereof (a "Verification Covenant"). In any case in which the Holder is the Relevant Clearing System or the Relevant Clearing System's nominee, any Position Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the Notes in lieu of the Relevant Clearing System or the Relevant Clearing System's nominee.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Issuer determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and the Issuer provides to the Trustee an Officer's Certificate (which shall be provided to the Holders) certifying that the Issuer (i) believes in good faith that there is a reasonable basis to believe a Directing Holder was at any relevant time in breach of its Position Representation or its Verification Covenant and (ii) has filed papers with a court of competent jurisdiction seeking a determination that

such Directing Holder was, at such time, in breach of its Position Representation, and seeking to invalidate any Event of Default that resulted from the applicable Noteholder Direction, the cure period with respect to such Event of Default shall be automatically stayed pending a final and non-appealable determination of a court of competent jurisdiction on such matter. If such Officer's Certificate has been delivered to the Trustee, the Trustee shall refrain from acting in accordance with such Noteholder Direction until such time as the Issuer provides to the Trustee an Officer's Certificate stating that (i) a Directing Holder has satisfied its Verification Covenant, (ii) a Directing Holder has failed to satisfy its Verification Covenant or (iii) a court of competent jurisdiction rules that such Directing Holder was, at such time, not in breach of its Position Representation or its Verification Covenant, and during such time the cure period with respect to any Event of Default that resulted from the applicable Noteholder Direction shall be automatically stayed pending satisfaction of such Verification Covenant. Any breach of the Position Representation shall result in such Directing Holder's participation in such Noteholder Direction being disregarded; and, if, without the participation of such Directing Holder, the percentage of Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void *ab initio*, with the effect that such Event of Default shall be deemed never to have occurred, and any related acceleration rescinded, and the Trustee shall be deemed not to have received such Noteholder Direction or any notice of such alleged Default or Event of Default, shall not be permitted to act thereon and shall be restricted from accepting and acting on any future Noteholder Direction in relation to such Event of Default. If the Directing Holder has satisfied its Verification Covenant, then the Trustee shall be permitted to act in accordance with such Noteholder Direction. Notwithstanding the above, if such Directing Holder's participation is not required to achieve the requisite level of consent of Holders required under the Indenture to give such Noteholder Direction, the Trustee shall be permitted to act in accordance with such Noteholder Direction notwithstanding any action taken or to be taken by the Issuer (as described above). The Trustee shall be entitled to conclusively rely on any Noteholder Direction (*provided* that the relevant Position Representations are provided in accordance with the provisions of the preceding paragraph) or Officer's Certificate delivered to it in accordance with the Indenture without verification, investigation or otherwise as to the statements made therein.

If an Event of Default described in clause (e) of the first paragraph of this section occurs and is continuing, the principal of and accrued and unpaid interest, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Transaction Security Documents except as provided in such Transaction Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of at least a majority in principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to non-payment of principal, premium, interest or Additional Amounts, if any, on any Note held by a non-consenting Holder, which may only be waived with the consent of Holders of not less than 90% of the aggregate principal amount of the outstanding Notes) and rescind any such acceleration with respect to such Notes and its consequences (including the payment default that resulted from such acceleration) if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the "Initial Default") occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant titled "*—Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

On or prior to the end of the Clean-up Period, (i) none of the debt of the Group existing under the Existing Debt or security relating thereto and (ii) no breach of representation, warranty, undertaking or other term of (or default or event of default under) the Existing Debt arising as a direct or indirect result of the entry into or performance of obligations under the Notes Documents shall constitute a breach of (or Default or Event of Default) under any Notes Document.

The Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee in its sole discretion against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy, and such Holder is not in breach of a Position Representation or Verification Covenant;

(3) such Holders, or Directing Holders that are not in breach of a Position Representation (as applicable) have offered in writing and, if requested, provided to the Trustee security and/or indemnity satisfactory to the Trustee in its sole discretion against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and

(5) the Holders of at least 30% in principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of at least 30% in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing, of which a responsible officer of the Trustee has received written notice, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines (after consultation with counsel) is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security satisfactory to the Trustee in its sole discretion against all fees, losses, liabilities and expenses caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and a responsible officer of the Trustee is informed in writing of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as the Trustee in good faith determines that withholding notice is in the interests of the Holders.

The Issuer is required to deliver to the Trustee, within 120 days (or if such day is not a Business Day, on the next succeeding Business Day) after the end of each fiscal year (or in the case of the first fiscal year ending after the Issue Date, 150 days), an Officer's Certificate indicating whether the signers thereof know of any Default that has occurred during the previous year, and is continuing. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events that are continuing of which it is aware the occurrence of which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Except as provided in the next two succeeding paragraphs, the Indenture and the other Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any existing Default or Event of Default (other than a Default or Event of Default in the payment of principal or premium, Additional Amounts, if any, or interest on any Note (including in connection with an offer to purchase), except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the Indenture and the other Note Documents may be waived with the consent of the Holders of at least a majority in aggregate

principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes). If any amendment, supplement or waiver will only affect one or more series of Notes (but not all series of Notes), only the Holders of at least a majority in aggregate principal amount of the then outstanding Notes of the series so affected (and not the consent of the Holders of at least a majority in aggregate principal amount of all Notes then outstanding), shall be required.

However, without the consent of Holders holding not less than 90% (or, in the case of clauses (7) and (9) of this paragraph, 80%) of the then outstanding principal amount of the Notes (*provided*, *however*, that if any amendment, supplement, waiver or other modification or consent will only affect one or more series of Notes (but not all series of Notes), only the consent of the holders of at least 90% (or, in the case of clauses (7) and (9) below, 80%) of the aggregate principal amount of the then outstanding Notes of the series so affected will be required), an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the stated rate of or extend the stated time for payment of interest on any such Note (other than provisions relating to a Change of Control and Asset Dispositions);

(2) reduce the principal of or extend the Stated Maturity of any such Note (other than provisions relating to a Change of Control and Asset Dispositions);

(3) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described under "—*Optional Redemption*" and "—*Redemption for Taxation Reasons*";

(4) make any such Note payable in currency other than that stated in such Note;

(5) impair the contractual right of any Holder of any outstanding Note to institute suit for the enforcement of any payment of principal of, or interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor;

(6) make any change in the provisions of the Indenture described under "—*Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the applicable Payor agrees to pay Additional Amounts, if any, in respect thereof;

(7) release all or substantially all Security Interests granted for the benefit of the Holders in the Charged Property (taken as a whole) other than in accordance with the terms of the Transaction Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement and the Indenture; *provided* that, for the avoidance of doubt and without prejudice to the provisions governing a Change of Control, the release of less than all or substantially all Security Interests granted for the benefit of the Holders in the Charged Property (taken as a whole) shall only require the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes);

(8) waive a Default or Event of Default with respect to the non-payment of principal, premium or interest or Additional Amounts, if any (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(9) release any Guarantor from its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or

(10) reduce the principal amount of Notes whose holders must consent to any amendment, waiver or modification or make any other change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

(1) cure any ambiguity, omission, mistake, defect, error or inconsistency or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person or a co-issuer of the obligations of the Issuer or a Guarantor under any Note Document, including, without limitation, in connection with a Permitted Transaction;

(3) add to the covenants, add an obligor or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) make any change that would provide any additional rights or benefits to the Trustee or the Holders or make any change (including changing the ISIN, common code or other identifying number on any Notes) that does not adversely affect the rights of the Trustee or any Holder in any material respect;

(5) make such provisions as necessary (as determined in good faith by the Board of Directors or a member of senior management of the Issuer) for the issuance of Additional Notes that may be issued in compliance with the Indenture;

(6) provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—*Limitation on Guarantees of Indebtedness by Restricted Subsidiaries," to add Note Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Transaction Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) evidence and provide for the acceptance and appointment under any Debt Document of a successor Trustee or successor security agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Note Document;

(8) in the case of the Transaction Security Documents, to mortgage, pledge, hypothecate or grant a Security Interest in favor of the Security Agent for the benefit of the Holders or parties to the Senior Secured Facilities Agreements, in any property which is required by the Transaction Security Documents to be mortgaged, pledged or hypothecated, or in which a Security Interest is required to be granted to the Security Agent, or to the extent necessary to grant a Security Interest in the Charged Property for the benefit of any Person; *provided* that the granting of such Security Interest is not prohibited by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with;

(9) conform the text of the Indenture, the Intercreditor Agreement, the Transaction Security Documents or the Notes to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a recitation of a provision of the Indenture, the Transaction Security Documents or the Notes;

(10) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including to facilitate the issuance and administration of Notes; *provided*, *however*, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any other applicable securities law and (ii) such amendment does not adversely affect the rights of Holders to transfer Notes in any material respect;

(11) comply with the rules of any applicable securities depositary;

(12) facilitate any transaction that complies with the covenants described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" and "—Merger and Consolidation", relating to mergers, consolidations and sales of assets; and

(13) comply with the covenant described under "*—Certain Covenants—Additional Intercreditor Agreements*".

For the avoidance of doubt, no amendment to, or deletion of, or actions taken in compliance with, the covenants described under "*—Certain Covenants*" or this section shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or interest or premium, if any, on the Notes.

In formulating its decisions on such matters, the Trustee and the Security Agent, as applicable, shall be entitled to require and rely absolutely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver of any Note Document. It is sufficient if such consent approves the substance thereof. A consent to any amendment, supplement or waiver under the Indenture by any Holder given in connection with a sale or tender of such Holder's Notes will not be rendered invalid by such sale or tender.

Notwithstanding anything to the contrary in the paragraphs above, in order to effect an amendment authorized by clauses (3) and (6) of the third paragraph of this section to add a Guarantor under the Indenture, it shall only be necessary for the supplemental indenture providing for the accession of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee. Any other amendments permitted by the Indenture need only be duly authorized and executed by the Issuer, the Trustee and the Security Agent (to the extent applicable).

The Indenture will not contain a covenant regulating the offer and/or payment of a consent fee to Holders.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that a responsible officer of the Trustee actually knows are so owned will be so disregarded. For the avoidance of doubt, any Independent Debt Fund shall not be considered to be a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer.

Defeasance

The Issuer at any time may terminate all obligations of the Parent, the Issuer and the Guarantors under the Note Documents ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Transaction Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate the obligations of the Issuer and its Restricted Subsidiaries under the covenants described under "*—Certain Covenants*" and "*—Merger and Consolidation*" (other than clauses (i), (iii) and (iv) of "*—Merger and Consolidation—The Issuer*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions (other than with respect to the Issuer), the judgment default provision, the guarantee provision, and the security default provision described under "*—Events of Default*" above ("*covenant defeasance*").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (c), (d), (e) (other than with respect only to the Issuer), (f) or (g) under "*—Events of Default*" above.

In order to exercise either defeasance option, the Issuer (i) must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euro or European Government Obligations or a combination thereof for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be; provided, that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the Trustee on or prior to the date of

redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption, and (ii) must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel, subject to customary assumptions and exclusions, to the effect that Holders and beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the U.S. Internal Revenue Service or change in applicable U.S. federal income tax law since the issuance of the Notes);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer; and

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Transaction Security Documents, will be discharged and cease to be of further effect (except as to surviving rights of transfer or exchange of the Notes and rights of the Trustee, as expressly provided for in the Indenture) as to all Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee or the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) money in euro or European Government Obligations, or a combination thereof in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest and Additional Amounts, if any, to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of satisfying and discharging the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption, and any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent under the section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2), (3) and (4)).

If requested in writing by the Issuer to the Trustee and the Paying Agent, the Trustee will distribute any amounts deposited to the Holders prior to Stated Maturity or the redemption date, as the case may be; *provided*, *however*, that the Holders shall have received at least five Business Days' notice from the Issuer of such earlier repayment date (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payment to Holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts.

No Personal Liability of Directors, Managers, Officers, Employees and Stockholders

No director, manager, officer, employee, incorporator or stockholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee

GLAS Trust Company LLC is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has written notice, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default, of which a responsible officer of the Trustee has received written notice, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty. Furthermore, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder, unless such Holder has offered to the Trustee indemnity and/or security satisfactory to the Trustee in its sole discretion against any loss, liability or expense.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee or any Agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has actual knowledge that it has or has acquired a conflict of interest that is not eliminated or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture. In formulating its decisions, the Trustee and the Security Agent, as applicable, shall be entitled to require and rely absolutely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

Notices

If and for so long as Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require, notices of the Issuer with respect to the Notes will be sent to the Authority.

All notices to Holders of Notes will be validly given if electronically delivered or mailed to them at their respective addresses in the register of the Holders, if any, maintained by the registrar. For so long as any Notes are represented by global notes, all notices to Holders will be delivered to the Relevant Clearing Systems in accordance with the applicable procedures of the Relevant Clearing Systems, delivery of which shall be deemed to satisfy the requirements of this paragraph, which will give such notices to the Holders of book-entry interests. To the extent the mandatory rules and procedures of the Relevant Clearing Systems conflict with any such requirements, a notice will be deemed to satisfy the requirements of the Indenture if it complies with the mandatory rules and procedures of the Relevant Clearing Systems.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to electronically deliver or mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is electronically delivered or mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If a notice or communication is given through a Relevant Clearing System, it is duly given on the day the notice is given to such Relevant Clearing System.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, premium, if any, or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

Euro is the required currency (the "*Required Currency*") of account and payment for all sums payable by the Issuer and the Guarantors, if any, under or in connection with the Notes and the Note Guarantees thereof, if any, including damages. Any amount received or recovered in a currency other than the applicable Required Currency, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder, any Paying Agent or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the amount of the applicable Required Currency which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount of the applicable Required Currency is less than the amount of the Required Currency expressed to be due to the recipient, any Paying Agent or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient, any Paying Agent or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or any Paying Agent or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note, any Paying Agent or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any Note Guarantee, or to the Trustee. Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Listing

Application will be made to list the Notes on the Official List of the Exchange and for permission to be granted to deal in the Notes on the Official List of the Exchange. There can be no assurance that the application to list the Notes on the Official List of the Exchange will be approved or that permission to deal in the Notes thereon will be granted, and settlement of the Notes is not conditioned on obtaining this listing or permission.

Enforceability of Judgments

Since a material portion of the assets of the Issuer and its subsidiaries are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes, the Issuer and the Guarantors will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City, County and State of New York, in the United States of America. The Indenture will provide that each of the Issuer and the Guarantors will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any U.S. federal or New York state court located in the City of New York.

Governing Law

The Indenture and the Notes, including any Note Guarantees, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of the State of New York. For the avoidance of doubt, the governing law of the Indenture and the Notes may be amended with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). The Intercreditor Agreement and the Escrow Agreement, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England and Wales. The Transaction Security Documents (including the Escrow Charge) will be governed by the law of the location of the relevant asset that is part of the Charged Property. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 (inclusive) of the Luxembourg law of August 10, 1915 on commercial companies, as amended, are expressly excluded.

Certain Definitions

"*ABL Facility*" means (x) the credit facilities made available under the ABL Facility Agreement and (y) one or more debt facilities or other financing arrangements (including indentures) providing for loans or other indebtedness that replaces or refinances such Credit Facility Incurred pursuant to clause clause (i)(A)(3) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*".

"*ABL Facility Agreement*" means the asset-backed loan credit agreement, dated on or about the Issue Date, by and among, among others, German Newco and U.S. Newco, as original borrowers, certain guarantors party thereto and the lenders named therein, together with the related documents thereto (including the revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any guarantees and security documents), as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any one or more agreements (and related documents) governing Indebtedness, including indentures, incurred to refinance, substitute, supplement, replace or add to (including increasing the amount available for borrowing or adding or removing any Person as a borrower, issuer or guarantor thereunder, in whole or in part), the borrowings and commitments then outstanding or permitted to be outstanding under such ABL Facility Agreement or one or more successors to the ABL Facility Agreement or one or more new ABL Facility Agreements.

"*Acceptable Nation*" means Australia, Canada, any member state of the EU, Japan, Switzerland, the UK, the US, or any other state, country or sub-division of a country which has a rating for its short-term unsecured and noncredit-enhanced debt obligations of A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's or by an instrumentality or agency of any such government having an equivalent credit rating.

"*Accounting Principles*" means, in respect of any member of any Financial Reporting Group, at its election, GAAP, International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the EU or the International Accounting Standards Board (or any variation thereof), or generally accepted accounting principles in its jurisdiction of incorporation, in each case to the extent applicable to the relevant financial statements and as applied by such Financial Reporting Entity or that member of the Financial Reporting Group from time to time.

"*Acquired Indebtedness*" means Indebtedness:

(a) of a person or any of its Subsidiaries existing at the time such person becomes a Restricted Subsidiary;

(b) assumed in connection with the acquisition of assets from such person, in each case whether or not Incurred by such person in connection with such person becoming a Restricted Subsidiary or such acquisition; or

(c) of a person at the time such person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary, *provided* that Acquired Indebtedness shall be deemed to have been Incurred, with respect to:

(i) clause (a) above, on the date such person becomes a Restricted Subsidiary;

(ii) clause (b) above, on the date of consummation of such acquisition of assets; and

(iii) clause (c) above, on the date of the relevant merger, consolidation or other combination.

"*Acquisition*" means the direct or indirect acquisition by German Newco and any other members of the Group of assets of and shares in the BIRKENSTOCK Group in accordance with the terms of the Acquisition Documents.

"*Acquisition Agreement*" means the sale and purchase agreement dated 25/26 February 2021 between German Newco and the Vendor.

"*Acquisition Closing Date*" means the date on which the Acquisition is completed in accordance with the terms of the Acquisition Agreement.

"*Acquisition Documents*" means the Acquisition Agreement, any other document ancillary to or entered into in connection with the Acquisition Agreement and each other document or agreement designated in writing as an Acquisition Document by the Issuer.

"*Additional Assets*" means:

(a) any property or assets (other than Capital Stock) used or to be used by the Issuer, a Restricted Subsidiary or otherwise useful (including Investments in property or assets for potential future use) in a Similar Business (it being understood that capital expenditures on property or assets already used, or to be used, in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(b) the Capital Stock of a person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or

(c) Capital Stock constituting a minority interest in any person that at such time is a Restricted Subsidiary.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "*control*," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"*Agent*" means any Registrar, co-Registrar, Transfer Agent, Paying Agent or additional paying agent.

"*Agreed Co-Investor*" means Christian Birkenstock and any investment vehicles controlled by him, including CB Verwaltungs GmbH and CB Beteiligungs GmbH & Co. KG, together with any of its successors, Affiliates, Related Funds or direct or indirect Subsidiaries.

"*Agreed Security Principles*" means the agreed security principles appended to the Indenture.

"*Applicable Metric*" means any financial covenant or financial ratio or Incurrence-based permission, test, basket or threshold in the Indenture (including any financial definition or component thereof and any financial ratio, test, basket or threshold or permission based on the calculation of Consolidated EBITDA, LTM EBITDA, the Senior Secured Net Leverage Ratio, the Total Secured Net Leverage Ratio, the Total Net Leverage Ratio or the Fixed Charge Coverage Ratio), any Default, Event of Default or other relevant breach of the Indenture.

"*Applicable Premium*" means the greater of:

(a) 1% of the principal amount of such Note; and

(b) on any redemption date, the excess (to the extent positive) of:

(i) the present value at such redemption date of (A) the redemption price of such Note at April 30, 2024 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "*—Optional Redemption*" with respect to the Notes (excluding accrued and unpaid interest)), plus (B) all required interest payments due on such Note to and excluding April 30, 2024 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date (or, if greater than such Bund Rate, zero) plus 50 basis points; over

(ii) the outstanding principal amount of such Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee or the Agents.

"*Applicable Reporting Date*" means, as at any date of determination, at the Issuer's election (which election the Issuer may revoke and re-make at any time and from time to time):

(a) if no report or financial statements have yet been delivered pursuant to clause (1), (2) or (3) of the first paragraph of the covenant described under "*—Certain Covenants—Reports*" since the Acquisition Closing Date, the Acquisition Closing Date;

(b) the last day of the most recent fiscal quarter in respect of which a report or financial statements have been delivered pursuant to clause (1), (2) or (3) of the first paragraph of the covenant described under "*—Certain Covenants—Reports*," with such Applicable Metric determined by reference to such report or financial statements, whichever is more recent; or

(c) the last day of the most recently completed Relevant Period for which the Group has sufficient available information to be able to determine such Applicable Metric, with such Applicable Metric determined by reference to such available information.

"*Applicable Test Date*" means the Applicable Transaction Date or, at the Issuer's election (which election the Issuer may revoke and re-make at any time and from time to time), the Applicable Reporting Date prior to any Applicable Transaction Date.

"*Applicable Transaction*" means any Investment, acquisition, disposition, sale, merger, joint venture, consolidation or other business combination transaction, Incurrence, Change of Control, assumption, commitment, issuance, repayment, repurchase or refinancing of Indebtedness (including for the avoidance of doubt an additional facility under the Senior Term Facilities Agreement), Disqualified Stock or Preferred Stock and the use of proceeds thereof, any creation of a Lien, any Restricted Payment, any Affiliate Transaction, any designation of a Restricted Subsidiary or Unrestricted Subsidiary, any Asset Disposition or any other transaction for which an Applicable Metric falls to be determined; *provided* that, if any such transaction (the "first transaction") is being effected in connection with another such transaction (the "second transaction"), the second transaction shall also be an Applicable Transaction with respect to the first transaction.

"*Applicable Transaction Date*" means, in relation to any Applicable Transaction, at the Issuer's election (which election the Issuer may revoke and re-make at any time and from time to time):

(a) the date of any letter, definitive agreement, instrument, put option, scheme of arrangement or similar arrangement in relation to such Applicable Transaction (unilateral, conditional or otherwise);

(b) the date that any commitment, offer, announcement, communication or declaration (unilateral, conditional, or otherwise) with respect to such Applicable Transaction is made or received;

(c) the date that any notice, which may be revocable or conditional, of any repayment, repurchase or refinancing of any relevant Indebtedness is given to the holders of such Indebtedness;

(d) the date of consummation, Incurrence, payment or receipt of payment in respect of the Applicable Transaction;

(e) any other date determined in accordance with the Indenture; or

(f) any other date relevant to the Applicable Transaction determined by the Issuer in good faith.

"*Asset Disposition*" means:

(a) the voluntary sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Leaseback Transaction) of the Issuer or any of the Restricted Subsidiaries (in each case other than Capital Stock of the Issuer) (each referred to in this definition as a "disposition"); or

(b) the issuance, sale, transfer or other disposition of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or directors' qualifying shares and shares issued to foreign nationals as required under applicable law), whether in a single transaction or a series of related transactions,

in each case, other than:

(i) a disposition by the Issuer or a Restricted Subsidiary to the Issuer or a Restricted Subsidiary;

(ii) a disposition of cash or Cash Equivalent Investments;

(iii) a disposition of inventory, receivables, trading stock, equipment or other assets (including Settlement Assets) in the ordinary course of business or consistent with past practice or held for sale or no longer used in the ordinary course of business or consistent with past practice, including any disposition of disposed, abandoned or discontinued operations;

(iv) a disposition of obsolete, worn-out, uneconomic, damaged, retired or surplus property, equipment, facilities or other assets or property, equipment or other assets that are no longer economically practical or commercially desirable to maintain or used or useful in the business of the Issuer and the Restricted Subsidiaries whether now or hereafter owned or leased or acquired in connection with an acquisition or used or useful in the conduct of the business of the Issuer and the Restricted Subsidiaries (including by ceasing to enforce, allowing the lapse, abandonment or invalidation of or discontinuing the use or maintenance of or putting into the public domain any intellectual property that is, in the reasonable judgment of the Issuer or the Restricted Subsidiaries, no longer used or useful, or economically practicable to maintain, or in respect of which the Issuer or any Restricted Subsidiary determines in its reasonable judgment that such action or inaction is desirable);

(v) transactions permitted pursuant to the covenants described under "*—Merger and Consolidation—The Issuer*" and "*—Merger and Consolidation—Guarantors*" or a transaction that constitutes a Change of Control;

(vi) a disposition, issuance, sale or transfer of Capital Stock (A) by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity-based, equity-linked, profit sharing or performance based, incentive or compensation plan approved by the Board of Directors of the Issuer or (B) relating to directors' qualifying shares and shares issued to individuals as required by applicable law;

(vii) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Issuer) not exceeding the greater of (x) €37.63 million and (y) an amount equal to 17.5% of LTM EBITDA;

(viii) any Restricted Payment that is permitted to be made, and is made, under the covenant described under "—Certa*in Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment;

(ix) dispositions in connection with Liens not prohibited by the covenant described under "*—Certain Covenants—Limitation on Liens*";

(x) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or consistent with past practice or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(xi) conveyances, sales, transfers, licenses or sublicenses, lease or assignment or other dispositions of intellectual property rights, software or other general intangibles and licenses, sub-licenses, leases or

subleases of other property, in each case, in the ordinary course of business or consistent with past practice or pursuant to a research or development agreement in which the counterparty to such agreement receives a license in the intellectual property or software that result from such agreement;

(xii) the lease, assignment, license, sublease or sublicense of any real or personal property in the ordinary course of business or consistent with past practice;

(xiii) foreclosure, condemnation, forced dispositions, taking by eminent domain or any similar action with respect to any property or other assets;

(xiv) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business or consistent with past practice, or the conversion or exchange of accounts receivable for notes receivable;

(xv) any issuance or sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary or any other disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary or a Subsidiary that is not a Material Subsidiary (as defined in the Senior Term Facilities Agreement);

(xvi) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(xvii) dispositions of property to the extent:

(1) that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased;

(2) that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased); or

(3) allowable under Section 1031 of the Code (or any similar provision under applicable tax law) and constituting any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(xviii) any disposition of Securitization Assets or Receivables Assets, or participations therein, in connection with any Qualified Securitization Financing or Receivables Facility, or the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business or consistent with past practice;

(xix) any disposition pursuant to a Sale and Leaseback Transaction or any other financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Issuer or any Restricted Subsidiary after the Issue Date, including asset securitizations, permitted by the Indenture;

(xx) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;

(xxi) any surrender or waiver of contractual rights or the settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind;

(xxii) the unwinding or termination of any Cash Management Services or Hedging Obligations;

(xxiii) the disposition of any assets made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition; and

(xxiv) a disposition of property or assets if the acquisition of such property or assets was financed with Excluded Contributions and the Net Available Cash from such disposition is used to make a Restricted Payment,

in each case, *provided* that in the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Disposition and would also be a Permitted Investment or an Investment permitted

under the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Disposition and/or one or more of the types of Permitted Investments or Investments permitted under the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Associate*" means (i) any person engaged in a Similar Business of which the Issuer or the Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

"*Available Amount*" means at any time, an amount equal to, without duplication or double counting (including without double counting amounts which would increase the capacity to make Restricted Payments, Permitted Payments or Permitted Investments pursuant to the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*"), the sum of:

(a) Retained Cash (as defined in the Senior Term Facilities Agreement); plus

(b) the amount of any Equity Contribution made after the Acquisition Closing Date (excluding the Transaction Equity Contribution); plus

(c) Closing Overfunding; plus

(d) IPO Proceeds; plus

(e) Permitted Debt (excluding (i) any intra-Group Indebtedness and (ii) any Indebtedness of a member of the Group outstanding or committed on the Acquisition Closing Date under Facility B and/or the Notes that are applied by the Issuer towards (x) the payment of the cash consideration to the Vendor under the Acquisition Agreement, (y) the refinancing of existing Indebtedness of the BIRKENSTOCK Group on or about the Acquisition Closing Date or (z) the payment of costs, fees or expenses in connection with the Transaction); plus

(f) cash and Cash Equivalent Investments held by members of the Group, *provided* that such cash and Cash Equivalent Investments would otherwise have been able to be used at that time to make a Permitted Payment (excluding the Available Amount permission); plus

(g) the aggregate principal amount of any Indebtedness of the Issuer or any Restricted Subsidiary issued after the Acquisition Closing Date (other than Indebtedness issued to the Issuer or a Restricted Subsidiary), which has been converted into or exchanged for equity and/or shareholder loans, together with the fair market value of any Cash Equivalent Investments and the fair market value (as reasonably determined by the Issuer) of any property or assets received by the Issuer or such Restricted Subsidiary upon such exchange or conversion, in each case, during the period from and including the day immediately following the Acquisition Closing Date through and including such time; plus

(h) the aggregate amount of net cash proceeds received by the Issuer or any Restricted Subsidiary during the period from and including the day immediately following the Acquisition Closing Date through and including such time in connection with the disposal to a person (other than the Issuer or any Restricted Subsidiary) of any investment funded made using the Available Amount (in whole or in part); plus

(i) to the extent not already reflected as a return of capital with respect to such investment for purposes of determining the amount of such investment, the aggregate amount of proceeds received by the Issuer or any Restricted Subsidiary during the period from and including the day immediately following the Acquisition Closing Date through and including such time in connection with cash returns, cash profits, cash distributions and similar cash amounts, (including cash interest and/or principal repayments of loans) in each case received in respect of any investment made after the Acquisition Closing Date using the Available Amount (in whole or in part) (in an amount not to exceed the original amount of such investment); plus

(j) an amount equal to the sum of:

  (i) the amount of any investment made by the Issuer or any Restricted Subsidiary using the Available Amount in any Unrestricted Subsidiary (in an amount not to exceed the original amount of such investment) that has been re-designated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or is liquidated, wound up or dissolved into, the Issuer or any Restricted Subsidiary; and

(ii) the fair market value (as reasonably determined by the Issuer) of the property or assets of any Unrestricted Subsidiary that have been transferred, conveyed or otherwise distributed (in an amount not to exceed the original amount of the investment in such Unrestricted Subsidiary) to the Issuer or any Restricted Subsidiary,

in each case, during the period from and including the day immediately following the Acquisition Closing Date through and including such time.

"*Borrowing Base*" means, at any given time, an amount equal to the sum of (a) 90% of the face amount of all accounts receivable; (b) the lesser of (i) 85% of the net orderly liquidation value and (ii) 75% of the book value of all inventory and in-transit inventory; (c) the lesser of (i) 85% of the net orderly liquidation value and (ii) 75% of the book value of all raw materials inventory and (d)100% of all cash of borrowers and the guarantors under the ABL Facility as of the most recently ended fiscal month or such other date upon which a borrowing base certificate is delivered under the ABL Facility Agreement. The Borrowing Base shall be calculated on a pro forma basis to include any accounts receivable, inventory, raw materials and cash owned by an entity that is to be merged with or into the Issuer or a Restricted Subsidiary or is to become a Restricted Subsidiary on the date of determination.

"*Board of Directors*" means:

(a) with respect to the Issuer or any company or corporation, the board of directors or managers, as applicable, of that company or corporation, or any duly authorized committee thereof;

(b) with respect to any limited liability company, the sole member, sole manager, board of managers or other governing body, as applicable, of that limited liability company, or any duly authorized committee thereof;

(c) with respect to any partnership, the board of directors or other governing body of the general partner of that partnership or any duly authorized committee thereof, except if a manager or a board of managers have been appointed in accordance with the constitutional documents of such partnership, in which case clause (a) above shall apply; and

(d) with respect to any other person, the board or any duly authorized committee of that person serving a similar function.

Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors or equivalent (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting (or equivalent) or as a formal board approval (or equivalent)). The obligations of the "Board of Directors" under the Indenture may be exercised by the Board of Directors of the Issuer, the Parent, German Newco, Lux SPV or any Financial Reporting Entity, including, in each case, its successors and assigns.

"*Bund Rate*" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Issuer) most nearly equal to the period from the redemption date to April 30, 2024; *provided*, *however*, that if the period from the redemption date to April 30, 2024 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to April 30, 2024 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used; and *provided*, *further*, that in no case shall the Bund Rate be less than zero.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in (i) Luxembourg, (ii) Frankfurt, Germany, (iii) London, United Kingdom or (iv) New York, New York, United States are authorized or required by law to close.

"*Business Successor*" means (i) any former Subsidiary of the Issuer and (ii) any person that, after the Issue Date, has acquired, merged or consolidated with a Subsidiary of the Issuer (that results in such Subsidiary ceasing to be a Subsidiary of the Issuer), or acquired (in one transaction or a series of transactions) all or substantially all of the property and assets or business of a Subsidiary or assets constituting a business unit, line of business or division of a Subsidiary of the Issuer.

"*Capital Stock*" of any person means any and all shares of, rights to purchase or acquire, warrants, options or depositary receipts for, or other equivalents of, or partnership or other interests in (however designated), equity of such person, including any Preferred Stock, but excluding any debt securities convertible into, or exchangeable for, such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalent Investments*" means, at any time when held by a member of the Group or the BIRKENSTOCK Group (as applicable), any Cash Equivalents, Temporary Cash Investments or Investment Grade Securities and (without double counting):

(a) debt securities or other investments in marketable debt obligations issued or guaranteed by an Acceptable Nation or any agency thereof and having not more than one year to final maturity;

(b) certificates of deposit maturing within one year after the relevant date of calculation and issued by any lender party to a Credit Facility or by any bank or trust company;

  (i) whose commercial paper is rated at least "*A-1*" or the equivalent thereof by S&P or at least "*F1*" or the equivalent thereof by Fitch or at least "*P-1*" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization); or

  (ii) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(c) any investment in marketable debt obligations issued or guaranteed by any government of any Acceptable Nation, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

(d) commercial paper not convertible or exchangeable to any other security:

  (i) for which a recognized trading market exists;

  (ii) which matures within one year after the relevant date of calculation; and

  (iii) which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its short term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(e) bills of exchange issued in any Acceptable Nation or, in each case, any agency thereof and eligible for rediscount at the relevant central bank and accepted by a bank (or their dematerialized equivalent);

(f) any investment which:

  (i) is an investment in money market funds:

    (A) with a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's; or

    (B) which invests substantially all their assets in securities of the types described in clauses (a) to (e) above;

(ii) is any other money market investment (including repurchase agreements) and substantially all of the assets or collateral in respect of that investment have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's; or

(iii) can be turned into cash on not more than 30 days' notice,

in each case, to which any member of the Group or member of the BIRKENSTOCK Group (as applicable) is alone (or together with other members of the Group or BIRKENSTOCK Group (as applicable)) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or BIRKENSTOCK Group (as applicable) or subject to any Security (other than a Permitted Lien).

"*Cash Equivalents*" means

(a) Australian dollars, Canadian dollars, euros, Japanese yen, Swiss francs, UK pounds sterling, U.S. dollars or any national currency of any member state of the EU or any other foreign currency held by the Issuer and the Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(b) securities or other direct obligations issued or directly and fully Guaranteed or insured by the government of Australia, Canada, Japan, Norway, Switzerland, the UK or the US, the EU or any member state of the EU on the Issue Date or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), with maturities of 24 months or less from the date of acquisition;

(c) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company:

(i) whose commercial paper is rated at least "*A-1*" or the equivalent thereof by S&P or at least "*F1*" or the equivalent thereof by Fitch or at least "*P-1*" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization); or

(ii) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(d) repurchase obligations for underlying securities of the types described in clauses (b), (c) and (g) of this definition entered into with any bank meeting the qualifications specified in clause (c) above;

(e) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any person referenced in clause (c) above;

(f) commercial paper and variable or fixed rate notes issued by a bank meeting the qualifications specified in clause (c) above (or by the Parent Entity thereof) maturing within one year after the date of creation thereof or any commercial paper and variable or fixed rate note issued by, or guaranteed by a corporation rated at least "*A-1*" or higher by S&P or at least "*F1*" or the equivalent thereof by Fitch or "*P-1*" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Issuer) maturing within one year after the date of creation thereof;

(g) interests in any investment company, money market, enhanced high yield fund or other investment fund which invests 90% or more of its assets in instruments of the types specified in clauses (a) through (f) above; and

(h) for purposes of clause (ii) of the definition of "Asset Disposition", the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Acquisition Closing Date.

"*Cash Management Services*" means any of the following: automated clearing house transactions, treasury, depository, credit or debit card, purchasing card, stored value card, electronic fund transfer services, daylight or overnight draft facilities and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services or other cash management arrangements in the ordinary course of business or consistent with past practice.

"*Change of Control*" means:

(1) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as

such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, being or becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act as in effect on the Issue Date) of more than 50% of the total voting power of the Voting Stock of the Issuer other than in connection with any transaction or series of transactions in which the Issuer shall become the Wholly Owned Subsidiary of a Parent Entity so long as no Person or group, as noted above, other than a Permitted Holder, holds more than 50% of the total voting power of the Voting Stock of such Parent Entity; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and the Restricted Subsidiaries taken as a whole to a Person, other than the Issuer or any of the Restricted Subsidiaries or one or more Permitted Holders.

Notwithstanding the foregoing, (a) a transaction will not be deemed to involve a Change of Control solely as a result of the Issuer becoming a direct or indirect Wholly Owned Subsidiary of a Parent Holding Company if (A) the direct or indirect holders of the Voting Stock of such Parent Holding Company immediately following that transaction are substantially the same as the holders of the Issuer's Voting Stock immediately prior to that transaction or (B) immediately following that transaction no Person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company and (b) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

"*Clean-up Period*" means the date which falls 180 days after the Acquisition Closing Date.

"*Clearstream*" means Clearstream Banking S.A., or any successor thereof.

"*Closing Overfunding*" means the aggregate amount invested in Lux SPV or German Newco (without double-counting) by way of Equity Contribution on or around the Acquisition Closing Date and identified as "Closing Overfunding" or similar in the funds flow statement, plus (without double-counting) the amount of cash on the balance sheet of the Group (including the BIRKENSTOCK Group) as at the Acquisition Closing Date (other than, for the avoidance of doubt, any cash attributable (as determined by Lux SPV (acting reasonably)) to amounts invested in Lux SPV or German Newco (as applicable) by way of Equity Contribution or the proceeds from any Notes or any other Indebtedness that are applied by Lux SPV or German Newco (as applicable) on the Acquisition Closing Date towards (i) the payment of cash consideration to the Vendor under the Acquisition Agreement, (ii) the refinancing of existing Indebtedness of the BIRKENSTOCK Group or (iii) the payment of costs, fees or expenses in connection with the Transaction).

"*Consolidated Depreciation and Amortization Expense*" means with respect to any person for any period, the total amount of depreciation and amortization expense, including amortization or write-off of:

(a) intangibles and non-cash organization costs;

(b) deferred financing fees or costs; and

(c) capitalized expenditures, customer acquisition costs and incentive payments, conversion costs and contract acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and amortization of favorable or unfavorable lease assets or liabilities,

of such person and the Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP and any write down of assets or asset value carried on the balance sheet.

"*Consolidated EBITDA*" means, with respect to any person for any period, the Consolidated Net Income of such person for such period:

(a) increased (without duplication) by:

(i) provision for taxes based on income or profits, revenue or capital, including federal, state, provincial, territorial, local, foreign, unitary, excise, property, franchise and similar taxes and foreign withholding and similar taxes of such person paid or accrued during such period, including any penalties and interest relating to any tax examinations (including any additions to such taxes, and any penalties and interest with respect thereto), deducted (and not added back) in computing Consolidated Net Income; plus

(ii) Fixed Charges of such person for such period, including:

(A) net losses on any Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate, currency or commodities risk;

(B) bank fees and other financing fees; and

(C) costs of surety bonds in connection with financing activities, plus amounts excluded from the definition of "*Consolidated Interest Expense*" pursuant to clauses (a)(A) through (a)(I) thereof,

in each case to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; plus

(iii) Consolidated Depreciation and Amortization Expense of such person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income; plus

(iv) any:

(A) Transaction Expenses; and

(B) any fees, costs, expenses or charges (other than Consolidated Depreciation and Amortization Expense) related to any actual, proposed or contemplated Equity Offering (including any expense relating to enhanced accounting functions or other transactions costs associated with becoming a public company), Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of Indebtedness permitted to be Incurred by the Indenture (including a refinancing thereof) (whether or not successful),

in each case including such fees, expenses or charges (including rating agency fees and related expenses) related to the Senior Term Facilities, the ABL Facility, any Notes, any other Credit Facility, any Receivables Facility, any Securitization Facility, any other Indebtedness not prohibited by the Indenture or any Equity Offering and any amendment, waiver or other modification of any of the foregoing, in each case, whether or not consummated, to the extent the same were deducted (and not added back) in computing Consolidated Net Income; plus

(v) the amount of any:

(A) restructuring charge, accrual or reserve (and adjustments to existing reserves), transaction or integration cost or other business optimization expense or cost (including charges directly related to the implementation of cost-savings initiatives) that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs incurred in connection with acquisitions or divestitures after the Issue Date, including those related to any severance, retention, signing bonuses, relocation, recruiting and other employee related costs, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employment benefit plans (including any settlement of pension liabilities), operational and technology systems development and establishment costs, future lease commitments and costs related to the opening, pre-opening, abandonment, disposal, discontinuation and closure and/or consolidation of facilities and to exiting lines of business and consulting fees incurred with any of the foregoing; and

(B) fees, costs and expenses associated with acquisition related litigation and settlements thereof; plus

(vi) any other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting; *provided* that if any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period then the cash payment in such future period shall be subtracted from Consolidated EBITDA when paid or other items classified by the Issuer as special 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); plus

(vii) the amount of board of director fees, management, monitoring, advisory, consulting, refinancing, subsequent transaction, advisory and exit fees (including termination fees) and related indemnities and expenses paid or accrued in such period to any member of the Board of

Directors of the Issuer, any Permitted Holder or any Affiliate of a Permitted Holder to the extent permitted under the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*"; plus

(viii) the "run rate" adjustment required to give effect to synergies, cost savings, operating expense reductions, restructuring charges, operating cost improvements, operating improvements, revenue increases, revenue enhancements or other adjustments, similar initiatives or effects of synergies (together, being "Synergies") that have been realized (in full or in part) for some, but not all, of such period and that are related to any acquisition (including under a letter of intent), disposition, divestiture, restructuring, new or revised contract, information and technology systems establishment, modernization or modification or the implementation of any operating improvements, efficiency or cost savings initiative or any other adjustments or similar initiatives, as applicable, as if such Synergies had been realized from the first day of such period and during the entirety of such period (which adjustments, without double-counting may be incremental to pro forma adjustments made pursuant to the section entitled "*—Financial and Other Calculations*"); net of the amount of actual benefits realized during such period from such actions; plus

(ix) the pro forma adjustment (whether on a "run rate" basis or otherwise) for Synergies that are expected (in good faith) to be realized as a result of actions taken or committed or expected to be taken in relation to any acquisition (including under a letter of intent), disposition, divestiture, restructuring, new or revised contract, information and technology systems establishment, modernization or modification or the implementation of an operating improvements, efficiency or cost savings initiative or any other adjustments or similar initiative (for the avoidance of doubt, whether or not any action has been taken in relation to the same), calculated on a pro forma basis as if such Synergies had been realized from the first day of such period and during the entirety of such period (which adjustments, without double-counting, may be incremental to pro forma adjustments made pursuant to the section entitled "*—Financial and Other Calculations*"); plus

(x) the amount of loss or discount on sale of Securitization Assets, Receivables Assets and related assets to the Securitization Subsidiary in connection with a Qualified Securitization Financing or Receivables Facility; plus

(xi) any costs or expense incurred by the Issuer or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Issuer or Net Cash Proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Issuer; plus

(xii) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (b) below for any previous period and not added back; plus

(xiii) any net loss included in the Consolidated Net Income attributable to non-controlling interests; plus

(xiv) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Issuer and its Restricted Subsidiaries; plus

(xv) net realized losses from Hedging Obligations or embedded derivatives; plus

(xvi) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto; plus

(xvii) with respect to any joint venture, an amount equal to the proportion of those items described in sub-clauses (i) and (iii) above relating to such joint venture corresponding to the Issuer's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary) to the extent the same was deducted (and not added back) in calculating Consolidated Net Income; plus

(xviii) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments; plus

(xix) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost), and any other items of a similar nature; plus

(xx) the amount of expenses relating to payments made to option holders of the Issuer or any Parent Entity in connection with, or as a result of, any distribution being made to equity holders of such person or its Parent Entities, which payments are being made to compensate such option holders as though they were equity holders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the Indenture; plus

(xxi) to the extent not already otherwise included herein, adjustments and add-backs (including anticipated synergies) for costs or expenses (or, in each case, similar items) made in calculating "Adjusted EBITDA" (or any similar or equivalent term) included in this offering memorandum and other adjustments of a similar nature to the foregoing and/or any base case model or quality of earnings report related to a Permitted Acquisition (including any annexures to such report) prepared by an independent third party; plus

(xxii) the amount of incremental contract value of the Group that the Issuer in good faith reasonably believes would have been realized or achieved as Consolidated EBITDA contribution from (i) increased pricing or volume initiatives and/or (ii) the entry into binding and effective new agreements with new customers or, if generating incremental contract value, new agreements (or amendments to existing agreements) with existing customers (collectively, "New Contracts") during such period had such New Contracts been effective as of the beginning of such period (including, without limitation, 100% of such incremental contract value attributable to New Contracts that are in excess of (but without duplication of) contract value attributable to New Contracts that has been actually realized as Consolidated EBITDA contribution during such period) as long as such incremental contract value is reasonably identifiable and factually supportable; provided that such incremental contract value shall be calculated on a pro forma basis as though the full "run rate" effect of such incremental contract value had been realized as Consolidated EBITDA contributed on the first day of such period; *provided* that any amounts calculated pursuant to this clause (xxii) shall not exceed an amount equal to 10% of Consolidated EBITDA for the relevant period after giving effect to all other adjustments permitted by this definition of "Consolidated EBITDA"; plus

(xxiii) earn out obligations Incurred in connection with any Permitted Acquisition or other Investment permitted under the Indenture and paid or accrued during such period; plus

(xxiv) losses, charges and expenses related to the pre-opening and opening of new facilities, and start-up period prior to opening, that are operated, or to be operated, by the Issuer or any Restricted Subsidiary; plus

(xxv) any other items classified by the Issuer as extraordinary, one-off, one-time, exceptional, unusual or nonrecurring items decreasing Consolidated Net Income of such person for such period; and

(b) decreased (without duplication) by non-cash gains increasing Consolidated Net Income of such person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period.

"*Consolidated Interest Expense*" means, with respect to any person for any period, without duplication, the sum of:

(a) consolidated interest expense of such person and its Restricted Subsidiaries for such period (in each case, determined on the basis of GAAP), to the extent such expense was deducted (and not added back) in computing Consolidated Net Income, including:

(i) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par;

(ii) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances;

(iii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of any Hedging Obligations or other derivative instruments pursuant to GAAP);

(iv) the interest component of Capitalized Lease Obligations;

(v) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness; and

(vi) interest actually paid by the Issuer or any Restricted Subsidiary under any guarantee of Indebtedness or other obligation of any other person, and excluding:

(A) Securitization Fees;

(B) interest and other fees in respect of Receivables Facilities;

(C) penalties and interest relating to taxes;

(D) any additional cash interest owing pursuant to any registration rights agreement;

(E) accretion or accrual of discounted liabilities other than Indebtedness;

(F) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or purchase accounting in connection with the Transaction or any acquisition;

(G) amortization or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated Hedging Obligations and other commissions, financing fees and expenses and original issue discount with respect to any Indebtedness the Incurrence of which is permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and, adjusted to the extent included, to exclude any refunds or similar credits received in connection with the purchasing or procurement of goods or services under any purchasing card or similar program;

(H) any expensing of bridge, commitment and other financing fees; and

(I) interest with respect to Indebtedness of any parent of such person appearing upon the balance sheet of such person solely by reason of push-down accounting under GAAP; plus

(b) consolidated interest expense of any Parent Entity to the extent such interest expense was funded with the proceeds of dividends, distributions or other payments to any Parent Entity pursuant to sub-clause (i)(C) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*"; plus

(c) consolidated capitalized interest of such person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding); less

(d) interest income for such period, *provided* that, for purposes of this definition interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to any person for any period, the net income (loss) of such person and its Subsidiaries that are Restricted Subsidiaries for such period determined on a consolidated basis on the basis of GAAP; *provided* that there will not be included in such Consolidated Net Income:

(a) any net income (loss) of any person if such person is not a Restricted Subsidiary (including any net income (loss) from Investments recorded in such person under the equity method of accounting), except that the Issuer's equity in the net income of any such person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalent Investments actually distributed or that (as reasonably determined by an Officer of the Issuer) could have been distributed by such person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment; *provided* that, for the purposes of clause (C) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under the definition of Permitted Investments;

(b) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized upon the sale or other disposition of any asset (including pursuant to any Sale and Leaseback Transaction) or disposed or discontinued operations of the Issuer or any Restricted Subsidiaries which is not sold or otherwise disposed of in the ordinary course of business or consistent with past practice (as determined in good faith by the Issuer);

(c) any extraordinary, exceptional, one-off, one-time, unusual or nonrecurring gain, loss, charge or expense, including Transaction Expenses or any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense or relocation costs, one-time compensation charges, integration and facilities' opening costs and other business optimization expenses and operating improvements (including related to new product introductions and the build-out, renovation and expansion of facilities), systems development and establishment costs, accruals or reserves (including restructuring and integration costs related to acquisitions after the Issue Date and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, transition costs, losses related to closure/consolidation or disruption of facilities, losses associated with temporary decreases in work volume and expenses related to maintaining underutilized personnel and facilities (to the extent such disruption of facilities, temporary decreases in work volume and/or underutilized personnel and facilities are the result of an extraordinary, exceptional, one-off, one-time, unusual or nonrecurring event or circumstance), internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), litigation, contract terminations and professional and consulting fees incurred with any of the foregoing;

(d) the cumulative effect of a change in law, regulation or accounting principles;

(e) any:

(i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity-based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions or on the re-valuation of any benefit plan obligation; and

(ii) income (loss) attributable to deferred compensation plans or trusts;

(f) all deferred financing costs written off and premiums 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;

(g) any unrealized gains or losses in respect of any Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;

(h) any fees, charges and expenses (including any transaction or retention bonus or similar payment) incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, reorganization, restructuring, disposition of assets or securities, issuance or repayment or redemption of Indebtedness, issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful;

(i) any unrealized or realized foreign currency translation increases or decreases or 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 unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary and any unrealized or realized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(j) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with GAAP;

(k) any recapitalization accounting or purchase accounting effects, including, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component

amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Issuer and the Restricted Subsidiaries), as a result of any consummated acquisition (including the Transaction), or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(l) any impairment charge, write-off or write-down, including impairment charges, write-offs or write-downs related to intangible assets, long-lived assets, goodwill, investments in debt or equity securities (including any losses with respect to the foregoing in bankruptcy, insolvency or similar proceedings) and the amortization of intangibles arising pursuant to GAAP;

(m) any effect of income (loss) from the early extinguishment or cancellation of Indebtedness or any Hedging Obligations or other derivative instruments;

(n) accruals and reserves that are established or adjusted (including any adjustment of estimated pay-outs on existing earn-outs) that are so required to be established as a result of the Transaction in accordance with GAAP, or changes as a result of adoption or modification of accounting policies;

(o) any costs associated with the Transaction;

(p) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures and any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transaction, or the release of any valuation allowances related to such item;

(q) any:

(i) payments to third parties in respect of research and development, including amounts paid upon signing, success, completion and other milestones and other progress payments, to the extent expensed; and

(ii) effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates);

(r) any net gain (or loss) from disposed, abandoned or discontinued operations and any net gain (or loss) on disposal of disposed, discontinued or abandoned operations; and

(s) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding, *provided* that, in addition, to the extent not already included in the Consolidated Net Income of such person and its Subsidiaries that are Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include:

(A) any expenses and charges that are reimbursed by indemnification or other reimbursement provisions in connection with any investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed and only to the extent that such amount is:

(1) not denied by the applicable payor in writing within 180 days; and

(2) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days); and

(B) to the extent covered by insurance (including business interruption insurance) and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is:

(1) not denied by the applicable carrier in writing within 180 days; and

(2) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption.

"*Contingent Obligations*" means, with respect to any person, any obligation of such person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not

constitute Indebtedness ("*primary obligations*") of any other person (the "*primary obligor*"), including any obligation of such person, whether or not contingent:

(a) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(b) to advance or supply funds:

(i) for the purchase or payment of any such primary obligation; or

(ii) 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

(c) 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.

"*Controlled Investment Affiliate*" means, as to any person, any other person, which directly or indirectly is in control of, is controlled by, or is under common control with such person and is organized by such person (or any person controlling such person) primarily for making direct or indirect equity or debt investments in the Issuer and/or other companies.

"*Credit Facility*" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, indentures, instruments or other arrangements (including the Senior Term Facilities, ABL Facility or commercial paper facilities and overdraft facilities) with banks, other financial institutions, funds, governmental or quasi-governmental agencies or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original Senior Term Facilities, the ABL Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"*Currency Equivalent*" means, with respect to any monetary amount in a currency (the "*second currency*") other than a specified currency (the "*first currency*"), at any time for determination thereof, the amount of the first currency obtained by converting the amount of the second currency into the first currency at the spot rate for the purchase of the first currency with the second currency as published in The Wall Street Journal in the "*Exchange Rates*" column under the heading "*Currency Trading*" on the date two Business Days prior to such determination.

"*Debt Documents*" has the meaning assigned to such term in the Intercreditor Agreement.

"*Debt Pushdown*" means the novation, transfer or push down of all or part of the rights and obligations of a borrower of Facility B to another member of the Group in accordance with the provisions of the Senior Term Facilities Agreement.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Disposition that is so designated as Designated

Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalent Investments received in connection with a subsequent sale, redemption or repurchase of or collection or payment on such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in exchange for consideration in the form of Cash Equivalent Investments in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*"

"*Designated Preferred Stock*" means Preferred Stock of the Issuer or a Parent Entity (other than Disqualified Stock) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and that is designated as "*Designated Preferred Stock*" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof.

"*Disinterested Director*" means, with respect to any Affiliate Transaction, a member of the Board of Directors having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Issuer or any options, warrants or other rights in respect of such Capital Stock.

"*Disqualified Stock*" means, with respect to any person, any Capital Stock of such person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(a) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise; or

(b) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of:

(i) the Stated Maturity of the Notes; or

(ii) the date on which there are no Notes outstanding;

provided that:

(A) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; and

(B) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant person with the covenant described under "—Certain Covenants—Limitation on Restricted Payments,"

provided, *further*, that if such Capital Stock is issued to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates (excluding the Permitted Holders (but not excluding any future, current or former employee, director, officer, contractor or consultant) or Immediate Family Members), of the Issuer, any of its Subsidiaries, any Parent Entity or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "*affiliate*" by the Board of Directors (or the compensation committee thereof) or any other plan for the benefit of current, former or future employees (or their respective Controlled Investment Affiliates or Immediate Family Members)) of the Issuer or its Subsidiaries or by any such plan to such employees (or their respective Controlled Investment Affiliates or Immediate Family Members), such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory, contractual or regulatory obligations.

"*dollar*" or "*$*" means the lawful currency of the United States of America.

"*Equity Contribution*" means the portion of funding for the Transaction to be provided to German Newco through intermediate holding companies by way of an equity contribution (which shall include, for the avoidance of doubt, any Subordinated Shareholder Funding), including:

(a) any subscription for shares issued by, and any capital contributions (including by way of premium and/or contribution to the capital reserves and on a cash or cashless basis) to, the Issuer via the Parent; and/or

(b) any loans, notes, bonds or like instruments issued by or made to the Issuer via the Parent which are subordinated to the Notes as Subordinated Liabilities pursuant to the Intercreditor Agreement or otherwise on terms satisfactory to the Trustee (acting reasonably) (including, for the avoidance of doubt, any Subordinated Shareholder Funding).

"*Equity Documents*" means the constitutional documents of the Issuer and any document evidencing an Equity Contribution as described in paragraph (b) of the definition of "Equity Contribution."

"*Equity Offering*" means:

(a) a sale of Capital Stock of the Issuer (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions); or

(b) the sale of Capital Stock or other securities by any person, the proceeds of which are contributed to the equity of the Issuer or any of the Restricted Subsidiaries by any Parent Entity in any form other than Indebtedness, Excluded Contributions or a Parent Debt Contribution.

"*Escrow Account*" means, if and to the extent that the Acquisition is expected to be consummated more than three Business Days following the Issue Date, the escrow account in the name of the Issuer into which the Initial Purchasers will deposit the gross proceeds of the Notes sold on the Issue Date, which will be controlled by the Escrow Agent and charged in favor of the Trustee on behalf of the Holders pursuant to the Escrow Charge.

"*Escrow Agent*" means GLAS Specialist Services Limited.

"*Escrow Charge*" means the escrow account charges dated on or about the Issue Date, if and to the extent that the Acquisition is expected to be consummated more than three Business Days following the Issue Date, between the Issuer, the Trustee and the Escrow Agent, pursuant to which the Issuer will grant first-priority security interests in the Escrow Account and the Issuer's rights under the Escrow Agreement, to the Trustee for its own benefit and the benefit of the.

"*Escrowed Proceeds*" means the proceeds from the offering or Incurrence of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events, *provided* that the term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*euro*" or "*€*" means the single currency of participating member states of the economic and monetary union as contemplated in the Treaty on European Union.

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

"*Euro Equivalent*" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Issuer or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in The Financial Times in the "*Currency Rates*" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination.

"*European Government Obligations*" means any security denominated in euro that is (1) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated "*A-1*" or higher by Moody's or "*A+*" or higher by S&P or the equivalent rating category of another Nationally Recognized Statistical Rating Organization on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*European Union*" means all members of the European Union as of December 31, 2018 (including for the avoidance of doubt the United Kingdom).

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Issuer or any Restricted Subsidiary as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Issuer or any Restricted Subsidiary (other than from the Issuer or a Restricted Subsidiary) after the Issue Date or from the issuance or sale (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of their employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock), or Subordinated Shareholder Funding of the Issuer (other than the Transaction Equity Contribution) or any Restricted Subsidiary, in each case, following the Issue Date to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer.

"*Existing Debt*" means the outstanding Indebtedness (and any interest, coupon, premia, fees, costs or expenses accruing thereon) under (a) any Existing Debt Document and (b) any hedging agreement or related or ancillary agreement entered into in connection with any Existing Debt Document.

"*Existing Debt Document*" means any document or instrument constituting, documenting or evidencing any indebtedness made available to or guaranteed or secured by any member of the BIRKENSTOCK Group and existing immediately prior to the Acquisition Closing Date.

"*Facility B*" means Facility B (EUR) and Facility B (USD).

"*Facility B (EUR)*" means the euro-denominated senior secured term loan facility B made available under the Senior Term Facilities Agreement on or about the Acquisition Closing Date.

"*Facility B (USD)*" the U.S. dollar-denominated senior secured term loan facility B made available under the Senior Term Facilities Agreement on or about the Acquisition Closing Date.

"*fair market value*" wherever such term is used (except as otherwise specifically provided in the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or Board of Directors in good faith.

"*Finance Documents*" has the meaning assigned to such term in the Intercreditor Agreement.

"*Financial Reporting Group*" means the applicable Financial Reporting Entity and each of its Subsidiaries from time to time, but excluding any Unrestricted Subsidiaries.

"*Fitch*" means Fitch Ratings, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Fixed Charge Coverage Ratio*" means the ratio of LTM EBITDA to the Fixed Charges of the Group as at the Applicable Reporting Date for the Relevant Period ending on such Applicable Reporting Date (the "reference period"), *provided* that, for purposes of calculating the Fixed Charge Coverage Ratio, Fixed Charges may, at the Issuer's option, exclude any interest expenses related to leases incurred during the reference period. In the event that the Issuer or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires, extinguishes

or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or has caused any Reserved Indebtedness Amount to be deemed to be Incurred or issues or redeems Disqualified Stock or Preferred Stock, in each case, subsequent to the commencement of the reference period but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Fixed Charge Coverage Ratio Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, deemed Incurrence, assumption, Guarantee, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the reference period; *provided* that the pro forma calculation shall not give effect to:

(a) any Fixed Charges attributable to Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred in reliance upon the Fixed Charge Coverage Ratio pursuant to clauses (i)(D), (i)(E) or (v)(B)(1) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*");

(b) any Fixed Charges attributable to Indebtedness Incurred pursuant to clauses (iv)(A) or (xiv)(B) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; or

(c) any Fixed Charges attributable to any Indebtedness discharged on such determination date of any Indebtedness to the extent that such discharge results from the application of the proceeds of Indebtedness Incurred on the determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred in reliance upon the Fixed Charge Coverage Ratio pursuant to clauses (i)(D), (i)(E) or (v)(B)(1) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

For purposes of making the computation referred to above, any Purchase or Sale that has been made by the Issuer or any of the Restricted Subsidiaries, during the reference period or subsequent to the reference period shall be calculated on a pro forma basis assuming that such Purchase or Sale (and the change in any associated fixed charge obligations and the change in LTM EBITDA resulting therefrom) had occurred on the first day of the reference period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire reference period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the reference period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Issuer may designate.

For the purposes of this definition, "Consolidated Interest Expense" will be calculated using an assumed interest rate based on the indicative interest margin contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by the Issuer in good faith.

All Applicable Metrics described in this definition will be calculated as set forth in the section "*—Financial and Other Calculations*" above.

"*Fixed Charges*" means, with respect to any person for any period, the sum of:

(a) Consolidated Interest Expense of such person for such period;

(b) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary of such person during such period; and

(c) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

"*GAAP*" means generally accepted accounting principles in Germany (*Grundsatz ordnungsgemäßer Buchführung*) under the German Commercial Code (*HGB*) or any variation thereof with which the Financial Reporting Entity or the Restricted Subsidiaries are, or may be, required to comply, as in effect on the Issue Date, *provided* that:

(a) except as otherwise set forth in the Indenture, all ratios and calculations based on GAAP contained in the Indenture shall be computed in accordance with GAAP as in effect on the Issue Date;

(b) at any time after the Issue Date, the Issuer may elect to establish that GAAP shall mean GAAP as in effect on or prior to the date of such election; *provided*, *further*, that any such election, once made, shall be irrevocable; and

(c) at any time after the Issue Date, the Issuer may elect to apply other Accounting Principles in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean such other Accounting Principles (except as otherwise provided in the Indenture), including as to the ability of the Issuer to make an election pursuant to clause (b) above, *provided*, *further*, that any calculation or determination in the Indenture that require the application of GAAP for periods that include financial quarters ended prior to the Financial Reporting Entity's election to apply such other Accounting Principles shall remain as previously calculated or determined in accordance with GAAP.

"*Group Initiative*" means any action or step (including any restructuring, reorganization, new or revised contract, information and technology systems establishment, modernization or modification or the implementation of an operating improvement initiative, efficiency initiative, cost savings initiative, opening and/or development of any facility, site or operation, capacity increases, capacity utilization or any other adjustments or similar initiative) taken, committed or expected (unilaterally, conditionally or otherwise) to be taken by the Group.

"*Guarantee*" means, any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any Indebtedness of any other person, including any such obligation, direct or indirect, contingent or otherwise, of such person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

provided that the term "Guarantee" will not include:

(i) endorsements for collection or deposit in the ordinary course of business or consistent with past practice; and

(ii) standard contractual indemnities or product warranties provided in the ordinary course of business or consistent with past practice, and *provided*, *further*, that the amount of any Guarantee shall be deemed to be the lower of:

(A) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made; and

(B) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by such person in good faith.

The term "*Guarantee*" used as a verb has a corresponding meaning.

"*Guarantee Limitations*" means, in respect of any Guarantor and any payments such Guarantor is required to make in its capacity as a guarantor or as the provider of an indemnity or as debtor of costs or disbursements or with respect to any other payment obligation under the Indenture or any other Note Document, the limitations and restrictions applicable to such entity pursuant to the guarantee provisions of the Indenture and any relevant wording in any supplemental indenture applicable to such additional Guarantor.

"*Guarantor*" means any Restricted Subsidiary that provides a Note Guarantee in accordance with the provisions of the Indenture and its successors and assigns, in each case, until such Note Guarantee is released in accordance with the terms of the Indenture.

"*Hedging Obligations*" means, with respect to any person, the obligations of such person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate hedge agreement, commodity cap agreement, commodity collar agreement, commodity purchase agreement, commodity futures or forward agreement, commodity option agreement, commodities derivative agreement, foreign exchange contracts, currency swap agreement, currency futures agreement, currency option agreement, currency derivatives or similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

"*Holdco Financing*" means any debt or equity financing (howsoever borrowed, incurred or provided) provided to any Parent Holding Company of the Issuer by any Person, including any vendor, shareholder of the BIRKENSTOCK Group (or their Affiliates) or third-party financing.

"*Holder*" means each Person in whose name the Notes are registered on the registrar's books, which shall initially be the respective nominee of the Relevant Clearing System, as applicable.

"*Immediate Family Members*" means, with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided* that any Indebtedness or Capital Stock of a person existing at the time such person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder, subject to the definition of Reserved Indebtedness Amount and related provisions.

"*Indebtedness*" means, with respect to any person on any date of determination (without duplication):

(a) the principal of indebtedness of such person for borrowed money;

(b) the principal of obligations of such person evidenced by bonds, debentures, notes or other similar instruments;

(c) all reimbursement obligations of such person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(d) the principal component of all obligations of such person to pay the deferred and unpaid purchase price of property (except trade payables or similar obligation, including accrued expenses owed, to a trade creditor), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(e) Capitalized Lease Obligations of such person;

(f) the principal component of all obligations, or liquidation preference, of such person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(g) the principal component of all Indebtedness of other persons secured by a Lien on any asset of such person, whether or not such Indebtedness is assumed by such person; *provided* that the amount of such Indebtedness will be the lesser of (x) the fair market value of such asset at such date of determination (as determined in good faith by the Issuer) and (y) the amount of such Indebtedness of such other persons;

(h) Guarantees by such person of the principal component of Indebtedness of the type referred to in clauses (a), (b), (c), (d) and (e) above and clause (i) below of other persons to the extent Guaranteed by such person; and

(i) to the extent not otherwise included in this definition, net obligations of such person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such person at the termination of such agreement or arrangement),

with respect to clauses (a), (b), (d) and (e) above, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such person prepared in accordance with GAAP.

The amount of any Indebtedness outstanding as of any date shall be (A) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (B) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) all contingent liabilities under a guarantee, indemnity, bond, standby or documentary letter of credit or other similar instruments unless and until a valid demand for reimbursement has been made under such instrument and remains unpaid for 30 days;

(iii) Cash Management Services;

(iv) any prepayments of deposits received from clients or customers in the ordinary course of business;

(v) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) incurred prior to the Acquisition Closing Date or in the ordinary course of business;

(vi) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business or any other Permitted Acquisition, any post-closing payment adjustments to which the seller or investor may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner;

(vii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(viii) obligations under or in respect of Qualified Securitization Financings or Receivables Facilities;

(ix) Indebtedness of any Parent Entity appearing on the balance sheet of the Issuer solely by reason of push down accounting under GAAP;

(x) Capital Stock (other than Disqualified Stock of the Issuer and Preferred Stock of a Restricted Subsidiary);

(xi) amounts owed to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation,

merger or transfer of all or substantially all of the assets of the Issuer and the Restricted Subsidiaries, taken as a whole, that complies with the covenants described under "*—Merger and Consolidation—The Issuer*" and "*—Merger and Consolidation—Guarantors*";

(xii) Subordinated Shareholder Funding;

(xiii) any joint and several liability or any netting or set-off arrangement arising in each case by operation of law as a result of the existence or establishment of a fiscal unity between Restricted Subsidiaries solely for corporate income tax or value added tax purposes in any jurisdiction of which the Issuer or a Restricted Subsidiary is or becomes a member;

(xiv) liabilities in relation to the minority interests line in the balance sheet of any member of the Group; or

(xv) any utilization of a Credit Facility drawn to fund original issue discount flex.

"*Independent Debt Fund*" means any trust, fund or other entity which has been established primarily for the purpose of purchasing or investing in loans or debt securities (but which has not been formed specifically with a view to investing in the Notes) and which is managed independently from all other trusts, funds or other entities managed or controlled by an Investor or any of its Affiliates which have been established for the primary or main purpose of investing in the share capital of companies (and, for the avoidance of doubt, but without limitation, an entity trust or fund shall be treated as being managed independently from all other trusts, funds, or other entities managed or controlled by an Investor or any of its Affiliates, if it has a different general partner (or equivalent)).

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third-party appraiser of international standing, *provided* that such firm or appraiser is not an Affiliate of the Issuer.

"*Initial Investors*" means:

(a) one or more funds, limited partnerships, co-investment vehicles and/or other similar vehicles entities or accounts entities managed by or otherwise advised by any of or collectively BK LC Lux SCA, Financière Agache S.A., Catterton Management Company, L.L.C., LC9 International AIV, LP, L Catterton Europe IV, SLP, L Catterton Asia 3 Pte. Ltd, and/or any of their respective "associates" (as defined in the Companies Act 2006) or Related Funds and/or any of their respective successors; and

(b) an Agreed Co-Investor,

in each case, other than any portfolio operating companies and their subsidiary undertakings.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of a member of the Group, a "Pushdown Entity" (as defined in the Intercreditor Agreement) or any Parent Entity or any successor of such member of the Group, Pushdown Entity or any Parent Entity (the "IPO Entity") following which there is a public market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated on or prior to the Issue Date, by and among, *inter alios*, the Issuer, the Trustee, the Initial Guarantors, the Security Agent, the agent under the Senior Term Facilities Agreement and the agent under the ABL Facility Agreement, as amended, restated, replaced, supplemented, modified or otherwise changed from time to time.

"*Investment*" means, with respect to any person, all investments by such person in other persons (including Affiliates) in the form of advances, loans or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, managers, officers or employees of any person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; *provided* that endorsements of negotiable instruments and documents in the ordinary course of

business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a person that is a Restricted Subsidiary such that, after giving effect thereto, such person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*":

(a) "*Investment*" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent "*Investment*" in an Unrestricted Subsidiary in an amount (if positive) equal to:

  (i) the Issuer's "*Investment*" in such Subsidiary at the time of such redesignation; less

  (ii) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets (as determined by the Issuer) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(b) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined by the Issuer.

"*Investment Grade Securities*" means:

(a) securities issued or directly and fully Guaranteed or insured by Australia, the Canadian government, the EU or a member state of the EU, Japan, Norway, Switzerland, the UK, the US government or, in each case, any agency or instrumentality thereof (other than Cash Equivalent Investments);

(b) debt securities or debt instruments with a rating of "*A-*" or higher from S&P or Fitch or "*A3*" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries; and

(c) Investments in any fund that invests exclusively in investments of the type described in clauses (a) and (b), above which fund may also hold cash and Cash Equivalent Investments pending investment or distribution.

"*Investment Grade Status*" shall occur when the Notes receive two of the following:

(1) a rating of "BBB-" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; or

(3) a rating of "BBB-" or higher from Fitch;

or the equivalent of such rating by such rating organization or, if no rating of S&P, Moody's or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*Investors*" means the Initial Investors and any other person holding (directly or indirectly) any issued share capital of the Issuer from time to time.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*IPO Proceeds*" means the cash proceeds received by members of the Group or any Parent Holding Company of the Issuer from a Listing or a primary issue of shares in connection with such a Listing after deducting:

(a) all taxes incurred and required to be paid or reserved against (as reasonably determined by the Issuer on the basis of their existing rates) by the seller in relation to a Listing (including any Taxes incurred as a result of the transfer of any cash consideration intra-Group);

(b) fees, costs and expenses (including, for the avoidance of doubt, reasonable legal fees, reasonable agents' commission, reasonable auditors' fees, reasonable out of pocket reorganization costs (including redundancy, closure and other restructuring costs, both preparatory to, and in consequence of, a Listing));

(c) any amount required to be applied in repayment or prepayment of any Indebtedness other than Facility B (including to an entity the subject of a disposal, amounts to be repaid or prepaid to the entity disposed of in respect of intra-Group indebtedness and any third party debt secured on the assets disposed of which is to be repaid or prepaid out of those proceeds) or amounts owed to partners in permitted joint ventures as a consequence of that Listing; and

(d) any reasonable amounts retained to cover indemnities, contingent and other liabilities in connection with the Listing.

"*Issue Date*" means April 29, 2021.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien, hypothecation or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Listing*" means the listing or the admission to trading of all or any part of the share capital of any member of the Group or any Parent Holding Company (the only material assets of which are shares or other investments (directly or indirectly in the Group)) of a member of the Group (other than the Initial Investors) on any recognized investment exchange (as that term is used in the Financial Services and Markets Act 2000) or in or on any other exchange or market in any jurisdiction or country or any other sale or issue by way of listing, flotation or public offering or any equivalent circumstances in relation to any member of the Group or any such Parent Holding Company of any member of the Group (other than the Initial Investors and their Parent Holding Companies) in any jurisdiction or country.

"*LTM EBITDA*" means on any day, Consolidated EBITDA of the Group for the Relevant Period ending on the Applicable Reporting Date; *provided* that in the event any indebtedness, loan, investment, disposal, guarantee, payment or other transaction is committed, incurred or made by any member of the Group based on the amount of LTM EBITDA as determined for a given Applicable Test Date, that indebtedness, loan, investment, disposal, guarantee, payment or other transaction shall not constitute, or be deemed to constitute, or result in, a breach of any provision of the Indenture or the other Finance Documents if there is a change in the amount of LTM EBITDA for any Relevant Period ending subsequent to such Applicable Test Date.

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, managers, officers, employees, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of any Parent Entity, the Issuer or any Restricted Subsidiary, or to any management equity plan, stock option plan, any other management or employee benefit, bonus or incentive plan or any trust, partnership or other entity of, established for the benefit of or the beneficial owner of which (directly or indirectly) is the directors, managers, officers, employees, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of any Parent Entity, the Issuer or any Restricted Subsidiary:

(a) in respect of any expenses (including travel, entertainment and moving expenses) Incurred in the ordinary course of business or consistent with past practice;

(b) for purposes of funding any such person's purchase (or the purchase by any management equity plan) of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent Entity with the approval of the Board of Directors of the Issuer, or otherwise relating to any management equity plan, stock option plan any other management or employee benefit, bonus or incentive plan;

(c) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(d) otherwise in an amount not exceeding the greater of (i) €16.13 million and (ii) an amount equal to 7.5% of LTM EBITDA in the aggregate outstanding as of the Applicable Test Date.

"*Management Stockholders*" means the members of management of Lux SPV, the Issuer (or any Parent Entity) or its Subsidiaries who are holders of Capital Stock of the Issuer or of any Parent Entity on the Acquisition Closing Date or will become holders of such Capital Stock in connection with the Transaction.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Securities Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(a) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid, reasonably estimated to be actually payable or accrued as a liability under GAAP (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Issuer and after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition, including distributions for Related Taxes and Permitted Tax Distributions;

(b) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by applicable law be repaid out of the proceeds from such Asset Disposition;

(c) all distributions and other payments required to be made to minority interest holders (other than any Parent Entity, the Issuer or any of its respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition;

(d) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition; and

(e) any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such Asset Disposition.

"*Net Cash Proceeds*" with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or reasonably estimated to be actually payable as a result of such issuance or sale (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Issuer and after taking into account any available tax credit or deductions and any tax sharing agreements, and including distributions for Related Taxes and Permitted Tax Distributions).

"*Net Short*" means a Holder or a beneficial owner of any Notes (or any affiliate of such Person (provided that for purposes of this paragraph, affiliates shall not include Persons that are subject to customary procedures to prevent the sharing of confidential information between such Holders or beneficial owner and such Person and such Person is managed having independent fiduciary duties to the investors or other equityholders of such Person) that, as a result of its interest in any total return swap, total rate of return swap, credit default swap or

other derivative contract (other than any such total return swap, total rate of return swap, credit default swap or other derivative contract entered into pursuant to bona fide market making activities), has a net short position with respect to the Notes. For purposes of determining whether a Holder has a "net short position" on any date of determination: (i) derivative contracts with respect to the Notes and such contracts that are the functional equivalent thereof shall be counted at the notional amount thereof in euro, (ii) notional amounts in other currencies shall be converted to the Euro Equivalent thereof by such Holder or beneficial owner in a commercially reasonable manner consistent with generally accepted financial practices and based on the prevailing conversion rate (determined on a mid-market basis) on the date of determination, (iii) derivative contracts in respect of an index that includes any of the Issuer or the Guarantors or any instrument issued or guaranteed by any of the Issuer or the Guarantors shall not be deemed to create a short position with respect to the Notes or any Notes Guarantee, so long as (x) such index is not created, designed, administered or requested by such Holder or beneficial owner or its respective Affiliates and (y) the Issuer or the Guarantors and any instrument issued or guaranteed by any of the Issuer or the Guarantors, collectively, shall represent less than 5% of the components of such index, (iv) derivative transactions that are documented using either the 2014 ISDA Credit Derivatives Definitions or the 2003 ISDA Credit Derivatives Definitions (collectively, the "ISDA CDS Definitions") shall be deemed to create a short position with respect to the Notes or the Note Guarantees if such Holder or beneficial owner is a protection buyer or the equivalent thereof for such derivative transaction and (x) the Notes or the Notes Guarantees are a "Reference Obligation" under the terms of such derivative transaction (whether specified by name in the related documentation, included as a "Standard Reference Obligation" on the most recent list published by Markit, if "Standard Reference Obligation" is specified as applicable in the relevant documentation or in any other manner), (y) the Notes or the Notes Guarantees would be a "Deliverable Obligation" under the terms of such derivative transaction or (z) any of the Issuer or the Guarantors (or any of its or their respective successors) is designated as a "Reference Entity" under the terms of such derivative transactions, and (v) credit derivative transactions or other derivatives transactions not documented using the ISDA CDS Definitions shall be deemed to create a short position with respect to the Notes and/or the Notes Guarantees if such transactions are functionally equivalent to a transaction that offers the Holder or beneficial owner or its affiliates protection against a decline in the value of the Notes or the Notes Guarantees, or as to the credit quality of any of the Issuer or the Guarantors other than, in each case, as part of an index so long as (x) such index is not created, designed, administered or requested by such Holder or beneficial owner and (y) the Issuer or the Guarantor and any instrument issued or guaranteed by any of the Issuer or the Guarantors, collectively, shall represent less than 5% of the components of such index. Notwithstanding the foregoing, no Holder or beneficial owner of Notes that is a regulated bank shall be deemed "Net Short" for any purpose under the Indenture.

"*Note Documents*" means the Notes (including Additional Notes), the Indenture (including the Note Guarantees), the Transaction Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement.

"*Obligations*" means any principal, interest (including Post-Petition Interest and fees accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or any Guarantor whether or not a claim for Post-Petition Interest or fees is allowed in such proceedings), penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

"*Officer*" means, with respect to any Person:

(a) the chairman of the Board of Directors, the CEO, the president, the CFO, any vice president, the treasurer, any director, authorized signatory, managing director or the company secretary (or, in each case, any person holding a similar or equivalent role):

  (i) of such Person; and/or

  (ii) if such person is owned or managed or represented by a single entity, of such entity; and/or

(b) any other individual designated as an "Officer" or an "authorized signatory" with respect to such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion (which may be subject to customary assumptions and exclusions) from legal counsel that is reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"*Parent*" means

(a) BK LC Lux Finco 2 S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg, having its registered office at 40, Avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B252195 (or any successor entity); and

(b) any other person that has provided Transaction Security over any of its assets, but is not the Issuer or a Guarantor and has acceded to the Indenture as "Parent" and acceded to the Intercreditor Agreement as a "Investor Subordinated Creditor" and "Topco Independent Obligor" (each term as defined in the Intercreditor Agreement),

and, in each case, which entity has not ceased to be "Investor Subordinated Creditor" and "Topco Independent Obligor" in accordance with the terms of the Intercreditor Agreement.

"*Parent Entity*" means any direct or indirect parent of the Issuer.

"*Parent Entity Expenses*" means:

(a) costs (including all legal, accounting and other professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, any agreement or instrument relating to any Indebtedness of the Issuer or any Restricted Subsidiary or a Parent Entity (including the Senior Term Facilities, the ABL Facility and any Notes), including in respect of any reports filed or delivered with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(b) customary indemnification obligations of any Parent Entity owing to directors, managers, officers, employees or other persons under its articles, charter, by-laws, partnership agreement or other organizational documents or pursuant to written agreements with any such person to the extent relating to the Issuer and its Subsidiaries;

(c) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(d) any (i) general corporate overhead expenses, including all legal, accounting and other professional fees and expenses and (ii) other operational expenses of any Parent Entity related to the ownership or operation of the business of the Issuer or any of the Restricted Subsidiaries; and

(e) expenses Incurred by any Parent Entity in connection with (i) any offering, sale, conversion or exchange of Subordinated Shareholder Funding, Capital Stock or Indebtedness and (ii) any related compensation paid to officers, directors, managers and employees of such Parent Entity.

"*Parent Holding Company*" means, in relation to any Person, any other Person of which it is a Subsidiary.

"*Pari Passu Indebtedness*" means:

(a) with respect to the Issuer, any Indebtedness that ranks equally in right of payment with the Notes; and

(b) with respect to any Guarantor, any Indebtedness that ranks equally in right of payment with the Note Guarantees.

"*Paying Agent*" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"*Permitted Acquisition*" means any Permitted Investment under paragraphs (a)(ii) or (b) of the definition of Permitted Investment or any other acquisition or Investment not prohibited by the Indenture.

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalent Investments between the Issuer or any of the Restricted Subsidiaries and another person; *provided* that any cash or Cash Equivalent Investments received in excess of the value of any cash or Cash Equivalent Investments sold or exchanged must be applied in accordance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Permitted Collateral Liens*" means Liens on the Charged Property:

(a) that are described in one or more of clauses (b), (c), (d), (e), (f), (g), (h), (k), (o), (q), (r), (x), (z), (hh) and (kk) of the definition of "*Permitted Liens*" and Liens arising by operation of law that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Charged Property;

(b) to secure all obligations (including paid-in-kind interest) in respect of:

  (i) the Notes and the Note Guarantees (in each case excluding any Additional Notes);

  (ii) the Indebtedness described under:

    (A) the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; or

    (B) clauses (i), (ii) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition) (iv), (v), (vi), (vii) (other than with respect to Capitalized Lease Obligations), (x), (xiii) or (xix) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (clauses (A) and (B) together, the "PCL Debt Baskets");

  provided, in each case, that such Indebtedness constitutes Pari Passu Indebtedness or Subordinated Indebtedness of the Issuer; *provided* that (y) if such Indebtedness is Pari Passu Indebtedness such Liens rank equal with or junior to the Liens securing the Notes and (z) if such Indebtedness is Subordinated Indebtedness, such Liens rank junior to the Liens securing the Notes;

  (iii) Indebtedness of the Issuer permitted to be incurred under the PCL Debt Baskets to the extent that such Indebtedness constitutes Subordinated Indebtedness of the Issuer; *provided* that such Liens rank junior to the Liens securing the Notes;

  (iv) Indebtedness of a Guarantor in the form of a guarantee of Pari Passu Indebtedness of the Issuer; *provided* that such Liens rank equal with or junior to the Liens securing the Note Guarantees;

  (v) Indebtedness of a Guarantor in the form of a guarantee of Subordinated Indebtedness of the Issuer; *provided* that such Liens rank junior to the Liens securing the Note Guarantees; or

  (vi) any Refinancing Indebtedness in respect of Indebtedness referred to in clauses (i) to (v) above; *provided* that any Lien securing such Refinancing Indebtedness shall have the same priority to the Lien on such Charged Property securing the Notes, as the Lien securing the original Indebtedness would be permitted to have; or

(c) Liens on the Shared Collateral (or any other Charged Property which secures the Notes or the Notes Guarantees on a junior-ranking basis) to secure:

  (i) the Senior Term Facilities and the ABL Facility, including any Guarantees thereof;

  (ii) Indebtedness of the Issuer described under the PCL Debt Baskets or clause (iv) second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; *provided* that (x) if such Indebtedness is Pari Passu Indebtedness of the Issuer, such Liens rank equal to or junior to the Liens securing the Notes, and (y) if such Indebtedness is Subordinated Indebtedness of the Issuer, such Liens rank junior to the Liens securing the Notes;

  (iii) Indebtedness of a Guarantor permitted to be incurred under the PCL Debt Baskets or clause (iv) second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; *provided* that (x) if such Indebtedness is Pari Passu Indebtedness of such Guarantor, such Liens rank equal with or junior to the Liens on such Charged Property securing the Notes or the Note Guarantees and (y) if such Indebtedness is Subordinated Indebtedness of such Guarantor, such Liens rank junior to the Liens on such Collateral securing the Notes or the Note Guarantees;

(iv) Indebtedness permitted to be incurred under the PCL Debt Baskets or clause (iv) second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" of a Restricted Subsidiary that is not a Guarantor to the extent such Indebtedness is permitted under the Indenture; *provided* that such Liens rank (1) equal with all other Liens on such Charged Property securing Senior Indebtedness or Indebtedness of any Restricted Subsidiary that is not a Guarantor or (2) equal with or junior to the Liens on such Collateral securing the Notes or the Note Guarantees; and

(v) any Refinancing Indebtedness in respect of Indebtedness set forth in the foregoing sub-clauses (i) to (iv); *provided* that any Lien securing such Refinancing Indebtedness shall have the same priority, relative to the Lien on the same Charged Property securing the Notes or the Note Guarantees, as the Lien securing the original Indebtedness would be permitted to have;

(vi) any Refinancing Indebtedness in respect of Indebtedness referred to in clauses (i) to (v) above (*provided* that, if such Indebtedness is secured on a basis equal or senior to the Notes, to the extent such Indebtedness would have been permitted to be so secured); or

(d) Liens on the Charged Property incurred in the ordinary course of business of the Issuer or any of the Restricted Subsidiaries with respect to obligations that in total do not exceed the greater of (x) €10.75 million and (y) 5% of LTM EBITDA at any time outstanding: or

(e) Liens granted in compliance with clause (i)(b) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Liens*",

provided that, in the case of clauses (b) and (c) above, each of the secured parties to any such Indebtedness that individually exceeds an aggregate principal amount of the greater of (x) €32.25 million and (y) 15% of LTM EBITDA that is to share in all or substantially all of the Transaction Security will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided*, *further*, that for purposes of determining compliance with this definition, in the event that a Permitted Collateral Lien meets the criteria of more than one of the categories of Permitted Collateral Liens described in clauses (a) through (e) above, the Issuer will be permitted to classify such Permitted Collateral Lien on the date of its Incurrence and reclassify such Permitted Collateral Lien at any time and in any manner that complies with this definition.

"*Permitted Holders*" means, collectively:

(a) the Initial Investors;

(b) any one or more persons, together with such persons' Affiliates, whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control offer is made in accordance with the requirements of the Indenture;

(c) the Management Stockholders;

(d) any person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any IPO Entity, acting in such capacity;

(e) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, no person other than persons referred to in clauses (a) to (d) above collectively, has beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any Parent Entity held by such group;

(f) any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made or waived in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder; and

(g) any Related Person of any of the persons referred to in clauses (a), (b), (c) and (f) above,

but excluding, for the avoidance of doubt, the Vendor and any Rollover Investor.

"*Permitted Investment*" means (in each case, by the Issuer or any of the Restricted Subsidiaries):

(a) Investments in:

(i) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer; or

(ii) a person (including the Capital Stock of any such person) that will, upon the making of such Investment, become a Restricted Subsidiary;

(b) Investments in another person and as a result of such Investment such other person is merged, amalgamated, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(c) Investments in cash or Cash Equivalent Investments;

(d) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business or consistent with past practice;

(e) Investments in payroll, travel, relocation, entertainment, moving related and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(f) Management Advances;

(g) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business or consistent with past practice and owing to the Issuer or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or otherwise with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(h) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, or through the provision of any services including an Asset Disposition;

(i) Investments existing or pursuant to agreements or arrangements in effect or existence on the Acquisition Closing Date and any modification, replacement, renewal or extension thereof; *provided* that the amount of any such Investment may not be increased except (i) as required by the terms of such Investment as in existence on the Acquisition Closing Date or (ii) as otherwise permitted under the Indenture;

(j) Hedging Obligations, which transactions or obligations are Incurred in compliance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(k) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or consistent with past practice or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Limitation on Liens*";

(l) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent Entity as consideration;

(m) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (i), (iii), (vi), (vii), (ix), (xii) and (xiv) thereof);

(n) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business or consistent with past practice, and in accordance with the Indenture;

(o) any:

(i) Guarantees of Indebtedness not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business; and

(ii) performance guarantees with respect to obligations that are not prohibited by the Indenture;

(p) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;

(q) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged or amalgamated into the Issuer or merged or amalgamated into or consolidated with a Restricted Subsidiary after the Issue Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(r) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing arrangements with other persons;

(s) contributions to a "*rabbi*" trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Issuer;

(t) Investments in joint ventures and similar entities and Similar Businesses:

(i) in existence on the Acquisition Closing Date; and

(ii) having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (t)(ii) that are at the time outstanding, not to exceed:

(A) the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); plus

(B) the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments,

(without duplication for purposes of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" of any amounts applied pursuant to clause (C) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided* that if any Investment pursuant to this definition is made in any person that is not the Issuer or a Restricted Subsidiary at the date of the making of such Investment and such person becomes the Issuer or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clauses (a) or (b) of this definition and shall cease to have been made pursuant to this clause for so long as such person continues to be the Issuer or a Restricted Subsidiary;

(u) additional Investments having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (u) that are at that time outstanding, not to exceed:

(i) the greater of (x) €86.00 million and (y) an amount equal to 40% of LTM EBITDA; plus

(ii) the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments,

(without duplication for purposes of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" of any amounts applied pursuant to clause (C) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided* that if any Investment pursuant to this clause is made in any person that is not the Issuer or a Restricted Subsidiary at the date of the making of such Investment and such person becomes the Issuer or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clauses (a) or (b) of this definition and shall cease to have been made pursuant to this clause for so long as such person continues to be the Issuer or a Restricted Subsidiary;

(v) Investments in Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (v) that are at the time outstanding, not to exceed:

(i) the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA at the time of such Investment; plus

(ii) the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments,

(without duplication for purposes of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" of any amounts applied pursuant to clause (C) of the first paragraph of such

covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided* that if any Investment pursuant to this definition is made in any person that is not the Issuer or a Restricted Subsidiary at the date of the making of such Investment and such person becomes the Issuer or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clauses (a) or (b) of this definition and shall cease to have been made pursuant to this clause for so long as such person continues to be the Issuer or a Restricted Subsidiary;

(w) Investments (i) arising in connection with a Qualified Securitization Financing or Receivables Facility and (ii) constituting distributions or payments of Securitization Fees and purchases of Securitization Assets or Receivables Assets in connection with a Qualified Securitization Financing or Receivables Facility;

(x) Investments in connection with the Transaction;

(y) Investments (including repurchases) in Indebtedness of the Issuer and the Restricted Subsidiaries;

(z) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under the covenant "—Ce*rtain Covenants—Designation of Restricted and Unrestricted Subsidiaries*";

(aa) guarantee and indemnification obligations arising in connection with surety bonds issued in the ordinary course of business or consistent with past practice;

(bb) Investments consisting of purchases and acquisitions of real property, any other assets or services in the ordinary course of business or consistent with past practice or made in the ordinary course of business or consistent with past practice in connection with obtaining, maintaining or renewing customer or client contacts and loans or advances made to distributors in the ordinary course of business or consistent with past practice;

(cc) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice;

(dd) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection of deposit and Article 4 customary trade arrangements with customers in the ordinary course of business or consistent with past practice;

(ee) transactions entered into in order to consummate a Permitted Tax Restructuring; and

(ff) Investments made at a time when no Event of Default is continuing; *provided* that either:

(i) immediately after giving pro forma effect to such Investment, at the Issuer's option, the Total Net Leverage Ratio:

(A) would be no greater than 6.25:1.00; or

(B) would not be greater than it was immediately prior to such Investment; or

(ii) such Investments are funded from the Available Amount;

provided, *however*, that any Investment consisting of the transfer of any Material Intellectual Property (as defined in the Senior Term Facilities Agreement) by the Issuer or any of the Restricted Subsidiaries to an Unrestricted Subsidiary shall not constitute a Permitted Investment.

"*Permitted Liens*" means, with respect to any person:

(a) (i) Liens on assets or property of the Issuer or a Restricted Subsidiary securing any Senior Indebtedness; and (ii) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness and other Obligations of any Restricted Subsidiary that is not a Guarantor;

(b) pledges, deposits or Liens under workmen's compensation laws, old-age-part-time arrangements, payroll taxes, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements) or pension related liabilities and obligations, or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities,

licenses, public or statutory obligations, or to secure the performance of bids, trade contracts, government contracts and leases, statutory obligations, surety, stay, indemnity, judgment, customs, appeal or performance bonds (including pledges, deposits or Liens under any indemnities, undertakings, guarantees, counter guarantees or indemnities and contractual obligations provided in connection with such surety, stay, indemnity, judgment, customs, appeal or performance bonds), guarantees of government contracts, return-of-money bonds, bankers' acceptance facilities (or other similar bonds, instruments or obligations), obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, or as security for contested taxes or import or customs duties or for the payment of (or obligations of credit insurers with respect thereof) rent, or other obligations of like nature, in each case Incurred in the ordinary course of business or consistent with past practice;

(c) Liens with respect to outstanding motor vehicle fines and Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, construction contractors' or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(d) Liens for Taxes, assessments or governmental charges which are not overdue for a period of more than 30 days from the date on which the Issuer becomes aware such amounts are overdue or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to GAAP (or other applicable accounting principles) have been made in respect thereof;

(e) encumbrances, charges, ground leases, easements (including reciprocal easement agreements), survey exceptions, restrictions, encroachments, protrusions, by-law, regulation, zoning restrictions or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and the Restricted Subsidiaries or to the ownership of their properties, including servicing agreements, development agreements, site plan agreements, subdivision agreements, facilities sharing agreements, cost sharing agreements and other agreements, which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and the Restricted Subsidiaries, including (i) ground leases entered into by the Issuer or any of its Restricted Subsidiaries in connection with any development, construction, operation or improvement of assets on any real property owned by the Issuer or any of its Restricted Subsidiaries (and any Liens created by the lessee in connection with any such ground lease, including easements and rights of way, or on any of its assets located on the real property subject to such ground lease) and (ii) leases, licenses, subleases and sublicenses in respect of real property to any trading counterparty to which the Issuer or any of its Restricted Subsidiaries provides services on such real property;

(f) Liens:

(i) on assets, capital stock or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations or Cash Management Services permitted under the Indenture;

(ii) that are statutory, common law or contractual rights of set-off (including, for the avoidance of doubt, Liens arising under the general terms and conditions of banks or saving banks (*Allgemeine Geschäftsbedingungen der Banken und Sparkassen*)) or, in the case of sub-clauses (A) or (B) below, other bankers' Liens:

(A) relating to treasury, depository and Cash Management Services or any automated clearing house transfers of funds in the ordinary course of business or consistent with past practice and not given in connection with the issuance of Indebtedness;

(B) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with past practice of the Issuer or any Subsidiary of the Issuer; or

(C) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(iii) on cash accounts securing Indebtedness and other Obligations permitted to be Incurred under clauses (viii)(D) or (viii)(E) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" with financial institutions;

(iv) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with past practice and, in each case, not for speculative purposes;

(v) of a collection bank arising under Section 4-210 of the UCC (or a similar statutory provision in another applicable jurisdiction) on items in the course of collection;

(vi) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) arising in the ordinary course of business or consistent with past practice in connection with the maintenance of such accounts; and/or

(vii) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not secure any Indebtedness (including Liens of members of the Group under the German general terms and conditions of banks and saving banks (*Allgemeine Geschäftsbedingungen der Banken und Sparkassen*));

(g) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business or consistent with past practice;

(h) Liens securing or otherwise arising out of judgments, decrees, attachments, orders or awards not giving rise to an Event of Default so long as:

(i) any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated;

(ii) the period within which such proceedings may be initiated has not expired; or

(iii) no more than 60 days have passed after (A) such judgment, decree, order or award has become final or (B) such period within which such proceedings may be initiated has expired;

(i) Liens:

(i) on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing (x) Purchase Money Obligations, or (y) Capitalized Lease Obligations, or securing the payment of all or a part of the purchase price of, or securing Indebtedness or other Obligations Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business or consistent with past practice, *provided* that:

(A) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture; and

(B) in the case of sub-clause (y), any such Liens may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions and/or fixtures to such assets and property, including any real property on which such improvements or construction relates; and

(ii) any interest or title of a lessor under any Capitalized Lease Obligations or operating lease;

(j) Liens perfected or evidenced by UCC financing statement filings, including precautionary UCC financing statements (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and the Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(k) Liens existing on, or provided for or required to be granted under written agreements existing on, the Acquisition Closing Date (other than the Liens securing the Notes);

(l) Liens on property, other assets or shares of stock of a person at the time such person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, amalgamation, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary); *provided* that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, *further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(m) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other Obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;

(n) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture (other than with respect to Liens Incurred under clause (cc) of this definition of "Permitted Liens"); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness or other Obligations being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(o) Liens constituting:

(i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto; and

(ii) any condemnation or eminent domain proceedings affecting any real property;

(p) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture, associate or similar arrangement (i) pursuant to any joint venture or similar agreement or arrangement (including articles, by-laws and other governing documents of such entity) or (ii) securing obligations of joint ventures, Associates or similar entities or arrangements;

(q) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(r) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods or receivables resulting from the sale of goods entered into in the ordinary course of business or consistent with past practice;

(s) Liens securing Indebtedness and other Obligations permitted to be Incurred by the Issuer and its Restricted Subsidiaries pursuant to any of clauses (iv)(A), (iv)(C) (solely as it relates to sub-clause (iv)(A)), (v), (vi), (vii), (xiv), (xvi) and (xix) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," *provided* that:

(i) in the case of clause (v)(y) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," only if such Liens are limited to all or a part of the same property or assets, including Capital Stock acquired (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof), or of a Person acquired or merged or consolidated with or into the Issuer or any Restricted Subsidiary, in any transaction to which such Indebtedness relates;

(ii) in the case of clause (vii)(A)(y) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," such Liens extend only to the assets, property, plant or equipment purchased, leased, rented, designed, expanded, constructed, installed, replaced, repaired, installed or improved (as applicable) (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof); *provided*, *further*, that individual financings of assets provided by one lender or group of lenders may be cross-collateralized to other financings of assets by such lender or group of lenders; and

(iii) in the case of clause (xvi) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" only if such Liens are limited to the extent of such property or assets financed;

(t) Permitted Collateral Liens;

(u) Liens:

(i) on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and

(ii) Liens then existing with respect to assets of an Unrestricted Subsidiary on the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under the covenant "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*";

(iii) in respect of any credit support in favor of any provider of credit insurance relating to the Issuer and or any Restricted Subsidiary;

(v) any security granted over the marketable securities portfolio described in clause (h) of the definition of "*Cash Equivalents*" in connection with the disposal thereof to a third party;

(w) Liens on:

(i) goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Issuer or any Restricted Subsidiary or Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to the standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments; and

(ii) specific items of inventory of other goods and proceeds of any person securing such person's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;

(x) Liens on equipment of the Issuer or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business or consistent with past practice;

(y) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture;

(z) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder, and Liens, pledges and deposits in the ordinary course of business or consistent with past practice securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;

(aa) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted under the Indenture;

(bb) Liens:

(i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Permitted Investments to be applied against the purchase price for such Investment; and

(ii) consisting of an agreement to sell any property in an asset sale permitted under the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;

(cc) Liens on property and assets of the Issuer and its Restricted Subsidiaries securing Indebtedness and other Obligations of the Issuer and its Restricted Subsidiaries in an aggregate principal amount not to exceed the greater of (x) €64.50 million and (y) an amount equal to 30% of LTM EBITDA at the time Incurred;

(dd) Liens deemed to exist in connection with Investments in repurchase agreements permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness,*" *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(ee) Liens arising in connection with a Qualified Securitization Financing or a Receivables Facility;

(ff) Settlement Liens;

(gg) rights of recapture of unused real property in favor of the seller of such property set forth in customary purchase agreements and related arrangements with any government, statutory or regulatory authority;

(hh) the rights reserved to or vested in any person or government, statutory or regulatory authority by the terms of any lease, license, franchise, grant or permit held by the Issuer or any Restricted Subsidiary

or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(ii) restrictive covenants affecting the use to which real property may be put;

(jj) Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; *provided* that such Liens or covenants do not interfere with the ordinary conduct of the business of the Issuer or any Restricted Subsidiary;

(kk) Liens arising or incurred in connection with any Permitted Tax Restructuring or the Transaction;

(ll) Liens required to be granted under mandatory law in favor of creditors as a consequence of a merger or conversion permitted under the Indenture due to §§ 22, 204 German Transformation Act (*Umwandlungsgesetz—UmwG*);

(mm) Liens on Escrowed Proceeds including 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 are held in an escrow account or similar arrangement, including in each case any interest or premium thereon;

(nn) Liens arising in connection with any joint and several liability and any netting or set-off arrangement arising in each case by operation of law as a result of the existence or establishment of a fiscal unity between Restricted Subsidiaries solely for corporate income tax or value added tax purposes in any jurisdiction of which the Issuer or a Restricted Subsidiary is or becomes a member;

(oo) standard terms relating to banker's Liens or similar general terms and conditions of banks with whom the Issuer or a Restricted Subsidiary maintains a banking relationship in the ordinary course of business or consistent with past practice, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(pp) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or consistent with past practice or other trading activities, or liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(qq) (i) Liens created for the benefit of or to secure, directly or indirectly, the Notes, (ii) Liens pursuant to the Intercreditor Agreement, any Additional Intercreditor Agreement and/or the Transaction Security Documents, (iii) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement, (iv) Liens securing Indebtedness Incurred under clauses (i)(A), (i)(B) or (i)(C) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" to the extent, in the case of (i)(B) and (i)(C), the Agreed Security Principles permit such Lien to be granted to such Indebtedness without being granted to the Notes or would not permit such Lien to be granted to the Notes and (v) Liens on rights under any proceeds loan that are assigned to the third party creditors of the Indebtedness Incurred by the Issuer or any Restricted Subsidiary to finance such proceeds loan and incurred in compliance with the Indenture and securing that Indebtedness;

(rr) Liens created or subsisting in order to secure any pension liabilities or partial retirement liabilities or any liabilities arising in connection with any pension insurance plan;

(ss) any extension, renewal or replacement, in whole or in part, of any Lien described in this definition of Permitted Lien, *provided* that any such extension, renewal or replacement shall not extend in any material respect to any additional property or assets;

(tt) any Lien pursuant to or in connection with Section 8a of the German Old-Age Part Time Act (*Altersteilzeitgesetz*) or Section 7e of the Fourth Book of the German Social Code (*Sozialgesetzbuch IV*);

(uu) any Lien or other security interest or right of set-off in favor of Dutch banks arising under (x) articles 24 or 25 respectively of the general terms and conditions (*algemene voorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or (y) any other applicable banking terms and conditions; and

(vv) any Lien not securing Indebtedness.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of Incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

"*Permitted Reorganization*" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of the Restricted Subsidiaries (a "Reorganization") that is made on a solvent basis; *provided* that:

(a) any payments or assets distributed in connection with such Reorganization remain within the Issuer and the Restricted Subsidiaries; and

(b) if any shares or other assets form part of the Charged Property, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Charged Property (ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods (or any similar or equivalent concept)).

"*Permitted Tax Distribution*" means if and for so long as the Issuer is a member of a fiscal unity (whether resulting from a domination and profit or loss pooling agreement or otherwise) or a group filing a consolidated or combined tax return with any Parent Entity, any dividends, intercompany loans, other intercompany balances or other distributions to fund any income Taxes for which such Parent Entity is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis calculated as if the Issuer and its Subsidiaries had paid Tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries.

"Permitted Tax Restructuring" means any reorganizations and other activities related to tax planning and tax reorganization entered into prior to, on or after the date hereof so long as such Permitted Tax Restructuring is not materially adverse to the Holders, individually or in the aggregate (as determined by the Issuer in good faith).

"*Permitted Transaction*" means:

(a) any step, circumstance, payment, event, reorganization or transaction contemplated by or relating to the Transaction Documents, the final tax structure memorandum in relation to the Transaction (other than any exit steps described therein) or otherwise described in this offering memorandum and any intermediate steps or actions necessary to implement the steps, circumstances, payments or transactions described in each such document;

(b) any step, circumstance, event or transaction as part of the Debt Pushdown and any intermediate steps or actions necessary to implement the Debt Pushdown;

(c) a Permitted Reorganization;

(d) any step, circumstance, payment or transaction contemplated by or relating to the Acquisitions (and related Acquisition Documents) or any exercise of any set off of any claims or receivables of the Issuer (or its Affiliates) arising under, contemplated by or relating to the Acquisitions (and related Acquisition Documents) against any liabilities owed by the Issuer (or its Affiliates) to the respective vendors under the Acquisition Agreement, their Affiliates or assigns and any intermediate steps or actions necessary to implement such steps, circumstances, payments, transactions or set-off;

(e) any step, circumstance or transaction which is mandatorily required by law (including arising under an order of attachment or injunction or similar legal process);

(f) any conversion of a loan, credit or any other indebtedness outstanding into distributable reserves, share capital, share premium or other equity interests of any member of the Group or any other capitalization, forgiveness, waiver, release or other discharge of any loan, credit or other indebtedness of any member of the Group, in each case on a cashless basis;

(g) any repurchase of shares in any person upon the exercise of warrants, options or other securities convertible into or exchangeable for shares, if such shares represent all or a portion of the exercise price of such warrants, options or other securities convertible into or exchangeable for shares as part of a cashless exercise;

(h) any transfer of the shares in, or issue of shares by, a member of the Group or any step, action or transaction including share issue or acquisition or consumption of debt, for the purpose of creating the group structure for the Acquisition or effecting the Transaction as described in this offering memorandum, including inserting any Holding Company or incorporating or inserting any Subsidiary in connection therewith, *provided* that after completion of such steps no Change of Control shall have occurred;

(i) any closure of bank accounts in the ordinary course of business;

(j) any "Liabilities Acquisition" (as defined in the Intercreditor Agreement);

(k) any intermediate steps or actions necessary to implement steps, circumstances, payments or transactions permitted by the Indenture; and

(l) any action to be taken by a member of the Group that, in the reasonable opinion of the Issuer, is necessary to implement or complete any Acquisition or has arisen as part of the negotiations with the shareholders or senior management of the BIRKENSTOCK Group, any anti-trust authority, regulatory authority, pensions trustee, pensions insurer, works council or trade union (or any similar or equivalent person to any of the foregoing in any jurisdiction), in each case, in connection with the Acquisition.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Post-Petition Interest*" means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

"*Preferred Stock*", as applied to the Capital Stock of any person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such person, over shares of Capital Stock of any other class of such person.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (i) a public offering registered under the Securities Act or (ii) a private placement to institutional and other investors, in each case, that are not Affiliates of the Issuer, (x) in accordance with Section 4(a)(2) under the Securities Act or (y) acquired for resale in accordance with Rule 144A and/or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any person owning such property or assets, or otherwise.

"*Qualified IPO*" means (i) the first underwritten Public Offering that generates gross cash proceeds of at least €100.0 million (equivalent) or (ii) any merger, consolidation or amalgamation following which a member of the Group, any Pushdown Entity or any Parent Entity merges with or into or becomes, directly or indirectly, a wholly-owned subsidiary of another person, where such person has equity securities listed on an internationally recognized exchange or traded on an internationally recognized market, regardless of whether such Person is the surviving entity.

"*Qualified Securitization Financing*" means any Securitization Facility that meets the following conditions:

(a) the Board of Directors shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Restricted Subsidiaries;

(b) all sales of Securitization Assets and related assets by the Issuer or any Restricted Subsidiary to the Securitization Subsidiary or any other person are made for fair consideration (as determined in good faith by the Issuer); and

(c) the financing terms, covenants, termination events and other provisions thereof shall be fair and reasonable terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

"*Receivables Assets*" means:

(a) any accounts receivable owed to the Issuer or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof; and

(b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement,

and which are sold, conveyed, assigned or otherwise transferred or pledged by the Issuer or such Restricted Subsidiary (as applicable) in a transaction or series of transactions in connection with a Receivables Facility.

"*Receivables Facility*" means an arrangement between the Issuer or a Restricted Subsidiary and a counterparty pursuant to which:

(a) the Issuer or such Restricted Subsidiary, as applicable, sells (directly or indirectly) accounts receivable owing by customers, together with Receivables Assets related thereto;

(b) the obligations of the Issuer or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Issuer and such Restricted Subsidiary; and

(c) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings, and shall include any guaranty in respect of such arrangements.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*", "*refinanced*" and "*refinancing*" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing*" means the refinancing or otherwise discharging certain indebtedness of the BIRKENSTOCK Group (including back-stopping or providing cash cover in respect of any letters of credit, guarantees or ancillary, revolving, working capital or local facilities or other arrangements) and paying any breakage costs, redemption premium, make-whole costs and other fees, costs and expenses payable in connection with such refinancing and/or acquisition.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the Acquisition Closing Date or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness, *provided* that:

(a) such Refinancing Indebtedness:

(i) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced; and

(ii) to the extent refinancing Subordinated Indebtedness, Disqualified Stock or Preferred Stock, is Subordinated Indebtedness, Disqualified Stock or Preferred Stock, respectively, and, in the case of Subordinated Indebtedness, is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;

(b) Refinancing Indebtedness shall not include Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

(c) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus the aggregate amount of accrued and unpaid interest and any fees and expenses (including original issue discount, upfront fees or similar fees), including any premium and defeasance costs, indemnity fees, discounts, premiums and other costs and expenses Incurred or payable in connection with such refinancing) under the Indebtedness being Refinanced; and

(d) Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Registrar*" means any Person authorized by the Issuer to which Notes may be presented for registration and transfer.

"*Related Fund*" in relation to a fund (the "first fund"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"*Related Person*" with respect to any Permitted Holder, means:

(a) any controlling equity holder or Subsidiary of such person;

(b) in the case of an individual, any spouse, former spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, former spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(c) any trust, corporation, partnership or other person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiary, stockholders, partners or owners thereof, or persons beneficially holding in the aggregate a majority (or more) controlling interest therein; and

(d) any investment fund or vehicle managed, sponsored or advised by such person or any successor thereto, or by any Affiliate of such person or any such successor.

"*Related Taxes*" means any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes and other fees and expenses (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (*provided* that such Taxes are in fact paid) by any Parent Entity by virtue of its:

(a) being organized or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries) or otherwise maintain its existence or good standing under applicable law;

(b) being a holding company parent, directly or indirectly, of the Issuer or any Subsidiaries of the Issuer;

(c) issuing or holding Subordinated Shareholder Funding;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any Subsidiaries of the Issuer, or

(e) having made (i) any payment in respect to any of the items for which the Issuer is permitted to make payments to any Parent Entity pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or (ii) any Permitted Tax Distribution.

"*Relevant Period*" means:

(a) if ending on the last day of a fiscal quarter, each period of four consecutive fiscal quarters ending on the last day of a fiscal quarter; or

(b) if ending on the last day of a calendar month or any other date not being the last day of a fiscal quarter, the period of 12 consecutive months ending on the last day of a calendar month or such other appropriate date,

which in each case for the avoidance of doubt may include periods prior to the Acquisition Closing Date as described under the section "*—Financial and Other Calculations*" above.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"*Restructuring Costs*" means costs or expenses relating to employee relocation, retraining, severance and termination, business interruption, reorganization and other restructuring or cost cutting measures, the rationalization, re-branding, start-up, reduction or elimination of product lines, assets or businesses, the consolidation, relocation or closure of retail, administrative or production locations and other similar items (for the avoidance of doubt, excluding any related capital expenditure).

"*Revolving Facility*" means any additional revolving facility.

"*Rolled Proceeds*" means the proceeds received by a Rollover Investor pursuant to or in connection with any Acquisition and which are (or which the Issuer reasonably anticipates are to be) reinvested in or advanced to, directly or indirectly, the Issuer, its Subsidiaries or any Holding Company of the Issuer (in each case including on a non-cash basis).

"*Rollover Investor*" means any (direct or indirect) shareholder in the BIRKENSTOCK Group immediately prior to the Acquisition Closing Date or any other director or member of the management or other person which reinvests or advances (or which the Issuer reasonably anticipates will reinvest or advance) any proceeds payable or received pursuant to or in connection with the Acquisition (directly or indirectly) in the Issuer, its Subsidiaries or any Parent Holding Company of the Issuer (including on a non-cash basis).

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Sale and Leaseback Transaction*" means any arrangement providing for the leasing by the Issuer or any of the Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third person in contemplation of such leasing.

"*SEC*" means the Securities and Exchange Commission or any successor thereto.

"*Second Lien Indebtedness*" means Indebtedness of the Group included in the definition of Total Debt that constitutes Second Lien Liabilities.

"*Second Lien Liabilities*" has the meaning given to that term in the Intercreditor Agreement.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Securitization Asset*" means:

(a) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent or other revenue streams and other rights to payment or related assets and the proceeds thereof; and

(b) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

"*Securitization Facility*" means any of one or more securitization, financing, factoring or sales transactions, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, pursuant to which the Issuer or any of the Restricted Subsidiaries sells, transfers, pledges or otherwise conveys any Securitization Assets (whether now existing or arising in the future) to a Securitization Subsidiary or any other person.

"*Securitization Fees*" means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid in connection with, any Qualified Securitization Financing or Receivables Facility.

"*Securitization Repurchase Obligation*" means any obligation of a seller of Securitization Assets or Receivables Assets in a Qualified Securitization Financing or a Receivables Facility to repurchase or otherwise make payments with respect to Securitization Assets or Receivables Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Securitization Subsidiary*" means any Subsidiary of the Issuer in each case formed for the purpose of and that solely engages in one or more Qualified Securitization Financings and other activities reasonably related thereto or another person formed for this purpose.

"*Security*" means a mortgage, charge, pledge, lien, security assignment, security transfer of title or other security interest having a similar effect.

"*Senior Indebtedness*" means, whether outstanding on the Issue Date or thereafter incurred, all amounts payable by, under or in respect of all other Indebtedness of the Issuer (only with respect to a Guarantee by the Issuer of Senior Indebtedness of a Restricted Subsidiary) or any Restricted Subsidiary, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Restricted Subsidiary at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided* that Senior Indebtedness will not include:

(a) any Indebtedness Incurred in violation of the Indenture;

(b) any obligation of any Restricted Subsidiary to another Restricted Subsidiary;

(c) any liability for taxes owed or owing by any Restricted Subsidiary;

(d) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities);

(e) any Indebtedness of any Restricted Subsidiary that ranks *pari passu* in right of payment with the Note Guarantee of such Restricted Subsidiary (including Pari Passu Indebtedness);

(f) any Indebtedness that is expressly subordinated or junior in right of payment to any other Indebtedness of such Restricted Subsidiary (including Subordinated Indebtedness and Subordinated Shareholder Funding); and

(g) any Capital Stock.

"*Security Interests*" means the security interests in the Charged Property that are created by the Transaction Security Documents.

"*Senior Secured Facilities*" means the ABL Facility and the Senior Term Facilities, collectively.

"*Senior Secured Facilities Agreements*" means the ABL Facility Agreement and the Senior Term Facilities Agreement, collectively.

"*Senior Secured Indebtedness*" means Indebtedness of the Group included in the definition of Total Debt that constitutes Senior Secured Liabilities.

"*Senior Secured Liabilities*" has the meaning given to that term in the Intercreditor Agreement.

"*Senior Secured Net Leverage Ratio*" means, as of any date of determination, the ratio of:

(a) the sum of:

(i) Senior Secured Indebtedness as of such date; and

(ii) the Reserved Indebtedness Amount in respect of Indebtedness which, once incurred, would constitute Senior Secured Indebtedness,

less the aggregate amount of cash and Cash Equivalent Investments of the Group on a consolidated basis; to

(b) LTM EBITDA,

provided that such calculation shall not give effect to:

(i) Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than Senior Secured Indebtedness Incurred pursuant to clauses (i)(C) and (v)(B)(1)(I) of the second paragraph thereof);

(ii) any Indebtedness Incurred pursuant to clauses (iv)(A), (iv)(B) or (xiv)(B) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; or

(iii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from proceeds of Indebtedness Incurred on the determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than Senior Secured Indebtedness Incurred pursuant to clauses (i)(C) and (v)(B)(1)(I) of the second paragraph thereof).

All Applicable Metrics described in this definition will be calculated as set forth in the section "*—Financial and Other Calculations*" above.

"*Senior Term Facilities*" means the credit facilities made available under the Senior Term Facilities Agreement.

"*Senior Term Facilities Agreement*" means the senior facilities agreement, dated on or about the Issue Date, by and among German Newco and U.S. Newco, as original borrowers, and the lenders named therein, together with the related documents thereto (including the revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any guarantees and security documents), as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any one or more agreements (and related documents) governing Indebtedness, including indentures, incurred to refinance, substitute, supplement, replace or add to (including increasing the amount available for borrowing or adding or removing any Person as a borrower, issuer or guarantor thereunder, in whole or in part), the borrowings and commitments then outstanding or permitted to be outstanding under such Senior Term Facilities Agreement or one or more successors to the Senior Term Facilities Agreement or one or more new Senior Term Facilities Agreements.

"*Settlement*" means the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business or consistent with past practice.

"*Settlement Asset*" means any cash, receivable or other property, including a Settlement Receivable, due or conveyed to a person in consideration for a Settlement made or arranged, or to be made or arranged, by such person or an Affiliate of such person.

"*Settlement Indebtedness*" means any payment or reimbursement obligation in respect of a Settlement Payment.

"*Settlement Lien*" means any Lien relating to any Settlement or Settlement Indebtedness (and may include, for the avoidance of doubt, the grant of a Lien in or other assignment of a Settlement Asset in consideration of a Settlement Payment, Liens securing intraday and overnight overdraft and automated clearing house exposure, and similar Liens).

"*Settlement Payment*" means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement.

"*Settlement Receivable*" means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a person in consideration for a Settlement made or arranged, or to be made or arranged, by such person.

"*Significant Subsidiary*" means (a) while it is a borrower of any of the Senior Term Facilities, German Newco and U.S. Newco; and (b)any Restricted Subsidiary or group of Restricted Subsidiaries (taken together) whose proportionate share of Consolidated EBITDA exceeds 10% of the Consolidated EBITDA by reference to the latest Annual Financial Statements (or, if no such Annual Financial Statements have been delivered, the Original Financial Statements), *provided* that a determination by the Issuer that a Restricted Subsidiary (or group of Restricted Subsidiaries (taken together)) is or is not a Significant Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates (including, for the avoidance of doubt, the BIRKENSTOCK Group) on the Acquisition Closing Date and (b) any businesses, services and activities engaged in by the Issuer or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, guarantees and indemnities entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Securitization Facility, including those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking or, in the case of a Receivables Facility, a non-credit related recourse accounts receivable factoring arrangement.

"*Stated Maturity*" means, with respect to any Indebtedness, the date specified in the instrument governing such Indebtedness as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any Contingent Obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means:

(a) with respect to the Issuer, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment or security to the Notes pursuant to a written agreement; and

(b) with respect to any Guarantor, any Indebtedness of such Guarantor that is expressly subordinated in right of payment to the Note Guarantee of such Guarantor.

No Indebtedness will be deemed to be subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured or by virtue of being secured on a junior basis or on different assets, or due to the fact that holders (or an agent, trustee or representative thereof) of any Indebtedness have entered into intercreditor or similar arrangements giving one or more of such holders priority over the other holders in the collateral held by them or by virtue of the application of "waterfall" or similar payment ordering provisions affecting tranches of Indebtedness.

"*Subordinated Liabilities*" has the meaning given to that term in the Intercreditor Agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer by any Parent Entity, any Affiliate of any Parent Entity or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided* that such Subordinated Shareholder Funding:

(a) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the date that is 6 months after the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the date that is six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(b) does not require, prior to the date that is six months after the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the date that is six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(c) contains no change of control, asset sale or similar provisions and does not accelerate and has no right to declare a Default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the date that is six months after the Stated Maturity of the Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the date that is six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(d) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries;

(e) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes and any Note Guarantee pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Acquisition Closing Date with respect to the Subordinated Liabilities;

(f) is not Guaranteed by any Subsidiary of the Issuer;

(g) contains restrictions on transfer to a person who is not a Parent Entity, any Affiliate of any Parent Entity, any holder of Capital Stock of a Parent Entity or any Affiliate of a Parent Entity or any Permitted Holder or any Affiliate thereof; *provided* that any transfer of Subordinated Shareholder Funding to any of the foregoing persons shall not be deemed to be materially adverse to the interests of the Holders; and

(h) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or any Note Guarantee thereof or compliance by the Issuer or any Guarantor with its obligations under the Notes, any Note Guarantee or the Indenture.

"*Subsidiary*" means, in relation to any person, any entity which is controlled directly or indirectly by that Person and any entity (whether or not so controlled) treated as a subsidiary in the latest financial statements of that person from time to time, and control for this purpose means the direct or indirect ownership of the majority of the voting share capital of such entity or the right or ability to direct management to comply with the type of material restrictions and obligations contemplated in the Indenture or to determine the composition of a majority of the Board of Directors (or like board) of such entity, in each case, whether by virtue of ownership of share capital, contract or otherwise, *provided* that notwithstanding anything to the contrary no Unrestricted Subsidiary shall be deemed to be a member of the Group or a "Subsidiary" of a member of the Group.

"*Tax*" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by any government or other taxing authority, and "Taxes" shall be construed accordingly.

"*Temporary Cash Investments*" means any of the following:

(a) any Investment in:

(i) direct obligations of, or obligations Guaranteed by, (A) the US or Canada, (B) any EU member state, (C) the UK, (D) Australia, Japan, Norway or Switzerland, (E) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (F) any agency or instrumentality of any such country or member state; or

(ii) direct obligations of any country recognized by the US rated at least "*A*" by S&P or Fitch or "*A-1*" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(b) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(i) any lender under any of the Senior Secured Facilities Agreements;

(ii) any institution authorized to operate as a bank in any of the countries or member states referred to in sub-clause (a)(i) above; or

(iii) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof, in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or Fitch or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) or (b) above entered into with a person meeting the qualifications described in clause (b) above;

(d) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a person (other than the Issuer or any of the Restricted Subsidiaries), with a rating at the time as of which any Investment therein is made of "*P-2*" (or higher) according to Moody's or "*F2*" (or higher) according to Fitch or "*A-2*" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(e) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by Australia, Canada, any European Union member state, Japan, Norway, Switzerland, the UK, any state, commonwealth or territory of the US, or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state of any of the foregoing, and rated at least "BBB-" by S&P or Fitch or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(f) bills of exchange issued in Australia, Canada, a member state of the European Union, Japan, Norway, Switzerland, the UK or the US eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(g) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "*A*" by S&P or Fitch or "*A2*" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(h) Investment funds investing 90% of their assets in securities of the type described in clauses (a) through (g) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(i) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the US Investment Company Act of 1940, as amended.

"*Total Debt*" means, as of any date of determination, the aggregate principal amount of Indebtedness for borrowed money of the Group, but excluding any Indebtedness of the Group under or with respect to Cash Management Services, intra-Group Indebtedness, Hedging Obligations, Receivables Facilities or Securitization Facilities.

"*Total Net Leverage Ratio*" means, as of any date of determination, the ratio of:

(a) the sum of:

(i) Total Debt as of such date; and

(ii) the Reserved Indebtedness Amount in respect of Indebtedness which, once incurred, would be included in the calculation of Total Debt,

less the aggregate amount of cash and Cash Equivalent Investments of the Group on a consolidated basis; to

(b) LTM EBITDA,

provided that such calculation shall not give effect to:

(i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clauses (i)(C), (i)(D), (i)(E) and (v)(B)(1) thereof);

(ii) any Indebtedness Incurred pursuant to clauses (b)(iv)(A) and (xiv)(B) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; or

(iii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from proceeds of Indebtedness Incurred on the determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than the discharge of Indebtedness Incurred pursuant to clause (i)(C), (i)(D), (i)(E) and (v)(B)(1) thereof).

All Applicable Metrics described in this paragraph will be calculated as set forth in the section "*—Financial and Other Calculations*" above.

"*Total Secured Debt*" means, as of any date of determination, the aggregate principal amount of Indebtedness for borrowed money of the Group constituting Senior Secured Indebtedness or Second Lien Indebtedness (excluding, for the avoidance of doubt, the aggregate principal amount of any Notes or any Note Guarantees (or the aggregate principal amount of any Indebtedness that refinances, redeems or repays any Notes or Note Guarantees or other Indebtedness (which may include Additional Notes) that is pari passu with the Notes to the extent it is secured only by the Charged Property)).

"*Total Secured Net Leverage Ratio*" means, as of any date of determination, the ratio of:

(a) the sum of:

(i) Total Secured Debt as of such date; and

(ii) the Reserved Indebtedness Amount in respect of Indebtedness which, once incurred, would be included in the calculation of Total Secured Debt,

less the aggregate amount of cash and Cash Equivalent Investments of the Group on a consolidated basis; to

(b) LTM EBITDA,

provided that such calculation shall not give effect to:

(i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on*

Indebtedness" (other than Senior Secured Indebtedness or Second Lien Indebtedness Incurred pursuant to clauses (i)(C), (i)(D), (v)(B)(1)(I) and (v)(B)(1)(II) thereof);

(ii) any Indebtedness Incurred pursuant to clauses (iv)(A), (iv)(B) or (xiv)(B) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; or

(iii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from proceeds of Indebtedness Incurred on the determination date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than Senior Secured Indebtedness or Second Lien Indebtedness Incurred pursuant to clauses (i)(C), (i)(D), (v)(B)(1)(I) and (v)(B)(1)(II) thereof).

All Applicable Metrics described in this paragraph will be calculated as set forth in the section "*—Financial and Other Calculations*" above.

"*Total Transaction Uses*" means:

(a) the aggregate of:

(i) the total aggregate cash consideration payable to the Vendor under the Acquisition Agreement on the Acquisition Closing Date; and

(ii) the principal amount of Existing Debt to be refinanced on the Acquisition Closing Date (other than any amount which relates to cash pooling, working capital or similar operational debt),

less:

(b) all cash and Cash Equivalents Investments held by the members of the Group and the BIRKENSTOCK Group acquired on or as at the Acquisition Closing Date,

in each case, as identified in any funds flow statement or, if no funds flow statement is delivered, any sources and uses statement included in the tax structure memorandum related to the Acquisition.

"*Transaction*" means any transactions directly or indirectly related to (in each case, including any financing or refinancing thereof) (i) the Acquisitions, (ii) the issuance of the Notes and the Note Guarantees and the entry into the Indenture, (iii) the entry into and/or utilization of the Senior Term Facilities and the ABL Facility; (iv) the refinancing or otherwise discharging of certain Existing Debt; (v) any other transactions contemplated by the Transaction Documents or described in this offering memorandum; (vi) other associated transactions taken in relation to or incidental to any of the foregoing; and (vii) the payment or incurrence of any fees, expenses, taxes or charges associated with any of the foregoing.

"*Transaction Documents*" means the Acquisition Documents, the Equity Documents, the Notes Documents, the Finance Documents, the finance documents relating to the Senior Secured Facilities and each Topco Proceeds Loan Agreement (as defined in the Intercreditor Agreement).

"*Transaction Equity Contribution*" means shareholder funding provided by the Initial Investors in connection with the Minimum Equity Condition (as defined in and pursuant to the Senior Term Facilities Agreement); *provided* that the aggregate amount of such shareholder funding counted as a Transaction Equity Contribution shall not exceed an amount equal to the percentage of Total Transaction Uses specified in the Senior Term Facilities Agreement.

"*Transaction Expenses*" means any fees or expenses incurred or paid by the Issuer or any Restricted Subsidiary in connection with the Transaction.

"*Transaction Security*" means the Security created or expressed to be created in favor of the Security Agent and/or the Holders (represented by the Security Agent, as the case may be) pursuant to the Transaction Security Documents.

"*Transaction Security Documents*" means all security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the Security Interests in the Charged Property.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, as amended.

"*UCC*" means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided* that at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of a collateral agent's security interest in any item or portion of the Charged Property is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "*UCC*" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"*Unrestricted Subsidiary*" means:

(a) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer in the manner provided below); and

(b) any Subsidiary of an Unrestricted Subsidiary, *provided* that the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

  (i) such Subsidiary or any of its Subsidiaries does not own any Capital Stock of the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

  (ii) such designation and the Investment, if any, of the Issuer in such Subsidiary complies with the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*U.S. Bankruptcy Code*" means Title 11 of the United States Code, as amended.

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America.

"*U.S. Government Securities*" means securities that are:

(a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, that, in either case, are not callable or redeemable at the option of the issuers thereof, and will also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depository receipt; provided, (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depository receipt.

"*Vendor*" means each person identified as a seller under the Acquisition Agreement.

"*Voting Stock*" of a person means all classes of Capital Stock of such person then outstanding and normally entitled to vote in the election of directors or managers.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(a) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment; by

(b) the sum of all such payments.

"*Wholly Owned Subsidiary*" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or another Wholly Owned Subsidiary.

BOOK ENTRY, DELIVERY AND FORM

General

The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "Rule 144A Global Notes"). The Notes sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and together with the Rule 144A Global Notes, the "Global Notes"). On the Issue Date, the Global Notes will be deposited upon issuance with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes (the "144A Book-Entry Interests") and ownership of interests in the Regulation S Global Notes (the "Regulation S Book-Entry Interests" and, together with the 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and/or Clearstream and their participants. The Book-Entry Interests in Global Notes will only be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream, as applicable, will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, owners of interests in the Global Notes will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form (subject to very limited exceptions) and will not be considered the registered owners or "Holder" of the Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream, as applicable (or its respective nominee), will be considered the holder of the Notes for all purposes under the Indenture. As such, participants and indirect participants must rely on the procedures of Euroclear and/or Clearstream, as applicable, and the participants through which they own Book-Entry Interests in order to exercise any rights of holders of the Notes under the Indenture.

None of the Issuer, the Trustee, the Registrar, the Paying Agent, the Transfer Agent nor any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive Notes in registered form (the "Definitive Registered Notes"):

(1) if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days;

(2) if Euroclear or Clearstream so requests following an Event of Default (as defined under "*Description of the Notes*") under the Indenture; or

(3) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture.

Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (3), their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Issuer will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

In the case of the issue of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Definitive Registered Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of one Definitive Registered Note, a new Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note will be issued to the transferor or the holder, as applicable, in respect of the balance of the holding not transferred or redeemed; provided that a Definitive Registered Note will only be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of the Transfer Agent, we will issue and the Trustee or an authenticating agent appointed by the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. We or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Trustee and the applicable Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. We and/or the Trustee may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by us pursuant to the provisions of the Indenture, we in our discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests only in accordance with the Indenture and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "*Transfer Restrictions.*"

To the extent permitted by law, we, the Trustee, the Paying Agent, the Transfer Agent, the Registrar and any of their respective agents shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

Redemption of the Global Notes

In the event any Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and/or Clearstream, as applicable, will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate in accordance with their respective operational procedures; provided, however, that no Book-Entry Interest of less than €100,000 principal amount at maturity may be redeemed in part.

Payments on Global Notes

Payments of amounts owing in respect of the Global Notes (including principal, premium, interest, additional interest and additional amounts) will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to Euroclear and/or Clearstream, as applicable, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture governing the Notes, the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar and any of their respective agents will treat the registered holder of the Global Notes (for example, Euroclear and/or Clearstream, as applicable, or their respective nominees) as the owner

thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Registrar, the Transfer Agent, the Paying Agent nor any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Euroclear and/or Clearstream, as applicable, or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear and/or Clearstream, as applicable, or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear and/or Clearstream, as applicable, or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- payments made by Euroclear and/or Clearstream, as applicable, or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear and/or Clearstream, as applicable, or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;
- Euroclear and/or Clearstream, as applicable, or any participant or indirect participant; or
- the records of the custodian or common depositary, as applicable.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name."

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. None of the Issuer, the Trustee, the Initial Purchasers, the Paying Agent, the Transfer Agent, the Registrar nor any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment. Holders may be subject to foreign exchange risks that may have economic and tax consequences to them.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of the Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Subject to compliance with the transfer restrictions applicable to the Notes described herein, transfers between participants in Euroclear and Clearstream, as applicable, will be done in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell the Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder must transfer its interest in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

The Global Notes will bear a legend to the effect set forth in "*Transfer Restrictions.*" Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in "*Transfer Restrictions*."

Beneficial interests in a 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note denominated in the same currency only upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such

transfer is being made in accordance with Regulation S or Rule 144 or any other exemption (if available under the Securities Act). Through and including the 40th day after the later of the commencement of the offering of the Notes and the closing of the Offering (the "distribution compliance period"), Regulation S Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Regulation S Book-Entry Interests may be transferred to (i) a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A under the Securities Act or (ii) otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

Subject to the foregoing, and as set forth in "*Transfer Restrictions*," Book-Entry Interests may be transferred and exchanged as described under "*Description of the Notes—Transfer and Exchange*." Any Book-Entry Interest in one of the Global Notes of any series that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note of such series will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in the other Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

In connection with transfers involving exchanges between Regulation S Book-Entry Interests and 144A Book-Entry Interests, appropriate adjustments will be made to reflect a decrease in the principal amount of the relevant Global Note and a corresponding increase in the principal amount of the other relevant Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee and the Registrar a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "*Transfer Restriction*s."

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Issuer, the Initial Purchasers, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor any of their respective agents are responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations and also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed and admitted to trading on the Official List of the Exchange. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Transfers of interests in the Global Notes between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear and Clearstream, as applicable, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar, the Paying Agent nor any of their respective agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business.

CERTAIN TAX CONSEQUENCES

Luxembourg Income Tax Considerations

The following summarizes certain important Luxembourg taxation principles that may be relevant to you if you purchase, hold or dispose of the Notes. Unless otherwise indicated, all information contained in this section is based on laws, regulations, practice and decisions in effect in Luxembourg at the date of this offering memorandum. Any changes could apply retroactively or with a retrospective effect and could affect the continued validity of this summary.

This summary does not purport to be a comprehensive description of all potential Luxembourg tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and is not intended as tax advice to any particular noteholder. This information also does not take into account the specific circumstances of particular noteholders. Prospective noteholder should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or Luxembourg tax law concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi) as well as personal income tax (impôt sur le revenu des personnes physiques). Corporate taxpayers may further be subject to net wealth tax (impôt sur la fortune), as well as other duties, levies and taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and a solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

This overview assumes that each transaction with respect to the Notes is at arm's length.

Where in this summary English terms and expressions are used to refer to Luxembourg concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Luxembourg concepts under Luxembourg tax law.

The summary in this Luxembourg taxation paragraph does not address the Luxembourg tax consequences for a holder of Notes who:

- is an investor as defined in one of the following specific laws: the law of 11 May 2007 on family wealth management companies, as amended, the law of 17 December 2010 on undertakings for collective investment, as amended, the law of 13 February 2007 on specialised investment funds, as amended, the law of 23 July 2016 on reserved alternative investment funds, as amended, the law of 22 March 2004 on securitization, as amended, the law of 15 June 2004 on venture capital vehicles, as amended and the law of 13 July 2005 on pension saving companies and associations, as amended;
- is, although in principle subject to Luxembourg tax, in whole or in part, specifically exempt from tax;
- owns Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role; or
- has a substantial interest in the Issuer or a deemed substantial interest in the Issuer for Luxembourg tax purposes. Generally, a person holds a substantial interest if such person owns or is deemed to own, directly or indirectly, more than 10% of the shares or interest in an entity.

Tax residency

A noteholder will not become resident, nor be deemed to be resident, in Luxembourg solely by virtue of holding and/or disposing of Notes or the execution, performance, delivery and/or enforcement of his/her rights thereunder.

Withholding tax

Non-resident noteholders

Under Luxembourg general tax laws currently in force, payments of arm's length interest (including accrued but unpaid interest) and principal made to non-residents of Luxembourg in the context of the holding, disposal, redemption or repurchase of the Notes which are not profit-sharing and which do not entitle the noteholder, on top of a fixed interest coupon, to a supplementary interest coupon varying based on the profits distributed by the debtor, will not be subject to any Luxembourg withholding tax.

Resident noteholders

Under the law of 23 December 2005 as amended (the "23 December 2005 Law"), payments of interest or similar income made or ascribed by a Luxembourg paying agent to or for the benefit of certain individual beneficial owners who are residents of Luxembourg will be subject to a withholding tax of 20% (the "20% Withholding Tax").

Pursuant to the 23 December 2005 Law, Luxembourg resident individuals acting in the course of the management of their private wealth can opt to self-declare and pay a 20% tax (the "20% Self-Declared Tax") on interest payments made on or after 31 December 2007 by paying agents located in an EU member state other than Luxembourg or a Member State of the EEA other than an EU member state.

The 20% Withholding Tax or the 20% Self-Declared 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 or her private wealth. Responsibility for the payment of tax in application of the 23 December 2005 Law is assumed by the Luxembourg paying agent (in the case of the 20% Withholding Tax) and by the Luxembourg resident holder of the Notes (in the case of the 20% Self-Declared Tax).

Taxation of the noteholders

Income tax

Non-resident noteholders

Non-resident noteholders, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which or whom the Notes or income therefrom are attributable, are not subject to Luxembourg income taxes on income accrued or received, redemption premiums or issue discounts, under the Notes nor on capital gains realized upon disposal, redemption, repurchase, sale or exchange, in any form whatsoever, of any of the Notes.

Non-residents noteholders who have or are deemed to have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income therefrom are attributable are subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal of the Notes.

Resident noteholders

➢ *Individuals*

A resident individual acting in the course of the management of a professional or business undertaking must include any benefits derived or deemed to be derived from or in connection with the Notes, such as interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax purposes. Taxable gains are defined as the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

A resident noteholder, acting in the course of the management of his or her private wealth, is subject to Luxembourg income tax in respect of interest or similar income received (such as premiums or issue discounts) under the Notes, except if a final withholding tax has been levied on such payments in accordance with the 23 December 2005 Law.

A gain realized by an individual noteholder, acting in the course of the management of his or her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place after the acquisition of the Notes and more than six months after the Notes were acquired.

However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if a final withholding tax has been levied on such interest in accordance with the 23 December 2005 Law.

➢ *Corporations*

A corporate resident noteholder must include any benefits derived or deemed to be derived from or in connection with the Notes, such as interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax purposes. Taxable gains are defined as the difference between the sale, repurchase or redemption price (including but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

Net wealth taxation

Corporate noteholders resident in Luxembourg and non-resident corporate noteholders that maintain a permanent establishment, permanent representative, or a fixed place of business in Luxembourg to which or to whom such Notes are attributable are subject to an annual net wealth tax on their unitary value (i.e., non-exempt assets minus liabilities and certain provisions as valued according to valuation rules), levied at a rate of 0.5% if the unitary value does not exceed €500,000,000 and 0.05% on the portion of the unitary value that exceeds €500,000,000, in respect of the Notes.

A minimum net wealth tax ("MNWT") is levied for corporate noteholders resident in Luxembourg and non-resident corporate noteholders mentioned above when the sum of fixed financial assets, receivables against related companies, transferable securities and cash at bank exceed cumulatively 90% of the total balance sheet and €350,000.

Corporate resident noteholders and non-resident corporate noteholders mentioned above which do not fall within the scope of the €4,815 MNWT will be subject to a minimum net wealth tax that ranges between €535 and €32,100.

Individuals are not subject to Luxembourg net wealth tax.

Inheritance and gift tax

Where Notes are transferred for non-consideration:

- no Luxembourg inheritance tax is levied on the transfer of the Notes upon the death of a holder of Notes in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes;
- by way of gift, Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

Where a holder of Notes is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Other taxes and duties

It is not compulsory that the Notes be filed, recorded or enrolled with any court or other authority in Luxembourg. No registration tax, transfer tax, capital tax, stamp duty or any other similar documentary tax or duty is due in respect of or in connection with the issue of Notes, the performance by the Issuer of its obligations under Notes, or the transfer of Notes.

A fixed or ad valorem registration duty in Luxembourg may however apply (i) upon voluntary registration (*présentation à l'enregistrement*) of the Notes before the Registration and Estates Department (*Administration de l'enregistrement, des domaines et de la TVA*) in Luxembourg, or (ii) if the Notes are (a) enclosed to a compulsory registrable deed under Luxembourg law (*acte obligatoirement enregistrable*) or (b) deposited with the official records of a notary (*déposé au rang des minutes d'un notaire*).

Value added tax

No Luxembourg value added tax is levied with respect to (i) any payment made in consideration of the issuance of the Notes, (ii) any payment of interest, (iii) any repayment of principal or upon redemption, and (iv) any transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged

for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered in Luxembourg and an exemption from value added tax does not apply with respect to such services.

Foreign account tax compliance act

To implement FATCA in Luxembourg, Luxembourg entered into a so-called Model 1 Intergovernmental Agreement (the "Luxembourg IGA") with the United States, and a memorandum of understanding in respect thereof, on 28 March 2014. The Luxembourg IGA was implemented in Luxembourg domestic law by the FATCA Law. The Luxembourg IGA and the FATCA Law may impose obligations on the Issuer and the noteholders, if the Issuer is considered as a Reporting Financial Institution (e.g. an Investment Entity) under FATCA, so that the latter could be required to conduct due diligence and obtain (among other things) information or documentation, including self-certification forms, a global intermediary identification number, if applicable, or any other valid evidence of a noteholder's FATCA registration with the IRS or a corresponding exemption, in order to fulfil its own legal obligations.

Common reporting standard

The Organization for Economic Co-operation and Development has developed a new global standard for the automatic exchange of financial information between tax authorities, the CRS. Luxembourg is a signatory jurisdiction to the CRS and has conducted its first exchange of information with tax authorities of other signatory jurisdictions in September 2017, as regards reportable financial information gathered in relation to fiscal year 2016. The CRS has been implemented in Luxembourg via the CRS Law.

The regulations may impose obligations on the Issuer and the noteholders, if the Issuer is considered as a Reporting Financial Institution (e.g. an Investment Entity) under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency, tax identification number and CRS classification of noteholders in order to fulfil its own legal obligations.

Certain general income tax considerations—payments by Guarantors

If a Guarantor makes any payments in respect of interest on Notes, it is possible that such payments may be subject to withholding tax at applicable rates subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Noteholders should consult with their tax advisors regarding the tax consequences if a Guarantor makes any payments with respect to the Notes.

Certain U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences to U.S. Holders (as defined below) of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. The summary does not address any U.S. federal income tax consequences to Non-U.S. Holders relating to the Notes, nor does it address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws.

This discussion is based upon the tax laws of the United States, including the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change at any time, possibly with retroactive effect which could significantly affect the U.S. federal income tax consequences described below. No rulings from the U.S. Internal Revenue Service ("IRS") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS or a court will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes than those discussed herein or that any such position would not be sustained in the event of litigation. A different treatment than that assumed below could adversely affect the amount, timing and character of income, gain or loss, or otherwise result in adverse tax consequences, in respect of an investment in the Notes.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a U.S. Holder in light of such holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income, special tax accounting rules that apply as a result of gross income with respect to the Notes being taken into account on an applicable financial statement, or to U.S. Holders subject to special rules, such as banks, broker dealers, mutual funds, certain financial institutions, U.S. expatriates, insurance

companies, individual retirement and other tax deferred accounts, dealers in securities or currencies, traders in securities, U.S. Holders whose functional currency is not the U.S. dollar, tax exempt entities, regulated investment companies, real estate investment trusts, partnerships, subchapter S corporations, or other pass through entities or arrangements and investors in such entities or arrangements, persons liable for alternative minimum tax, persons subject to the base erosion and anti-abuse tax, "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax, entities covered by the anti-inversion rules and persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes in the offering hereby at the "issue price" (the first price at which a substantial amount of such Notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and who hold the Notes as capital assets (generally, property held for investment) within the meaning of section 1221 of the Code.

If any entity or arrangement which is treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partner and the partnership. A partnership considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

The summary of certain U.S. federal income tax considerations set forth below is for general information purposes only. Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws and state, local, non-U.S. or other tax laws and the applicability of any applicable tax treaty.

IPO Debt Pushdown

Under certain circumstances, we may undertake an IPO Debt Pushdown (as described under "*Description of the Notes—IPO Debt Pushdown*"), pursuant to which the Issuer is entitled to give notice that the terms of the Debt Documents will automatically operate so that, amongst other things the Issuer (and all related provisions) will now refer to the IPO Pushdown Entity and its Restricted Subsidiaries. In such event, each holding company of the IPO Pushdown Entity would be released from its obligations under the indenture governing the Notes. Such a modification to the terms of the Notes could be treated for U.S. federal income tax purposes as a deemed exchange of (i) the Notes as in place prior to such modifications for (ii) new Notes as in place after such modifications ("New Notes"). If such modifications resulted in a deemed exchange, such a deemed exchange could be treated as a taxable transaction for U.S. federal income tax purposes in which certain beneficial owners of the Notes could be required to recognize gain or loss. The amount of any gain or loss recognized upon such a deemed exchange of a Note for a New Note would be determined by reference to the "issue price" of the New Note. The issue price of a New Note will equal the fair market value of such Note or such New Note at the time of the deemed exchange if, as seems likely, such Note or such New Note were considered "publicly traded" for U.S. federal income tax purposes. If the IPO Debt Pushdown is treated as a taxable transaction for U.S. federal income tax purposes, a U.S. Holder's holding period in a New Note treated as received in the IPO Debt Pushdown generally will commence on the day after the IPO Debt Pushdown, and tax basis in such New Note would generally equal the issue price of such New Note. Generally, any gain or loss recognized as a result of such deemed exchange will be taxed under the rules described below under "*—Sale, Exchange or Other Taxable Disposition of the Notes*." If the issue price of such New Note is less than its stated redemption price at maturity by more than a *de minimis* amount, such New Note will be treated as issued with original issue discount ("OID") for U.S. federal income tax purposes. In such event, U.S. Holders would be required to include that original issue discount in their income as it accrues, in advance of the receipt of cash corresponding to such income. U.S. Holders should consult their own tax advisors as to the U.S. federal income tax considerations relating to modification of the Notes in connection with the IPO Debt Pushdown, including the U.S. federal income tax considerations of a deemed exchange and resulting OID, if any.

Additional Payments

In certain circumstances (see, e.g., "*Description of the Notes—Change of Control*," "*Description of the Notes—Optional Redemption*," "*Description of the Notes—Redemption for Taxation Reasons," "Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Description of the Notes—Withholding Taxes*") we may be obligated or elect to pay amounts in excess of stated interest and principal on the Notes or the "issue price" (as defined below) of the Notes. Because of the possibility of such payments, the Notes may be

treated as contingent payment debt instruments under the applicable Treasury regulations, in which case the timing and amount of income inclusions and the character of income recognized may be different from the consequences discussed herein. Although the issue is not free from doubt, we intend to take the position that the possibility of such additional amounts payable on the Notes is a remote or incidental contingency within the meaning of applicable Treasury regulations as of the date hereof, and thus does not result in the Notes being treated as contingent payment debt instruments under applicable Treasury regulations. Our determination that these contingencies are remote or incidental is binding on a U.S. Holder, unless such holder explicitly discloses to the IRS on its tax return for the year during which it acquires the Notes that it is taking a different position. However, our position is not binding on the IRS. If the IRS takes a contrary position to that described above, among other adverse tax consequences, a U.S. Holder may be required to accrue income on its Notes in excess of stated interest, and to treat as ordinary income rather than capital gain any income recognized on the taxable disposition of the Notes, and, with respect to a U.S. Holder of a Note, to recognize foreign currency exchange gain or loss with respect to such income in a manner different than that described below. U.S. Holders should consult their tax advisor regarding the tax consequences if the Notes were treated as contingent payment debt instruments. The discussion below assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

Tax Considerations for U.S. Holders of the Notes

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia, (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more "United States persons" (as defined in section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or if the trust has a valid election in place to be treated as a "United States person" (as defined in section 7701(a)(30) of the Code).

Payments of Stated Interest

Subject to the foreign currency rules discussed below, payments of stated interest on the Notes (as well as any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be taxable to a U.S. Holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes.

A U.S. Holder of the Notes that uses the cash method of tax accounting will be required to include in income the U.S. dollar value of the euro denominated interest payment on the Notes based on the spot rate of exchange on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on that date. No foreign currency exchange gain or loss will be recognized with respect to the receipt of such payment (other than foreign currency exchange gain or loss realized on the disposition of the euro so received as described under "—Exchange of Foreign Currency" below).

A U.S. Holder of the Notes that uses the accrual method of tax accounting (or who otherwise is required to accrue interest prior to receipt) will accrue interest income on the Notes in euro and translate the amount accrued into U.S. dollars based on:

- the average spot rate of exchange in effect during the interest accrual period, or portion thereof, within such U.S. Holder's taxable year; or
- at such U.S. Holder's election (a "Spot Rate Convention Election"), at the spot rate of exchange on (1) the last day of the accrual period, or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year, or (2) the date of receipt, if such date is within five business days of the last day of the accrual period. Such election must be applied consistently by the U.S. Holder to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder and can be changed only with the consent of the IRS.

A U.S. Holder of the Notes that uses the accrual method of tax accounting will recognize foreign currency exchange gain or loss with respect to the Notes on the receipt of an interest payment equal to the difference between (i) the value of the euro received as interest, as translated into U.S. dollars using the spot rate of

exchange on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date, and (ii) the U.S. dollar amount previously included in income with respect to such payment. Such foreign currency exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S. source, and generally will not be treated as an adjustment to interest income received on the Notes.

Foreign Tax Credits

Any non-U.S. withholding tax with respect to the Notes held by a U.S. Holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. Holder's particular circumstances. U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits. Interest attributable to the Notes generally will be income from sources outside of the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in certain cases, general category income.

Sale, Exchange or Other Taxable Disposition of the Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, except as noted below with respect to foreign currency exchange gain or loss, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized by such U.S. Holder (except to the extent such amount is attributable to accrued but unpaid interest, which will be taxable as described above under "*—Payments of Stated Interest*") and such U.S. Holder's adjusted tax basis in such Note. Subject to the discussion below, the adjusted tax basis of a Note to a U.S. Holder will generally be the U.S. dollar value of the euro purchase price calculated at the spot rate of exchange on the date of purchase. The amount realized by a U.S. Holder upon the disposition of a Note will generally be the U.S. dollar value of the euro received calculated at the spot rate of exchange on the date of disposition.

Any gain or loss recognized by a U.S. Holder upon the sale, exchange, retirement, redemption or other taxable disposition of a Note will be capital gain or loss and will be long term capital gain or loss if the U.S. Holder's holding period for the Note exceeds one year on the date of disposition. Long term capital gains recognized by non-corporate U.S. Holders are eligible for reduced rates of taxation. Capital gain or loss, if any, recognized by a U.S. Holder generally will be treated as U.S. source income or loss for purposes of calculating the U.S. foreign tax credit limitation. The deductibility of capital losses is subject to limitations.

If the Notes are traded on an established securities market, a U.S. Holder that uses the cash method of tax accounting, and if it so elects, a U.S. Holder that uses the accrual method of tax accounting, will determine the U.S. dollar values of its adjusted tax bases in a Note and the amount realized on the disposition of a Note by translating euro amounts at the spot rate of exchange on the settlement date of the purchase or the disposition, respectively. The election available to accrual basis U.S. Holders discussed above must be applied consistently by the U.S. Holder to all debt instruments from year to year and can be changed only with the consent of the IRS.

An accrual basis U.S. Holder of Notes that does not make the special election generally will recognize foreign currency exchange gain or loss to the extent that there are exchange fluctuations between the disposition date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

Gain or loss recognized by a U.S. Holder on a sale, exchange, retirement, redemption or other taxable disposition of a Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in the euro to U.S. dollar exchange rate during the period in which the U.S. Holder held such Note. Such foreign currency exchange gain or loss will equal the difference between the U.S. dollar value of the euro purchase price calculated at the spot rate of exchange on the date (1) the Note is disposed of (or the spot rate on the settlement date, if applicable) and (2) of purchase (or the spot rate on the settlement date, if applicable). In addition, upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. Holder may realize foreign currency exchange gain or loss attributable to amounts received with respect to previously accrued but unpaid interest, which will be treated as discussed above under "*—Payments of Stated Interest*." The recognition of foreign currency exchange gain or loss described in this paragraph will be limited to the amount of overall gain or loss realized on the disposition of a Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Exchange of Foreign Currency

On a sale or other taxable disposition of foreign currency, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference between (i) the amount of U.S. dollars, or the fair market value in U.S.

dollars of other property, received by the U.S. Holder in the disposition and (ii) the holder's tax basis in the foreign currency. Any such gain or loss will be ordinary income or loss and will not be treated as interest income or expense, except to the extent provided by administrative pronouncements of the IRS. Foreign currency received as interest on a Note or on the sale, retirement or other taxable disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received (except that foreign currency received from the sale, retirement or other taxable disposition of a Note that is traded on an established securities market will have a tax basis equal to its U.S. dollar value on the trade date in the case of an accrual basis taxpayer that does not make the election described above). Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase.

Reportable Transactions

Under applicable Treasury regulations, a U.S. Holder who participates in "reportable transactions" (as defined in the Treasury regulations) must attach to its U.S. federal income tax return a disclosure statement on IRS Form 8886 (Reportable Transaction Disclosure Statement). The Treasury regulations could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the relevant rules, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the Treasury regulations. U.S. Holders should consult their tax advisors to determine the tax reporting obligations, if any, including any requirement to file IRS Form 8886, with respect to the ownership or disposition of the Notes or any related transaction such as the disposition of any Euros received in respect of the Notes.

Information Reporting and Backup Withholding

Payments of principal and interest on, and the proceeds of sale or other disposition of, the Notes by a U.S. paying agent or other U.S. intermediary may be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals and who hold an interest in "specified foreign financial assets" (as defined in section 6038D of the Code) are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). Under certain circumstances, an entity may be treated as an individual for purposes of the foregoing rules. U.S. Holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

Foreign Account Tax Compliance

Sections 1471 through 1474 of the Code and the Treasury regulations promulgated thereunder ("FATCA") generally impose a withholding tax (currently at a rate of 30%) on U.S. source interest income paid on a debt obligation, certain foreign passthru payments and, subject to regulatory relief described below, on the gross proceeds from the sale or other disposition of a debt obligation, in each case, to (i) a foreign financial institution (as the beneficial owner or as an intermediary for the beneficial owner), unless such institution enters into an agreement with the United States government to collect and provide to the United States tax authorities substantial information regarding United States account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with United States owners) or (ii) a foreign entity that is not a financial institution (as the beneficial owner or as an intermediary for the beneficial owner), unless such entity provides the withholding agent with a certification identifying the substantial U.S. owners of the entity, which generally includes any "United States person" (as defined in section 7701(a)(30) of the Code) who directly or indirectly owns more than 10% of the entity, in each case, unless another exemption applies; provided that such withholding tax would only apply with respect to Notes if such interest income (or gross proceeds) are treated as passthru payments attributable to certain U.S. source payments. U.S. Holders are encouraged to consult with their tax advisors regarding the implications of FATCA on their investment in the Notes.

Obligations that do not pay U.S. source interest issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are published generally would be "grandfathered" unless materially modified after such date. Accordingly, for the Notes, if the relevant Issuer is treated as a foreign financial institution, FATCA would apply to payments on such series of the Notes only if there is a significant modification of the Notes of such series for U.S. federal income tax purposes after the expiration of this grandfathering period. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that may alter the rules described herein. Under proposed Treasury regulations that may be relied upon pending finalization, the withholding tax on gross proceeds would be eliminated and, consequently, FATCA withholding on gross proceeds is not currently expected to apply.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

CERTAIN INSOLVENCY LAW CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE NOTE GUARANTEES AND SECURITY INTERESTS

The Issuer is organized under the laws of Luxembourg and certain of the Guarantors are organized under the laws of Luxembourg, Germany and the United States. Set forth below is a summary of certain limitations on the enforceability of the Note Guarantees and the security interests, and a summary of certain insolvency law considerations, in Luxembourg and Germany. This is a summary only, and bankruptcy, insolvency or a similar proceeding could be initiated in Luxembourg, Germany, the United States and in the jurisdiction of organization of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Note Guarantees and the security interests on the Collateral.

European Union

The Issuer and certain of the Guarantors are incorporated under the laws of Luxembourg and Germany, which are Member States of the European Union.

Pursuant to Regulation (EU) no. 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast), as amended (the "EU Insolvency Regulation"), and starting from June 26, 2017, which applies within the European Union, other than Denmark, the court which shall have jurisdiction to commence main insolvency proceedings in relation to a company organized under the laws of a Member State is the court of the Member State (other than Denmark) where the company concerned has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where a 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 even conflicting views. The EU Insolvency Regulation applies to insolvency proceedings, which are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

The "centre of main interests" is not a static concept. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that a company has its "centre of main interests" in the Member State in which it has its registered office in the absence of proof to the contrary (which presumption shall not apply if the registered office has been moved to another Member State within the three month period prior to the request for the opening of insolvency proceedings), Article 3(1), second sentence, of the EU Insolvency Regulation states that the "centre of main interests" shall be the place where the debtor conducts the administration of its interests on a regular basis and "which is ascertainable by third parties." The courts have taken into consideration a number of factors in determining the "centre of main interests" of a company in that respect, including, in particular, where board meetings are held, the location where the company conducts the majority of its business or has its head office, and the location where the large majority of the company's creditors are established.

If the centre of main interests of a company is and will remain located in a Member State in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings initiated in one Member State under the EU Insolvency Regulation are automatically recognized in the Member States (other than Denmark), although territorial (secondary) insolvency proceedings may be commenced in another Member State, subject to the conditions set out below.

If the "centre of main interests" of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open territorial (secondary) insolvency proceedings against that company only if such company has an "establishment" (within the meaning and as defined in Article 2(10) of the EU Insolvency Regulation) in the territory of such other Member State. An "establishment" is defined to mean "any place of operations where a company carries out or has carried out in the three month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets." Accordingly, the opening of territorial (secondary) insolvency proceedings in another Member State will also be possible if the debtor had an establishment in such Member State in the three month period prior to the request for commencement of main insolvency proceedings.

The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State. Where main proceedings in the Member State in which the

debtor has its "centre of main interests" have not yet been commenced, pursuant to Article 3 (4) of the EU Insolvency Regulation, territorial (secondary) insolvency proceedings may only be commenced in another Member State where the debtor has an establishment where either (a) insolvency proceedings cannot be commenced in the Member State in which the company's "centre of main interests" is situated under that Member State's law; or (b) the territorial (secondary) insolvency proceedings are commenced at the request of (i) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the commencement of territorial (secondary) proceedings is requested or (ii) a public authority that has the right to make such a request under the law of the Member State in which the establishment is located. Irrespective of whether the insolvency proceedings are main or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the lex fori concursus, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor. Furthermore, pursuant to Article 6 of the EU Insolvency Regulation, the courts of the Member State within the territory of which insolvency proceedings have been opened in accordance with its Article 3 shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

The opening of insolvency proceedings in a Member State pursuant to the EU Insolvency Regulation shall not affect the rights in rem of creditors or third parties in respect of tangible or intangible, moveable or immoveable assets, both specific assets and collections of indefinite assets as a whole that change from time to time, belonging to the debtor that are situated within the territory of another Member State at the time of the opening of proceedings. Rights in rem include:

- the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;
- the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;
- the right to demand assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled; and
- a right in rem to the beneficial use of assets.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings that will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. The insolvency practitioner appointed by a court in a Member State that has jurisdiction to commence main proceedings (because the debtor's "centre of main interest" is located there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets.

Pursuant to Article 21 of the EU Insolvency Regulation, the insolvency officeholder appointed by the court of the main proceedings may exercise the powers conferred on him by the law of the Member State in which the main proceedings are located in another Member State as long as no insolvency proceedings have been opened in such other Member State or any preservation measure to the contrary has been taken there further to a request to open insolvency proceedings in such other Member State. He may, in particular, subject to the preservation of third parties' right in rem pursuant to Article 8 of the EU Insolvency Regulation and to the preservation of the sellers' rights based on a reservation of title pursuant to Article 10 of the EU Insolvency Regulation, remove assets of the company from that other Member State.

However, under Article 36 of the EU Insolvency Regulation, the insolvency practitioner in the main insolvency proceedings may attempt to avoid the opening of secondary insolvency proceedings in another Member State by giving a unilateral undertaking in respect of the assets located in the Member State in which secondary insolvency proceedings could be opened that the distribution of those assets or of the proceeds received as a result of their realization, will comply with the distribution and priority rights that would apply under the relevant national law if secondary insolvency proceedings were opened in such other Member State. Such undertaking must be made in writing and is subject to approval by a qualified majority of known local creditors, determined in accordance with the local law of such other Member State. If approved, the undertaking is binding on the insolvency estate and if a court is requested to open secondary insolvency proceedings, it shall, at the request of the insolvency practitioner in the main insolvency proceedings, refuse to open such proceedings if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Additionally, under Article 38 of the EU Insolvency Regulation, where a temporary stay of individual enforcement proceedings has been granted in order to allow for negotiations between a company and its creditors, the court, at the request of the company or of the insolvency practitioner in the main insolvency proceedings, may stay the opening of secondary insolvency proceedings for a period not exceeding three months, provided that suitable measures are in place to protect the interests of local creditors. Under Article 46 of the EU Insolvency Regulation, the court that opened the secondary insolvency proceedings will also stay the process of realization of assets in whole or in part upon receipt of a request from the insolvency practitioner in the main insolvency proceedings, for a period of up to three months, unless such a request is manifestly of no interest to the creditors in the main insolvency proceedings. Such stay may be continued or renewed for similar periods. Where the court stays the process of realization of the assets, the court may require the insolvency practitioner in the main insolvency proceedings to take any suitable measure to guarantee the interests of the creditors in the secondary insolvency proceedings and of individual classes of creditors.

The EU Insolvency Regulation has created a treatment for groups of companies experiencing difficulties by the commencement of group coordination proceedings and the appointment of an insolvency practitioner in order to facilitate the effective administration of the insolvency proceedings of the group's members. The EU Insolvency Regulations provides

- for cooperation between (i) insolvency practitioners of the main insolvency proceedings and of the secondary insolvency proceedings, (ii) jurisdictions and (iii) jurisdictions and insolvency practitioners;
- for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group;
- that the Member States shall establish and maintain a register of insolvency proceedings; and
- that the European Commission shall establish a decentralized system for the interconnection of such insolvency registers.

EU directive on preventative restructuring frameworks

The EU directive 2019/1023 of the European Parliament and the Council of June 20, 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (the "EU Restructuring Directive") was published on June 26, 2019.

The objectives of the EU Restructuring Directive are to ensure that (i) viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks that enable them to continue operating, (ii) honest insolvent or over-indebted entrepreneurs (i.e. individuals) can benefit from a full discharge of debt after a reasonable period of time, thereby affording them a second chance and (iii) the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length.

The Restructuring Directive aims to achieve a higher degree of harmonization in the field of restructuring, insolvency, discharge of debt and disqualifications by establishing substantive minimum standards for preventive restructuring procedures as well as for procedures leading to a discharge of debt for entrepreneurs in order to promote a culture that encourages early preventive restructuring to address financial difficulties at an early stage, when it appears likely that insolvency can be prevented and the viability of the business can be ensured. Most notably, the Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by Member States national legislation, (b) all creditor claims shall be grouped into separate classes each of which shall reflect a commonality of interests (at a minimum, creditors of secured and unsecured claims shall be treated in separate classes), (c) creditor claims may be restructured in a restructuring plan by majority vote with a majority of not more than 75% of the amount of the claims in each class and, where the Member State so requires, a majority in number of affected parties in each class and (d) a cross-class cram-down is introduced whereby a restructuring plan may, under certain conditions, be adopted and bind dissenting creditors even if the creditors of one or more classes do not consent to the restructuring plan with the required majority. In order to be adopted the plan will have to be confirmed by a judicial or administrative authority that will in particular ensure the protection of each type of creditors' rights and compliance with the priority rules governing the adoption of the plan. The transposition of the Restructuring Directive into national legislation shall protect new financing and interim financing and may also provide priority ranking to new or interim financing granted in the context of the restructuring.

The EU Restructuring Directive shall be transposed into national laws or regulations by Member States by July 17, 2021 (with the exception of the provisions relating to the use of electronic means of communication for which the time period for the transposition expires in certain respects on July 17, 2024 or, in others, on July 17, 2026), subject to a maximum 1 year extension of the transposition period for Member States encountering particular difficulties in implementing the EU Restructuring Directive.

In the event that the Issuer or a Guarantor experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer and the Guarantors. The insolvency, administration and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or conflict with, each other and there is no assurance as to how the insolvency laws of the potentially involved jurisdictions will be applied in relation to one another.

Luxembourg

The Issuer and certain Guarantors are incorporated under the laws of Luxembourg, and as such any insolvency proceedings applicable to such a company are in principle governed by Luxembourg law. The insolvency laws of Luxembourg may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of insolvency law in Luxembourg. In the event that the Issuer or any Guarantor incorporated under the laws of Luxembourg, 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.

The Issuer and certain Guarantors are incorporated under the laws of Luxembourg and have their registered office in Luxembourg. Accordingly, Luxembourg courts should have, in principle, jurisdiction to open main insolvency proceedings with respect to the Issuer and such Guarantors, as entities having their registered office and central administration (*administration centrale*) and center of main interests, as used in article 3(1) of the EU Insolvency Regulation, in Luxembourg, such proceedings to be governed by Luxembourg insolvency laws. According to the EU Insolvency Regulation, there is a rebuttable presumption that a company has its center of main interests in the jurisdiction in which it has the place of its registered office. As a result, there is a rebuttable presumption that the center of main interests of the Issuer and the Guarantors incorporated in Luxembourg is in Luxembourg and consequently that any "main insolvency proceedings" (as defined in the EU Insolvency Regulation) would be opened by a Luxembourg court and be governed by Luxembourg law.

However, the determination of where the Issuer or a Luxembourg Guarantor has its center of main interests is a question of fact, which may change from time to time.

Under Luxembourg insolvency laws, the following types of proceedings (the "Insolvency Proceedings") may be opened against the Issuer or a Guarantor incorporated in Luxembourg:

- bankruptcy proceedings (*faillite*), the opening of which is initiated by the Issuer, the relevant Luxembourg Guarantor or by any of their creditors or by Luxembourg courts *ex officio*. The directors or managers of a Luxembourg company have the obligation to file for bankruptcy within one month in case it is in a state of cessation of payment (*cessation de paiements*). If the managers or directors fail to comply with such provision they may be held (i) liable towards the company or any third parties on the basis of principles of managers'/directors' liability for any loss suffered and (ii) criminally liable for simple bankruptcy (banquerote simple) in accordance with article 574 of the Luxembourg commercial code. Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings, if the Issuer or a Luxembourg Guarantor (i) is in default of payment (*cessation de paiements*) and (ii) has lost its commercial creditworthiness (*ébranlement de crédit*). If a Luxembourg court finds that these conditions are satisfied, it may also open *ex officio* bankruptcy proceedings, absent a request made by the Luxembourg company. The main effects of such proceedings are (i) the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for secured creditors and (ii) the payment of the company's creditors in accordance with their ranking upon the realization of the company's assets;
- controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the company and not by its creditors and under which a Luxembourg court may order provisional suspension of payment including a stay of enforcement of claims by secured creditors; and

- composition proceedings (*concordat préventif de la faillite*), the obtaining of which is requested by the company only after having received a prior consent from a majority of its creditors holding 75% at least of the claims against the company. The obtaining of such composition proceedings will trigger a provisional stay on enforcement of claims by creditors.

In addition to these insolvency proceedings, your ability to receive payment on the relevant Notes or the Notes Guarantees may be affected by a decision of a Luxembourg court to grant a reprieve from payments (*sursis de paiement*) or to put the company into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity that violates criminal laws or that are in serious breach or violation of the Luxembourg Code of Commerce or of the Luxembourg Companies Law.

The management of such liquidation proceedings will generally follow rules similar to those applicable to insolvency proceedings. Liability of the company in respect of the relevant Notes or Notes Guarantees will, in the event of a liquidation of the relevant company following insolvency or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the relevant entity that are entitled to priority under Luxembourg law.

Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue;
- value-added taxes and other taxes and duties owed to the Luxembourg Administration;
- social security contributions; and
- remuneration owed to employees.

For the avoidance of doubt, the list above is not exhaustive.

Assets over which a security interest has been granted and perfected will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is foreclosed upon), and subject to application of the relevant priority rule and liens and privileges arising mandatorily by law.

During insolvency proceedings, all enforcement measures by unsecured creditors are suspended.

In the event of controlled management proceedings, the ability of secured creditors to enforce their security interest may also be limited, automatically causing the rights of secured creditors to be frozen until a final decision has been taken by the court as to the petition for controlled management, and may be affected thereafter by a reorganization order given by the relevant Luxembourg court subject to the exceptions under the Luxembourg law of August 5, 2005 on financial collateral arrangements (the "Luxembourg Collateral Law"). A reorganization order requires the prior approval of more than 50% of the creditors representing more than 50% of the relevant company's liabilities in order to take effect. Furthermore, declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) may not be enforceable during controlled management proceedings.

Luxembourg insolvency laws may affect transactions entered into or payments made by the Issuer or a Luxembourg Guarantor during the period before insolvency, the so-called "suspect period" (*période suspecte*), which is a maximum of six months from the date on which the Luxembourg Commercial Court formally adjudicates a person insolvent and, as for specific payments and transactions, during an additional period of ten days before the commencement of such period preceding the judgment declaring insolvency, except that in certain specific situations the court may set the start of the suspect period at an earlier date, if the insolvency judgment was preceded by another insolvency proceeding (e.g., a suspension of payments or controlled management proceedings) under Luxembourg law.

In particular:

- pursuant to Article 445 of the Luxembourg Code of Commerce (*Code de Commerce*), specified transactions (such as the granting of a security interest for antecedent debts; the payment of debts that have not fallen due; whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts that have fallen due by any means other than in cash or by a bill of exchange; or the sale of assets or entering into transactions generally without consideration or with substantially inadequate consideration) entered into during the suspect period (or the ten days preceding it) will be set aside or declared null and void, if so requested by the insolvency receiver;

- pursuant to Article 446 of the Luxembourg Code of Commerce, payments made for matured debts as well as other transactions concluded during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the insolvent party's cessation of payments; and
- regardless of the suspect period, Article 448 of the Luxembourg Code of Commerce and Article 1167 of the Luxembourg Civil Code (*action paulienne*) give any creditor the right to challenge any fraudulent payments and transactions made prior to the insolvency.

In principle, an insolvency order rendered by a Luxembourg court does not result in automatic termination of contracts except for *intuitu personae* contracts, that is, contracts for which the identity of the company or its solvency were crucial. The contracts, therefore, subsist after the insolvency order. However, the insolvency receiver may choose to terminate certain contracts so as to avoid worsening the financial situation of the company. As of the date of adjudication of insolvency, no interest on any unsecured claim will accrue vis-à-vis the insolvency estate. Insolvency proceedings may therefore have a material adverse effect on a Luxembourg company's business and assets and the Issuer's obligations under the Notes and the Luxembourg Guarantors under the Notes Guarantees.

The insolvency receiver decides whether or not to continue performance under ongoing contracts (i.e., contracts existing before the insolvency order). The insolvency receiver may elect to continue the business of the debtor, provided the insolvency receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

- the parties to an agreement may contractually agree that the occurrence of an insolvency constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (i.e., contracts where the identity of the other party constitutes an essential element upon the signing of the contract) are automatically terminated as of the insolvency judgment since the debtor is no longer responsible for the management of the company. Parties can agree to continue to perform under such contracts.

The insolvency receiver may elect not to perform the obligations of the insolvent party that are still to be performed after the insolvency under any agreement validly entered into by the insolvent party prior to the insolvency. The counterparty to that agreement may make a claim for damages in the insolvency and such claim will rank equal with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not require specific performance of the contract.

International aspects of Luxembourg insolvency, controlled management or voluntary arrangement with creditors' proceedings may be subject to the EU Insolvency Regulation.

Security interests considerations

The Notes are secured by several security interests governed by Luxembourg law. According to Luxembourg conflict of law rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets. As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.

If there are assets located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The Luxembourg Collateral Law governs the creation, validity, perfection and enforcement of pledges over shares, bank accounts and receivables located or deemed to be located in Luxembourg. A judgment of the European Court of Justice dated 10 November 2016 in Case C 156/15 relating to a pledge over monies deposited to a current account, has held that Directive 2002/47/EC of 6 June 2002 on financial collateral arrangements, confers to the pledgee the right to enforce the collateral, notwithstanding the commencement of insolvency proceedings in respect of the pledgor, only if, (i) the monies covered by the collateral were deposited in the account in question before the commencement of those proceedings or those monies were deposited in the account in question on the day of commencement, the pledgor having proved that it was not aware, nor should

have been aware, that those proceedings had commended and (ii) the account holder was prevented from disposing of those monies after they had been deposited in that account.

Under the Luxembourg Collateral Law, the perfection of security interests depends on certain registration, notification and acceptance requirements. A share pledge over registered shares in a Luxembourg company must be (i) acknowledged and accepted by the company which has issued the shares (subject to the pledge) and (ii) registered in the shareholders' register of such company. If future shares are pledged, the perfection of such pledge will require additional registration in the shareholders' register of such company. A pledge under a receivables pledge agreement will be validly created and perfected provided that the pledge under such receivables pledge agreement is executed by the parties thereto. However, if the debtor has not been notified of such receivables pledge or if it did not otherwise acquire knowledge of the pledge, it will be validly discharged of its obligations if it pays the pledgor. A bank account pledge agreement must be notified to and accepted by the account bank so as to ensure that the account bank has waived any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, such additional notification to, acceptance and waiver by the account bank will be required.

Article 11 of the Luxembourg Collateral Law sets forth enforcement remedies available upon the occurrence of an enforcement event, including, without limitation:

- the direct appropriation, or appropriation by third parties, of the pledged assets at a value determined in accordance with a valuation method agreed upon by the parties;
- a sale of the pledged assets (i) in a private transaction on commercially reasonable terms (*conditions commerciales normales*), (ii) by a public sale at the stock exchange or (iii) by way of a public auction;
- a court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or
- set-off between the secured obligations and the pledged assets.

As the Luxembourg Collateral Law does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourse and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed.

According to the Luxembourg Collateral Law, with the exception of the provisions of the law of January 8, 2013 on the over-extension of debt, the provisions of Book III, Title XVII of the Luxembourg Civil Code, of Book I, Title VIII and of Book III of the Luxembourg Commercial Code and national or foreign provisions governing reorganization measures, winding-up proceedings or other similar proceedings and attachments are not applicable to financial collateral arrangements and netting agreements and shall not constitute an obstacle to the enforcement and to the performance by the parties of their obligations. Pursuant to Article 21(2) of the Luxembourg Collateral Law, a financial collateral arrangement entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures is valid and binding against third parties, administrators, insolvency receivers or liquidators notwithstanding the suspect period referred to in Articles 445 and 446 of the Luxembourg Code of Commerce, if the secured party proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of it.

According to article 24 of the Luxembourg Collateral Law, the above protection applies not only to Luxembourg security interests governed by the Luxembourg Collateral Law (such as Luxembourg pledges over or collateral assignments of claims and financial instruments), but extends to foreign law financial collateral arrangements, which are similar to the financial collateral arrangements subject to the Luxembourg Collateral Law, where the collateral giver is located in Luxembourg.

Foreign law-governed security interests and the powers of any receivers or administrators may not be enforceable or recognized in respect of assets located or deemed to be located in Luxembourg. Security interests or arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers or administrators might not be recognized or enforced by the Luxembourg courts, in particular where the Luxembourg security grantor becomes subject to Luxembourg insolvency proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "main insolvency proceedings" (as defined in the EU Insolvency Regulation) are opened under Luxembourg law and such security interests or arrangements constitute rights *in rem* over assets located in another Member State in which the EU Insolvency Regulation applies, and in accordance of Article 8 of the EU Insolvency Regulation.

The perfection of the security interests created pursuant to the pledge agreements does not prevent any third-party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

Under Luxembourg law, certain creditors of an insolvent party have rights to preferred payments arising by operation of law, some of which may, under certain circumstances, supersede the rights to payment of secured or unsecured creditors. This includes, in particular, the rights relating to fees and costs of the insolvency official as well as any legal costs, the rights of employees to certain amounts of salary, and the rights of the tax authorities and certain assimilated parties (such as social security bodies), which preferences may extend to all or part of the assets of the insolvent party. This general privilege may take precedence over the privilege of a pledgee in respect of pledged assets.

Financial assistance

Any security interests granted by Luxembourg entities, which constitute breach of the provisions on financial assistance as defined by article 430-19 of the Luxembourg Companies Law or any other similar provisions might not be enforceable.

Registration in Luxembourg

The registration of the Notes, the security interests agreements, the Indenture and the Transactions documents (and any document in connection therewith) with the Administration de l'Enregistrement, des Domaines et de la TVA in Luxembourg may be required in the case that the Notes, the security interest agreements, the Indenture, and the Transactions documents (and any document in connection therewith) are either (i) attached as an annex to an act (*annexés à un acte*) that itself is subject to mandatory registration or (ii) deposited in the minutes of a notary (*deposes au rang des minutes d'un notaire*) or (iii) registered on a voluntary basis. In such case, either a nominal registration duty or an ad valorem duty (or, for instance, 0.24% of the amount of the payment obligation mentioned in the document so registered) will be payable depending on the nature of the document to be registered. No ad valorem duty is payable in respect of security interest agreements, which are subject to the Luxembourg Collateral Law.

The Luxembourg courts or the official Luxembourg authority may require (when these are presented before them) that the Notes, the security interests agreements, the Indenture and the Transactions documents (and any document in connection therewith) and any judgment obtained in a foreign court be translated into French, German or Luxembourgish.

Luxembourg guarantee limitation

The granting of cross or upstream guarantees by a Luxembourg company in order to secure the obligations of other entities may raise some corporate benefit issues, in particular in relation to the corporate interest of the Luxembourg company having to provide such guarantees.

When a Luxembourg company grants guarantees, applicable corporate procedures normally entail that the decision be approved by a board resolution or by the decision of delegates that have been appointed by the board of managers or directors of the Luxembourg company for such purpose. In addition, the granting of the envisaged guarantees must comply with the Luxembourg company's corporate object.

The proposed action by the company must be "in the corporate interest of the company," which is a translation of the French "*intérêt social*," an equivalent term to the English legal concept of corporate benefit. The concept of "corporate interest" is not defined by law, but has been developed by doctrine and interpreted by court precedents and may be described as being "the limit of acceptable corporate behavior." Whereas the discussions regarding the limits of corporate power are based on objective criteria (provisions of law and of the articles of association), the concept of corporate benefit requires a subjective judgment. In a group context, the interest of the companies of the group taken individually is not entirely eliminated.

With respect to Guarantors incorporated in Luxembourg, even if the Luxembourg Companies Law does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group, it is generally held that within a group of companies, in the context of a group of related companies, the existence of a group interest in granting upstream or cross stream assistance under any form (including under the form of guarantee or security) to other group companies could constitute sufficient corporate

benefit to enable a Luxembourg company to grant such guarantee, provided that the following conditions are met (and subject in any event to all the factual circumstances of the matter): (i) such guarantee must be given for the purpose of promoting a common economic, social and financial interest determined in accordance with policies applicable to the entire group, (ii) the commitment to grant such guarantee must not be without consideration and such commitment must not be manifestly disproportionate in view of the obligations entered into by other group companies, and (iii) such guarantee granted or any other financial commitments must not exceed the financial capabilities of the committing company.

Although the existence of a corporate interest in the granting of a guarantee on a group level is certainly important, the mere existence of such a group interest does not compensate for a lack of corporate interest for one or more of the companies of the group taken individually. The concept of corporate interest is of particular importance in the context of misuse of corporate assets provided by Article 1500-11 of the Luxembourg Companies Law.

The failure to comply with the corporate interest requirement will typically result in personal liability (civil and/or criminal) for the directors or managers of the Guarantor concerned. The guarantees granted by a Luxembourg company could themselves be held void or unenforceable if their granting is contrary to Luxembourg public policy (*ordre public*). It should be stressed that, as is the case with all criminal offenses addressed by the Luxembourg Companies Law, a director or a manager of a company will in general be prosecuted for misuse of corporate assets only if someone has lodged a complaint with the public prosecutor. This person may be an interested third party, e.g., a creditor, a minority shareholder, a liquidator or an insolvency receiver. In addition, it cannot be excluded that the public prosecutor could act on its own initiative if the existence of such a misuse of corporate assets became known to him. If there is a misuse of corporate assets criminally sanctioned by court, then this could, under general principles of law, have the effect that contracts concluded in breach of Article 1500-11 of the Luxembourg Companies Law will be held null and void. The criteria mentioned above have to be applied on a case by case basis, and a subjective, fact based judgment is required to be made, by the directors or managers of the Luxembourg company.

As a result of the above developments, the guarantees granted by a Luxembourg company (in the context of upstream and/or cross stream guarantee(s)) will be subject to certain limitations, which will take the form of general limitation language (limiting the guarantee obligations of such Luxembourg company to a certain percentage of, inter alia, its net assets (*capitaux propres*)) increased by its subordinated debts (*dettes subordonnées*), which is inserted in the relevant finance document(s), indentures or guarantee agreements and which covers the aggregate obligations and exposure of the relevant Luxembourg company under the guarantee.

Germany

Certain of the Guarantors are or will be organized under the laws of Germany and have their registered offices in Germany and substantially all of their assets are located in Germany. In the event of an insolvency of a Guarantor organized under the laws of Germany and/or having its "center of main interests" in Germany at the time the petition for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed, any main insolvency proceedings would most likely be initiated in Germany. Such proceedings would then be governed by German law. Under certain circumstances, insolvency proceedings over certain assets of a Guarantor may be opened in other jurisdictions, in particular if such assets are located in another Member State of the European Union. With respect to cross-border group insolvencies, Art 56 et seq. EU Insolvency Regulation introduced requirements facilitating communication and cooperation between the administrators and courts involved. In addition, a coordination procedure may be initiated, which involves the appointment of a coordinator and the adoption of a cross-border coordination plan. *See "—European Union."*

The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) or the Corporate Stabilization and Restructuring Act (*StaRUG*), may not be as favorable to your interests as creditors than the insolvency laws of the United States or another jurisdiction with which you may be familiar, including in respect of priority of creditors' claims, the ability to obtain post-petition interest as well as in certain circumstances priority recovery for secured creditors and the duration of the insolvency proceedings, and thus may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws.

Insolvency

The following is a brief description of certain aspects of the insolvency laws of Germany:

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court ex officio, but require that the debtor and/or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over indebtedness (*Überschuldung*) of the debtor or in the event of its illiquidity (*Zahlungsunfähigkeit*), meaning that the debtor is unable to pay 10% or more of its debts as and when they fall due for a period longer than three weeks. According to the relevant provision of the German Insolvency Code (*Insolvenzordnung*), a debtor is over indebted when its liabilities exceed the value of its assets (based on their liquidation values), unless a continuation of the debtor's business as a going concern is predominantly likely (*überwiegend wahrscheinlich*) based on a 12 months' forecast horizon (positive *Fortführungsprognose*). If a limited liability company (*Gesellschaft mit beschränkter Haftung*), a public limited liability company (*Aktiengesellschaft*), a European law stock corporation based in Germany (*Societas Europaea*) or any other company such as, e.g., a limited partnership (*Kommanditgesellschaft*) not having an individual as personally liable shareholder or partner finds itself in a situation of illiquidity (*Zahlungsunfähigkeit*) and/or over indebtedness (*Überschuldung*), each managing director of such company and, in certain circumstances, its shareholders or members of the supervisory board, are obligated to file for insolvency without undue delay but not later than three weeks after such illiquidity (*Zahlungsunfähigkeit*) and/or six weeks after such over indebtedness (*Überschuldung*) occurred or (as the case may be) was established. Noncompliance with these obligations exposes management to both severe damages claims as well as sanctions under criminal law. In addition, only the debtor, but not the creditors, can file for the opening of insolvency proceedings or for restructuring proceedings (see "*—Preventive Restructuring Framework*") in the event of imminent illiquidity (*drohende Zahlungsunfähigkeit*), if there is the imminent risk of the company being unable to pay its debts as and when they fall due at some point in time within a prognosis period of usually 24 months, whereas imminent illiquidity (*drohende Zahlungsunfähigkeit*) does not give rise to an obligation for the management of the debtor to file for insolvency proceedings.

The Act to Temporarily Suspend the Obligation to File for Insolvency and to Limit Directors' Liability in the Case of Insolvency Caused by the COVID-19 Pandemic, which was adopted on March 27, 2020 (as amended from time to time, the "COVInsAG"), provides, inter alia, for a suspension of the obligation to file for insolvency until, currently, April 30, 2021. The suspension—as in force from January 1, 2021—applies to debtors who, in the period from November 1, 2020 to February 28, 2021, have applied for financial assistance under state assistance programs to mitigate the consequences of the COVID-19 pandemic or have been prevented, as eligible debtors, from filing such application for legal or factual reasons, unless the insolvency is not caused by consequences of the COVID-19 pandemic and there is obviously no prospect of obtaining the state financial assistance or the assistance that can be obtained is insufficient to eliminate the over-indebtedness or illiquidity.

A company may also file for preliminary "debtor-in-possession" proceedings (*vorläufige Eigenverwaltung*), if, in general, the company has developed a comprehensive and conclusive turn-around plan to be implemented by way of debtor-in-possession proceedings and the insolvency court is not aware of any circumstances that indicate that key aspects of the filed turn-around plan are based on incorrect assumptions. If a company faces imminent illiquidity (*drohende Zahlungsunfähigkeit*) and/or is over-indebted (*überschuldet*), but not illiquid (*zahlungsunfähig*), it may also file for preliminary "debtor in possession" protective shield proceedings (*Schutzschirmverfahren*), unless—from a third party perspective—there is no reasonable chance for a successful restructuring. Upon such filing by the debtor, the court will appoint a preliminary trustee (*vorläufiger Sachwalter*) and prohibit enforcement measures (other than with respect to immovable assets). It may also implement other preliminary measures to protect the debtor from creditor enforcement actions for up to three months. During that period, the debtor shall prepare an insolvency plan, which ideally shall be implemented in formal "debtor-in- possession" proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened. During the period of either the preliminary debtor-in-possession proceedings (*vorläufige Eigenverwaltung*) or the protective shield proceedings (*Schutzschirmverfahren*), the debtor shall prepare an insolvency plan, which ideally shall be implemented in formal "debtor-in-possession" proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

The insolvency proceedings are controlled by the competent insolvency court, which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). In particular, the insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings (other than with

respect to immoveable assets) or, to the extent required to ensure the continuation of the debtor's business, prohibit the enforcement of any collateral granted over claims, rights or other movable assets of debtor. If the enforcement of collateral is prohibited by the insolvency court, secured creditors have to be adequately compensated by the insolvency estate.

Unless the debtor has applied for debtor-in-possession proceedings (*Eigenverwaltung*) (in which event the court will generally only appoint a preliminary trustee (*vorläufiger Sachwalter*) who will supervise the management of the affairs by the debtor) the insolvency court will in most cases appoint a preliminary trustee or preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). The rights and duties of the preliminary administrator or the preliminary trustee depend on the decision of the court. The duties of the preliminary administrator may include safeguarding and preserving the debtor's property and assessing whether the debtor's net assets will be sufficient to cover at least the costs of the insolvency proceedings. Depending on the decision of the court, even the right to manage the business and dispose of the assets of the debtor may pass to the preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), whilst in debtor-in-possession proceedings, the debtor's management retains the right to manage business. However, the court may also order that certain disposals of the debtor may require the preliminary trustee's (*vorläufiger Sachwalter*) consent also in debtor-in-possession proceedings. The insolvency court can also order a stay of all enforcement measures by unsecured creditors against the debtor.

During preliminary insolvency proceedings, the insolvency court has to appoint a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*) if the debtor satisfies at least two of the following three requirements:

- a balance sheet total of at least €6,000,000 (after deducting an equity shortfall if the debtor is over indebted);
- revenues of at least €12,000,000 in the twelve months prior to the last day of the financial year preceding the filing; and/or
- fifty or more employees on an annualized average basis (including, inter alios, part time employees).

The requirements apply to the entity subject to the proceedings without taking into account the assets of other group companies. The preliminary creditors' committee will be able to participate in certain important decisions made in the preliminary insolvency proceedings. It will have, for example, the power to influence the following: the selection of a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) / preliminary trustee (*vorläufiger Sachwalter*) and an insolvency administrator (*Insolvenzverwalter*) / trustee (*Sachwalter*); and court orders for "debtor in possession" proceedings (*Anordnung der Eigenverwaltung*).

The court opens formal insolvency proceedings (*Eröffnung des Insolvenzverfahrens*) if certain formal requirements are met, including if (i) the debtor is in a situation of imminent illiquidity (if the petition has been filed by the debtor), illiquidity and/or over indebtedness and (ii) if there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient to cover such costs, the insolvency court will only open formal insolvency proceedings if third parties (e.g., creditors), advance the costs themselves. In the absence of such advancement, the petition for the opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*).

Unless the court has granted "debtor-in-possession" proceedings (*Eigenverwaltung*) (in which case the court will only appoint a trustee (*Sachwalter*) who will supervise the management of the affairs by the debtor), upon opening of the insolvency proceedings, the court will appoint an insolvency administrator (*Insolvenzverwalter*) who has full administrative and disposal authority over the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets. The insolvency creditors (*Insolvenzgläubiger*) will only be entitled to change the individual appointed as insolvency administrator at the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by heads and amount of insolvency claims) has voted in favor of the proposed individual to become insolvency administrator and (ii) the proposed individual being eligible as officeholder, i.e., sufficiently qualified, business experienced and impartial. Individual creditors, or the debtor, can request the insolvency court to remove the insolvency administrator only on the grounds of a lack of impartiality and only within six months from the appointment. The insolvency administrator (or in the case of debtor in possession proceedings, the debtor) may raise new financial indebtedness and incur other liabilities to continue the debtor's operations, and satisfaction of these liabilities as preferential debts of the estate (*Masseverbindlichkeiten*) will be preferred to any unsecured insolvency liabilities created by the debtor including, e.g., the Note Guarantees. Residual claims of a secured insolvency creditors remaining after realization of the respective collateral (if any) also qualify as unsecured insolvency claim in this

regard. However, in "debtor-in-possession" proceedings, the debtor shall only incur estate liabilities in the ordinary course of business without the trustee's (*Sachwalter*) consent.

Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrator opts for performance.

The insolvency administrator (*Insolvenzverwalter*) (or trustee (*Sachwalter*) in case of debtor-in-possession proceedings) may also challenge transactions that are deemed detrimental to insolvency creditors and which were effected prior to the opening of the insolvency proceedings (See "*—Hardening Periods and Fraudulent Transfer*").

For the holders of the Notes, the consequences of the opening of German insolvency proceedings over the assets of any Guarantor would include, among possible voidance actions and other things, the following:

(a) unless the court orders "debtor-in-possession" proceedings (*Eigenverwaltung*), the right to administer and dispose of the Guarantor's assets would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate;

(b) unless the court orders "debtor-in-possession" proceedings (*Eigenverwaltung*), disposals effected by the Guarantor's management after the opening of insolvency proceedings are null and void by operation of law;

(c) if, during the final month preceding the date of filing for insolvency proceedings or thereafter, a creditor in the insolvency proceedings acquires through execution (e.g., attachment) a security interest in part of the relevant insolvency debtor's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of the insolvency proceedings;

(d) claims against the relevant debtor may generally only be pursued in accordance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*); and

(e) any person that has a right for separation (*Aussonderung*), i.e., the relevant asset of this person does not constitute a part of the insolvency estate, does not participate in the insolvency proceedings; the claim for separation must be enforced in the course of ordinary court proceedings against the insolvency administrator (*Insolvenzverwalter*).

Certain of these consequences could be achieved by decision of the insolvency court following the insolvency petition and prior to the opening of insolvency proceedings.

Under German insolvency and restructuring law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or restructuring proceedings or the occurrence of reasons justifying the opening of insolvency or restructuring proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid in case of insolvency proceedings if such clause would frustrate the election right of the insolvency administrator whether or not to perform the contract (*Wahlrecht des Insolvenzverwalters*) unless such clause only reflects termination rights applicable under statutory law. This may also relate to agreements that are not governed by German law.

All other creditors, whether secured or unsecured (unless they have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*) or are preferred creditors (*Massegläubiger*) as opposed to a preferential right (*Absonderungsrecht*)), who wish to assert claims against the debtor need to participate in the insolvency proceedings and have to file their claims against the debtor and the rights they claim in the assets of the debtor with the insolvency administrator. With the exception of certain secured creditors, an individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once the insolvency proceedings have been opened (and, if so ordered by a court, also between the time when an insolvency petition is filed and the time when insolvency proceedings commence). German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims in the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Code (*Insolvenzordnung*). Accordingly, all unsecured creditors may file their claims in the insolvency proceedings and will be paid on a pro rata basis from the insolvency estate (to the extent sufficient assets are available). Secured creditors are generally not entitled to enforce their security interests after insolvency proceedings have been commenced to the extent the German Insolvency Code (*Insolvenzordnung*) authorizes the insolvency

administrator to dispose of the relevant collateral but have only certain preferential rights (*Absonderungsrechte*) in the insolvency proceedings. In this case, secured creditors will only have a right to claim the recoveries (minus costs and fees) from such realization. Whether or not, after the initiation of insolvency proceedings, a secured creditor remains entitled to enforce security granted to it by the relevant debtor depends on the type of security: The insolvency administrator (*Insolvenzverwalter*) generally has the sole right (i) to realize any movable assets within its possession that are subject to preferential rights (*Absonderungsrechte*) (e.g., pledges over movable assets and rights (*Mobiliarpfandrechte*), transfer by way of security (*Sicherungsübereignung*)) and (ii) to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). According to some voices in legal literature, it is uncertain whether the secured creditors are entitled to initiate the enforcement process in respect of pledged uncertificated shares on their own or, insofar as the pledged assets are part of any insolvency estate, whether the insolvency administrator (*Insolvenzverwalter*) has standing to realize the pledges on behalf of and for the benefit of the secured creditors. However, there is no authoritative case law on this question. That having been said, the German Federal Court of Justice (*Bundesgerichtshof*) views the insolvency administrator competent to realize pledged shares in a corporation that have been certificated (*verbrieft*) and are hold in a custodian account (*Depot*) in Germany in case the shares represent more than 20% in the issued share capital of the pledged company. It therefore appears likely that in this particular case, secured creditors would not be held competent to realize the respective share pledges.

Even if the law vests the right of disposal regarding the relevant collateral in the insolvency administrator, the secured creditor retains the right of preferred satisfaction with regard to the disposal proceeds (*Ersatzabsonderungsrecht*). Consequently, the enforcement proceeds minus certain contributory charges of 9% (or as agreed upon individually, but in any case at least 4%) for (i) assessing the value of the secured assets and (ii) realizing the secured assets are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts ("excess proceeds") will be allocated to the insolvency estate (*Insolvenzmasse*) (being the remaining unencumbered assets of the debtor) and would, after deduction of the costs of the insolvency proceedings (e.g., fees for and expenses of the preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), the insolvency administrator (*Insolvenzverwalter*) and the insolvency court as well as the members of the (preliminary) creditors' committee) and after satisfaction of certain preferential liabilities be distributed among the non-preferential unsecured creditors, including the holders of the Notes (to the extent not satisfied after enforcement of the Collateral securing the Notes). If a Guarantor or a subsidiary thereof subject to German insolvency proceedings grants security over its assets to creditors other than the holders of the Notes, such security may result in a preferred satisfaction of creditors secured by such security (however, the preferential treatment would be limited to the proceeds obtained through the disposal of the relevant collateral). The excess proceeds resulting from such collateral may not be sufficient to satisfy the obligations under the respective Note Guarantee by the respective Guarantor after such secured creditors have been satisfied.

The right of a creditor to preferred satisfaction (*Absonderungsrecht*) may not necessarily prevent the insolvency administrator (*Insolvenzverwalter*) from using a movable asset that is subject to this right. The insolvency administrator (*Insolvenzverwalter*), however, must compensate the creditor in accordance with specific rules.

In addition, it may take several years before proceeds from the liquidation of the insolvency estate, if any, are distributed to unsecured creditors.

A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator or, in debtor-in-possession proceedings, by the trustee (upon instruction of the preliminary creditors' committee or the creditors' meeting) and which requires, in principle, the consent of the debtor as well as the consent of each class of creditors in accordance with specific majority rules. The insolvency court may order the deemed approval of one or more opposing creditor groups under certain conditions (cram down). The insolvency plan (*Insolvenzplan*) may derogate from the provisions of the German Insolvency Code (*Insolvenzordnung*). In particular, it may contain provisions regarding the discharge of secured and unsecured creditors, the disposal of the insolvency estate as well as procedure. It may also create, modify, transfer or terminate rights in rem such as property rights or security interests. If the debtor is a corporate entity, the shares or, as the case may be, the partnership interests in the debtor can also be included in the insolvency plan, including an issuance of shares or partnership interests to third parties or to creditors based on a debt-to-equity swap. Thus, an insolvency plan could under certain circumstances provide for provisions, *inter alia*, regarding the Notes or the Note Guarantees or the Collateral which are less favorable to the holders of the Notes than the provisions of the German Insolvency Code (*Insolvenzordnung*), such as the release of the Collateral or the release of obligations under the Notes or the Note Guarantees. Under certain conditions, such

provisions could be adopted against the votes of the affected holders of the Notes. However, it will not be possible to force a creditor into a debt-to-equity conversion if it does not consent to such debt-for-equity swap under the proposed insolvency plan (*Insolvenzplan*).

An insolvency plan can further provide for the release or other impairment of guarantees or other security interests provided by debtor affiliates (*gruppeninterne Drittsicherheiten*), without such debtor affiliates being required to become subject of the debtor's or separate insolvency proceedings, provided that the relevant debtor affiliate consents to the impairment. Creditors affected by such impairment are entitled to receive adequate compensation. This means that the claims under the Note Guarantees can get impaired if the Issuer or a Guarantor would enter into German insolvency proceedings, regardless of whether or not the relevant Guarantor is itself subject of insolvency proceedings.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In the case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately. As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and vis à vis each entity have to be dealt with separately. However, the German Insolvency Code (*Insolvenzordnung*) has provisions to facilitate the coordination of and cooperation between insolvency proceedings of group companies. Whereas these provisions do not provide for a consolidation of the insolvency proceedings of the insolvent group companies, or a consolidation of the assets and liabilities of a group of companies or pooling of claims among the respective entities of a group, they stipulate four key measures in order to facilitate an efficient administration of group insolvencies: (i) a single court may assume jurisdiction for other group company insolvency proceedings (*Gruppengerichtsstand*); (ii) a single person may be appointed as insolvency administrator (*Insolvenzverwalter*) for all relevant group companies; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for "coordination proceedings" (*Koordinationsverfahren*) and the appointment of a "coordinator" (*Verfahrenskoordinator*) with the ability to propose a "coordination plan" (*Koordinationsplan*) for approval by the coordination court (*Koordinationsgericht*).

As a general principle, the claims arising from the Note Guarantees may be enforced against a Guarantor outside of the insolvency proceedings over the assets of the relevant Guarantor. Any insolvency proceedings over the assets of a Guarantor would, however, be a rather strong indication that the overall financial situation of the entire group of affiliated companies has significantly deteriorated, which may cause other Guarantors or other affiliated companies to subsequently file for insolvency.

German insolvency law provides for certain creditors and their claims to be subordinated by law (including, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of repayment of shareholder loans or comparable actions, but except for government developments banks and its affiliates). The restrictive nature of the covenants and undertakings in the Indenture may result in the holders of the Notes and/or the applicable Trustee being considered in a "shareholder like" position (*gesellschafterähnliche Stellung*). In that event, in an insolvency proceeding over the assets of a Guarantor, the claims arising from a Note Guarantee could be treated as a subordinated insolvency claim (*nachrangige Insolvenzforderunge*n). Subordinated insolvency claims are not eligible to participate in the insolvency proceedings over the assets of a Guarantor unless the insolvency court handling the case has granted special permission allowing these subordinated insolvency claims to be filed which is not granted in the vast majority of insolvency cases governed by German law. Claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to claims of regular, unsecured creditors.

Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrator opts for performance.

Hardening Periods and fraudulent transfer

Under the German Insolvency Code (*Insolvenzordnung*), an insolvency administrator or, in the event that "debtor-in-possession" proceedings (*Eigenverwaltung*) have been granted, the trustee (*Sachwalter*) may also challenge (*anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings during applicable voidance periods. The administrator's or the trustee's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the filing of the petition for commencement of insolvency proceedings.

In the event of insolvency proceedings based on and governed by the insolvency laws of Germany, the payment of any amounts to the holders of Notes as well as the granting of Collateral for or providing credit support for the benefit of the Notes could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) or, as the case may be, a trustee (*Sachwalter*) under the rules of avoidance as set forth in the German Insolvency Code (*Insolvenzordnung*). If the validity or enforceability of the respective Note Guarantees or any Collateral in favor of the Notes is challenged successfully, the holder of the Notes may not be able to recover any amounts under the respective Note Guarantees or the relevant Collateral. If payments have already been made under the respective Note Guarantees or Collateral, any amounts received from a transaction that had been challenged would have to be repaid to the insolvency estate. In this case, holders of the Notes would only have a general unsecured claim under the relevant Note Guarantee without preference in insolvency proceedings.

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which terms also include the provision of security or the repayment of debt) may be avoided in the following cases:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*) if such act was taken (a) during the last three months prior to the filing of a petition for the commencement of insolvency proceedings, if the debtor was illiquid (*zahlungsunfähig*) at the time such act was taken and the creditor knew of such illiquidity (or of circumstances that imperatively suggest that the debtor was illiquid (*zahlungsunfähig*)) at such time, or (b) after the filing of the petition for the opening of insolvency proceedings, if the creditor knew of the debtor's illiquidity (*Zahlungsunfähigkeit*) or the filing of such petition (or of circumstances imperatively suggesting such illiquidity (*Zahlungsunfähigkeit*) or filing); whereby in each case an "affiliated party" (*nahestehende Person*) as described below shall be presumed to have been aware of the debtor's insolvency or of the filing to open insolvency proceedings;

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*) to which such creditor was not entitled or which was granted or obtained in a form in which or at a time at which such creditor was not entitled to such security or satisfaction, if (a) such act was taken during the last month prior to the filing of the petition for the commencement of insolvency proceedings or after such filing, (b) such act was taken during the second or third month prior to the filing of the petition and the debtor was illiquid (*zahlungsunfähig*) at such time or (c) such act was taken during the second or third month prior to the filing of the petition for the opening of insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (or had knowledge of circumstances that imperatively suggest such detrimental effect); whereby in each case an "affiliated party" (*nahestehende Person*) as described below shall be presumed to have been aware of the detrimental nature of such transaction for other creditors;

- any transaction by the debtor that is directly detrimental to the insolvency creditors or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable, provided it was entered into (a) during the three months prior to the filing of the petition of the commencement of insolvency proceedings and the debtor was illiquid (*zahlungsunfähig*) at the time of such transaction and the counterparty to such transaction knew of the illiquidity (*Zahlungsunfähigkeit*) at such time or (b) after the filing of the petition for the commencement of insolvency proceedings and the counterparty to such transaction knew of either the debtor's illiquidity (*Zahlungsunfähigkeit*) or such filing at the time of the transaction (or of circumstances imperatively suggesting such illiquidity (*Zahlungsunfähigkeit*) or filing); whereby in each case an "affiliated party" (*nahestehende Person*) as described below shall be presumed to have been aware of the debtor's illiquidity (*Zahlungsunfähigkeit*) or of the filing to open insolvency proceedings;

- any act by the debtor without (adequate) consideration (e.g., whereby a debtor grants security (including a guarantee) for a third-party debt, which might be regarded as having been granted gratuitously (*unentgeltlich*)), if it was effected in the four years prior to the filing of the petition for the commencement of insolvency proceedings;

- any act performed by the debtor during the ten years prior to the filing of the petition for the commencement of insolvency proceedings or at any time after the filing with the intent to prejudice the insolvency creditors if the other party knew of such intention at the time of such act with such knowledge being presumed if the beneficiary knew that the debtor's illiquidity was at least imminent

(*drohende Zahlungsunfähigkeit*) and that the transaction disadvantaged the other creditors. For granting an insolvency creditor, or enabling an insolvency creditor, to obtain security or satisfaction to which such creditor was entitled, such knowledge is (solely) presumed if such creditor knew that the debtor was illiquid (*zahlungsunfähig*) (as opposed to the knowledge of imminent illiquidity (*drohende Zahlungsunfähigkeit*) in regular cases) and that the transaction disadvantaged the other creditors. Apart from that, such acts granting an insolvency creditor, or enabling an insolvency creditor, to obtain security (*Sicherung*) or satisfaction (*Befriedigung*) (whether or not it was granted or obtained in a form or at a time to which or at which such creditor was entitled to such security or satisfaction), may only be avoided if they were effected in the four years prior to the filing of the petition for the commencement of insolvency proceedings or at a time after the filing. There is a rebuttable presumption that, if the debtor reached a payment agreement (*Zahlungsvereinbarung*) with the creditor or the creditor granted any other form of deferred payment (*Zahlungserleichterungen*) to the debtor, he had no knowledge of the debtor's illiquidity (*Zahlungsunfähigkeit*) at the time of the transaction;

- any non-gratuitous contract (*entgeltlicher Vertrag*) concluded between the debtor and an "affiliated party" (*nahestehende Person*), as described below, which directly operates to the detriment of the creditors can be challenged unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors as of the time the contract was concluded;
- any act that grants security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*) for a claim under a shareholder loan granted to the debtor or an equivalent claim if (a) in the case of the granting of security, the act took place during the ten years prior to the filing of the petition for the commencement of insolvency proceedings or after the filing of such petition, or (b) in the case of satisfaction, the act took place during the last year prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition. This does not apply (a) to shareholders that own 10% or less of the shares or interest and are not engaged in management and (b) until the sustainable restructuring (*nachhaltige Sanierung*) of the debtor in case a creditor for the first time acquires shares during over indebtedness, illiquidity or imminent illiquidity with the intension to restructure the debtor; and
- any act whereby the debtor grants satisfaction to a third party for a loan claim or an equivalent claim if (a) the transaction was effected in the last year prior to the filing of a petition for the commencement of insolvency proceedings or thereafter and (b) a shareholder of the debtor had granted security for such loan or was liable as a guarantor or surety provider (*Garant oder Bürge*) for such loan (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that, e.g., the respective debtor (e.g., a Guarantor) was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings had been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. Knowledge of pending restructuring proceedings (see—"*Preventive Restructuring Framework*") per se does not suffice for a creditor to be deemed to have such "knowledge." A person is further deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it knew of the debtor's imminent illiquidity and that the transaction prejudiced the debtor's creditors. If the relevant act granted an insolvency creditor, or enabled an insolvency creditor to obtain, security (including a guarantee) (*Sicherung*) or satisfaction (*Befriedigung*) in a form in which and at a time at which such creditor was entitled to such security or satisfaction (*kongruente Deckungshandlung*), the words "imminent illiquidity" (*drohende Zahlungsunfähigkeit*) in the preceding sentence have to be replaced by "actual illiquidity" (*eingetretene Zahlungsunfähigkeit*). With respect to an "affiliated party" (*nahestehende Person*) as described below there is a general statutory presumption that such party had "knowledge" as indicated above.

In relation to corporate entities, the term "affiliated party" (*nahestehende Person*) includes, subject to certain limitations, members of the management or supervisory board, general partners and shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons who are spouses, relatives or members of the household of any of the foregoing persons.

The provision of a security concurrently with the incurrence of debt funded as new money may be qualified as a "cash transaction" and may as such be privileged. Meaning, under certain circumstances it may not be subject to avoidance rights under the German Insolvency Code (*Bargeschäftsprivileg*). According to recent case

law of the German Federal Court of Justice (*Bundesgerichtshof*), however, this privilege does not apply to claims under a shareholder loan agreement or economically equivalent transactions as described above.

Any kind of newly granted third-party financing (i.e., not only traditional cash loans but also commercial credits and other forms of financing) and respective collateral as well as shareholder loans under German insolvency law avoidance provisions, which have been granted from March 1, 2020 until September 30, 2020 are privileged under German insolvency law due to the CovInsAG. Thus, the repayment (including reasonable interest payments) of third-party financing and shareholder loans by September 30, 2023 shall not be considered disadvantageous to creditors if the relevant financing is granted between March 1, 2020 and September 30, 2020 (in certain cases, if the debtor fulfilled the respective requirements for a further suspension of the filing duties at the time, until December 31, 2020 or April 30, 2021). Loans granted, and security taken, by certain public institutions as part of COVID-19 subsidies remain privileged even if granted or taken after that period. The general privilege also includes the provision of collateral in favor of third-party financing providers, but does not apply in case of the provision of collateral in favor of a shareholder loan or receivables from economically similar acts.

Furthermore, any transactions contemplated by a restructuring plan (see—"*Preventive Restructuring Framework*") are not subject to avoidance actions until a sustainable restructuring (*nachhaltige Sanierung*) of the debtor is achieved, unless the restructuring plan was based on incorrect or incomplete information presented by the debtor and the addressee of the avoidance action had knowledge thereof. This privilege does not apply to shareholder loans or economically similar transactions or collateral provided therefor.

Any amounts obtained from transactions that have been challenged would have to be repaid to the insolvency estate.

In addition, under German law, a creditor who provided additional, or extended existing funding to a debtor or obtained security from a debtor may be liable towards another creditor if (i) such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency (for which knowledge of pendent restructuring proceedings (see —"*Preventive Restructuring Framework*") per se does not suffice) at the time such funding was provided or extended or such security was granted and (ii) the other creditor suffered losses caused by a delayed filing for insolvency based on the additional or extended existing funding. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, e.g., the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto. If, however, such was additional funding has been provided or existing funding has been extended or respective collateral has been granted between March 1, 2020 and September 30, 2020 (in certain cases, until December 31, 2020 or April 30, 2021), any such transaction is statutorily exempted from the lender liability concept as laid out above.

Satisfaction of subordinated claims

The insolvency estate shall serve to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims shall be satisfied ranking below the other claims of insolvency creditors in the order given below, and according to the proportion of their amounts if ranking with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the day of the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offence binding the debtor to pay money; (iv) claims to the debtor's gratuitous performance of a consideration; and (v) claims for restitution of a shareholder loan (*Gesellschafterdarlehen*) or claims resulting from legal transactions corresponding in economic terms to such a loan. However, the statutory subordination of shareholder loans and receivables from economically similar acts is suspended in insolvency proceedings applied for up until September 30, 2023 for newly granted shareholder loans granted between March 1, 2020 and September 30, 2020 (in certain cases, if the debtor fulfilled the respective requirements for a further suspension of the filing duties at the time, until December 31, 2020 or April 30, 2021).

Preventive restructuring framework

The following is a brief description of certain aspects of the proceedings under the Corporate Stabilization and Restructuring Act (*StaRUG*).

Based on the Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (the "Restructuring Directive") the Corporate Stabilization and Restructuring Act (*StaRUG*) has come into force on January 1, 2021. The Corporate Stabilization and Restructuring Act provides for a new pre-insolvency procedure to restructure the liabilities of debtors, whose "centre of main interest" is located in Germany. This may apply as of the date of this Offering Memorandum to certain of the Guarantors

As the Corporate Stabilization and Restructuring Act (*StaRUG*) has only come into force on January 1, 2021, no corresponding (court) practice exists as of the date of this Offering Memorandum and consequently any proceedings under the Corporate Stabilization and Restructuring Act (*StaRUG*) come with uncertainty.

For the holders of the Notes, among the relevant consequences of an initiation of restructuring proceedings by a Guarantor having its "centre of main interest" in Germany would be in particular the following:

- potentially no or limited court review and/or supervision of the restructuring proceedings;
- any measures (such as reduction in principal and/or interest or deferrals) regulated by the restructuring plan may be approved within a class of creditors (e.g., the holders of the Notes) with a majority of 75% of the claims or by way of a so-called cross-class cram down by other classes under certain presumptions;
- any collateral granted by the debtor as well as intra-group collateral may be subject to restructuring proceedings potentially leading to a negative impact on the respective collateral; and
- restrictions on individual enforcement actions for all or certain creditors regarding their claims, or, if applicable, their respective collateral over moveable assets of up to eight months due to a moratorium.

Restructuring proceedings

Restructuring proceedings may only be initiated by the relevant debtor with a notification of the competent restructuring court of the commencement of restructuring proceedings. A debtor is eligible to file for restructuring proceedings if it has become imminently illiquid (*drohend zahlungsunfähig*). Such imminent illiquidity (*drohende Zahlungsunfähigkeit*) occurs if it is more likely than not that the debtor will be unable to pay its debts as and when they fall due within a two years' look-forward period.

During the restructuring proceedings, the debtor has to observe the duty of a prudent business manager, which includes safeguarding the best interest of all of the debtor's creditors. In particular, the debtor has to refrain from any actions, which cannot be reconciled with or potentially frustrate the restructuring goal (*Restrukturierungsziel*). This means that, generally, any claims, which shall be subject to the envisaged restructuring plan, must not be settled or collateralized during the restructuring proceedings.

During the restructuring proceedings, the duty to file for insolvency without undue delay if the debtor becomes illiquid (*zahlungsunfähig*) or over-indebted (*überschuldet*) is generally suspended. However, if such an insolvency event occurs, the debtor is obliged to notify the restructuring court accordingly without undue delay. The restructuring court then abrogates the restructuring proceedings unless, in the restructuring courts discretion, (i) the abrogation of the restructuring proceedings is, against the backdrop of the advanced status of restructuring proceedings, evidently not in the interest of all creditors or (ii) the illiquidity (*Zahlungsunfähigkei*t) or over-indebtedness (*Überschuldung*) is caused by the enforcement of any such claim that is envisaged to be subject to the restructuring plan provided the achievement of the restructuring goal (*Restrukturierungsziel*) remains predominantly likely. Once restructuring proceedings have been abrogated by the restructuring court, the debtor is again obliged to file for insolvency under the German Insolvency Code (*Insolvenzordnung*). If (i) the envisaged restructuring also comprises of consumer claims or claims of small or medium enterprises or respective collateral granted for the benefit of such claims, (ii) the debtor has filed for a moratorium against all or essentially all creditors or (iii) the envisaged restructuring plan provides for specific supervision of the settlement of claims subject to the plan, the restructuring court has to appoint a mandatory restructuring officer (*Restrukturierungsbeauftragter*). A mandatory restructuring officer is also to be appointed by the restructuring

court if the restructuring goal (*Restrukturierungsziel*) can predictably only be achieved by a cram-down of dissenting classes (unless only claims originated by financial institutions and/or shareholders are to be compromised).

The restructuring court may appoint as mandatory restructuring officer (*Restrukturierungsbeauftragter*) any person with experience in restructurings and insolvencies who is suitable for the respective individual case and who is qualified as a tax advisor, accountant, lawyer or has comparable qualifications (an "Eligible Restructuring Officer"); the court may take suggestions by the debtor, creditors or shareholders into account. If (i) the debtor is, based on expert opinion provided by an Eligible Restructuring Officer, eligible for a moratorium (see — "*Moratorium*"), or (ii) creditors of one class with at least 25% of the corresponding votes in such class propose a mandatory restructuring officer, the court may only appoint a mandatory restructuring officer different from the proposed Eligible Restructuring Officer if the proposed Eligible Restructuring Officer is evidently inadequate. If a mandatory restructuring officer is appointed based on the proposal of the debtor or a group of creditors, the restructuring court may appoint an additional mandatory restructuring officer in its own discretion.

The mandatory restructuring officer (*Restrukturierungsbeauftragter*) is entitled to decide on the procedure to be elected for the voting on the restructuring plan and can be empowered by the restructuring court to (i) supervise the debtor's board and business situation and (ii) receive payments to and approve payments made by the debtor. If a moratorium is granted, the mandatory restructuring officer is obliged to monitor that the respective prerequisites of such moratorium persist and, in case such prerequisites do not persist, entitled to file for a lifting of such moratorium. Additionally, the mandatory restructuring officer is obliged to comment on the proposed plan's prospects to remove the debtor's imminent illiquidity (*drohende Zahlungsunfähigkeit*) and restore the debtor's viability.

The mandatory restructuring officer (*Restrukturierungsbeauftragter*) has to perform its duties independently and the debtor is obliged to share all relevant information with the mandatory restructuring officer.

The restructuring court can remove the mandatory restructuring officer from office for good cause *ex officio* or, if the mandatory restructuring officer (*Restrukturierungsbeauftragter*) has not acted independently, on the debtor's or a creditor's petition.

Furthermore, the debtor or at least 25% of creditors in a voting class, can request the appointment of an optional restructuring officer to facilitate the development and negotiation of a restructuring plan. Creditors may only request such appointment if they agree to be jointly and severally liable for the costs of the optional restructuring officer. The optional restructuring officer is only obliged to support the stakeholders involved in the negotiations of the restructuring plan, but has no further powers. An optional restructuring officer can also be removed from office by the restructuring court ex officio for good cause or, if the optional restructuring officer has not acted independently, on the debtor's or a creditor's petition.

Prior to a confirmation and implementation of a restructuring plan, the restructuring court may terminate the restructuring proceedings for certain reasons, e.g. if the debtor notifies the restructuring court of the occurrence of an insolvency event unless, in the restructuring court's discretion (taking into account the actual status of the relevant restructuring proceedings), the opening of formal insolvency proceedings is obviously not in the interest of the entirety of the creditors or if the debtor files for insolvency or insolvency proceedings are opened over the assets of the debtor based on a creditor's filing.

Restructuring plan

Key element of the restructuring proceedings is the restructuring plan, which can comprise certain selected or all (with the exception of employees' claims, including pensions, and claims based on intentionally committed acts of tort) of the debtor's liabilities, or amend the terms of financial and other agreements to which more than the debtor and one other party are parties, including the terms and liabilities relating to the relevant debtor under the Indenture and the Intercreditor Agreement.

Any form of financial or operational debt may be compromised, including contingent claims and undue claims, and relating contractual arrangements including syndicated credit facilities and intercreditor agreements can be amended by virtue of the plan. Corresponding collateral provided by debtor affiliates (*gruppeninterne Drittsicherheiten*) may also be released and/or granted under a restructuring plan, provided that affected creditors are adequately compensated. Consequently, the Notes or the Note Guarantees could also be subject to a restructuring plan provided the respective debtor has its "centre of main interest" in Germany.

Further, a restructuring plan may provide for a (partial) debt-to-equity swap or other corporate law measures like a share-capital increase. Debt-to-equity swaps can be implemented without the shareholders' consent but require the willingness of at least certain creditors to equitize their debt claims as no creditor can be forced to take equity as a consideration under a restructuring plan. Hence, if, the Notes or the Note Guarantees were subject to a restructuring plan providing for debt-to-equity swap, single holders of the Notes could not be forced under the restructuring plan to take equity in the Issuer or a Guarantor without their respective consent.

The restructuring plan will be voted on by creditors of the debtor and must subsequently be confirmed by the restructuring court. The vote may take place by way of consent solicitation process or in a (virtual) creditors' meeting. Creditors will be divided into classes determined on the basis of the respective creditors' economic interests in the debtor. As a minimum distinction, secured creditors, unsecured creditors, creditors that benefit from intra-group credit support and subordinated creditors (e.g. shareholders) will form separate classes. However, also other factors like, e.g., cross-holdings, could be taken into account for class composition. 75% by value of all claims of one class will be required to approve the plan for such class. There is no numerosity requirement. Dissenting classes can be crammed down (or up), if

- the class members can be expected to be no worse off under the plan than absent the plan (whereby the alternative scenario must not necessarily be an in-court insolvent liquidation, but can also be an alternative out-of-court restructuring on a going concern basis);
- the crammed down (or up) class members receive an adequate share in the economic value created by the plan; and
- a majority of classes has accepted the plan.

A crammed down (or up) class receives an adequate share in the economic value created by the plan if (i) no other creditor receives more than its claim's par value, (ii) no creditors that would rank junior in insolvency proceedings, the debtor or its shareholders receive any value through the plan which is not covered by a respective stakeholder's contribution to the plan and (iii) no creditor that would rank *pari passu* in insolvency proceedings receives a preferential treatment compared to the dissenting class under the restructuring plan (unless such preferential treatment is appropriate (*sachgerecht*) in light of the individual situation of distress to overcome and the dissenting class accounts for no more than 50% of the rank's total claims). However, despite the prerequisite described under (ii) in the foregoing sentence, a creditor class can also be crammed down in case a shareholder retains equity without any additional contribution if the shareholder itself is crucial for and bindingly committed to the continuation of the debtor's business and the realization of the restructuring plan or the creditors' rights are only compromised marginally (e.g. by a maturity extension of no more than 18 months).

Upon the debtor's decision, either the debtor or the restructuring court can lead the voting on the plan. In case the voting has been led by the debtor, the restructuring court has to hold a hearing of affected stakeholders before the plan can be confirmed.

The restructuring court will confirm the plan unless (i) the debtor is not (longer) imminently illiquid (*drohend zahlungsunfähig*), (ii) there is a material breach of statutory provisions regarding the procedure to adopt the restructuring plan or its permitted content that cannot or has not been cured upon the restructuring court's notice, (iii) claims contemplated by or surviving the restructuring plan can obviously be not satisfied by the debtor or (iv), if new money financing is contemplated under the restructuring plan, the underlying restructuring concept is incoherent or appears to be based on incorrect facts or to have no reasonable prospect of success. Additionally, dissenting creditors can request the restructuring court to reject the restructuring plan if the applicant will be expectedly worse off under the restructuring plan than without the proposed restructuring plan and the applicant has already raised such concern in the creditors' meeting or creditors' hearing, as applicable. However, such application has no merits if the restructuring plan provides for funds to be distributed to creditors that can prove to be worse-off, irrespective of whether any such applicant actually benefits from such funds.

Dissenting creditors can appeal against the restructuring court's confirmation order of the plan if they are able to produce prima facie evidence (*glaubhaft machen*) that they are worse-off under the restructuring plan and funds provided thereunder to compensate worse-off creditors (if any) will not suffice for their individual compensation. Such appeal will only have suspensive effect (*aufschiebende Wirkung*) against the effectiveness of the restructuring plan if requested by the dissenting creditor and ordered by the court based on serious and irreversible disadvantages for such dissenting creditor that are not in proportion to the benefits of an immediate implementation of the restructuring plan.

Restructuring plans, which are negotiated and approved in public proceedings and confirmed by a German restructuring court will be recognized in any EU member state pursuant to the EU Insolvency Proceedings Regulation upon the restructuring proceedings being included as a recognized proceeding in Exhibit A of the EU Insolvency Proceedings Regulation. This is expected to occur in July 2022. In any other case, the recognition of the restructuring plan is subject to certain rules and regulations under applicable international private law. As the Corporate Stabilization and Restructuring Act (*StaRUG*) has only come into force on January 1, 2021, any such recognition has not yet been tested as of the date of this Offering Memorandum.

Moratorium

In order for the debtor to be able to draw up and negotiate the restructuring plan, the Corporate Stabilization and Restructuring Act (*StaRUG*) offers the possibility of having a moratorium ordered by the competent court upon application by the debtor, which can restrict enforcement measures by certain or all creditors with regards to their payment claims or the realization of respective collateral over moveable assets. The moratorium can initially be ordered for a maximum period of up to three months, with subsequent orders to extend the moratorium up to a maximum of eight months permissible under certain conditions. Such moratorium may also be sanctioned with regards to collateral provided by the debtor's affiliates (*gruppeninterne Drittsicherheiten*).

The moratorium does not suspend the relevant creditor's interest claims. However, whereas creditors may still file an insolvency petition against the debtor during a moratorium, correspondingly initiated insolvency proceedings are suspended for the time of the moratorium. Under certain conditions, in particular if the requirements to terminate restructuring proceedings are met or the debtor does not comply with certain statutory duties under the Corporate Stabilization and Restructuring Act (*StaRUG*) the competent court may lift the moratorium, also on a creditor's application.

Limitations on Enforcement

Some of the German Guarantors are incorporated in Germany in the form of a limited liability company (*Gesellschaft mit beschränkter Haftung*—"GmbH"). Consequently, the granting of guarantees, indemnities and security interests by these companies is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, "GmbHG") and other laws. These provisions would also apply to any future German Guarantor in the form of a GmbH or a partnership with a GmbH as unlimited liability partner (e.g., *Gesellschaft mit beschränkter Haftung & Compagnie Kommanditgesellschaft*, "GmbH & Co. KG").

GmbH Limitation Language—general

As a general rule, Sections 30 and 31 of the GmbHG ("Sections 30 and 31") prohibit a GmbH from disbursing its assets to its direct or indirect shareholders, to the extent that the amount of the GmbH's net assets (meaning, assets minus liabilities and liability reserves as determined under German Generally Accepted Accounting Principles) is already less or would fall below the amount of its stated share capital (*Stammkapital*); in case of a GmbH & Co. KG, such provisions apply to the general partner which is a GmbH. The granting or enforcement of guarantees or security interests by a GmbH or by a GmbH & Co. KG in order to guarantee or secure liabilities of a direct or indirect parent or sister company may be considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to issue guarantees or create security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for indentures, certain credit agreements, guarantees and security documents to contain "limitation language" in relation to subsidiaries incorporated or established in Germany in the legal form of a GmbH or a GmbH & Co. KG. Pursuant to such limitation language, the beneficiaries of the guarantees or the security interests agree, subject to certain adjustments and exemptions, to enforce the guarantees or the security interests against the German subsidiary only to the extent that such enforcement does not result in the GmbH's (or, in case of a KG, its general partner that is a GmbH) net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Notes Guarantee, the Indenture and the Security Documents provided by the German Guarantors will contain such limitation language and therefore the enforcement of the Notes Guarantees, the Indenture and the Collateral is limited in the manner described. This could lead to a situation in which the respective Notes Guarantee or security granted by the relevant German Guarantor cannot be enforced at all.

German Limitation Language—"Wording"

The limitation language for any GmbH or GmbH & Co. KG to be incorporated into the relevant Notes Documents (as defined in "*Description of the Notes*") , in particular in the Indenture, will substantially be in the form as follows:

(a) Definitions

In this Section:

"**AktG**" means the German Stock Corporation Act (*Aktiengesetz*, AktG).

"**Auditor's Determination**" means the determination pursuant to paragraph (c)(iv) below.

"**BGB**" means the German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

"**DPLA**" means a domination and/or profit and loss pooling agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*) as defined in § 291 (1) AktG.

"**EU Guarantor**" means any limited liability company (or limited partnership with a limited liability company as its general partner) incorporated in a jurisdiction other than Germany whose centre of main interest (as that term is used in Article 3(1) of Regulation (EU) No. 2015/848 of 20 May 2015 on Insolvency Proceedings) is in Germany.

"**German Guarantor**" means any GmbH Guarantor and any EU Guarantor.

"**GmbH**" means (i) a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) incorporated under German law and/or (ii) a limited partnership (Kommanditgesellschaft) with a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) as general partner (*Komplementär*) established under German law.

"**GmbH Capital Impairment**" means the GmbH Net Assets of a GmbH Guarantor falling below the amount (*Entstehung einer Unterbilanz*) required to maintain that GmbH Guarantor's registered share capital (*Stammkapital*) or an increase of an existing shortage (*Vertiefung einer Unterbilanz*) of its registered share capital (*Stammkapital*) and thereby violating §§ 30, 31 GmbHG.

"**GmbH Guarantor**" means a Guarantor which is a GmbH.

"**GmbH Net Assets**" means the net assets (*Reinvermögen*) of a GmbH Guarantor calculated in accordance with § 42 GmbHG, §§ 242, 264 HGB and the generally accepted accounting principles applicable (*Grundsätze ordnungsgemäßer Buchführung*) from time to time in Germany as adjusted pursuant to paragraph (b)(vi) below.

"**GmbHG**" means the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG*).

"**HGB**" means the German Commercial Code (*Handelsgesetzbuch, HGB*).

"**InsO**" means the German Insolvency Code (*Insolvenzordnung*, InsO).

"**Limited Obligation**" means any guarantee and any other liability, indemnity or other payment obligation under any provision of the Notes Documents.

"**Limited Upstream Obligation**" means any Limited Obligation if and to the extent such Limited Obligation secures or relates to liabilities which are owed by direct or indirect shareholders of the relevant German Guarantor (upstream) or Subsidiaries of such shareholders (such Subsidiaries not to include the relevant German Guarantor and the Subsidiaries of that relevant German Guarantor) (cross-stream).

"**Liquidity Impairment**" means a German Guarantor being deprived of the liquidity necessary to fulfil its liabilities towards its creditors and thereby violating § 15 b (5) InsO.

"**Management Notification**" means the notification pursuant to paragraph (b)(iii) below.

(b) GmbH Capital Impairment Limitation Language

(i) Save as set out in this paragraph (b), the Trustee shall not enforce, and any GmbH Guarantor (and/or the relevant subsidiary of a GmbH Guarantor) shall have a defence (*Einrede*) against, any Limited Upstream Obligation if and to the extent a discharge (*Erfüllung*) or enforcement (*Vollstreckung*) in respect of a Limited Upstream Obligation would cause a GmbH Capital Impairment to occur.

(ii) The restrictions in paragraph (i) shall not apply:

(A) if and to the extent the Limited Upstream Obligation of the GmbH Guarantor secures any indebtedness under any Notes Document in respect of:

(1) amounts which are (directly or indirectly) on-lent or otherwise passed on to the relevant GmbH Guarantor or its Subsidiaries; or

(2) bank guarantees or letters of credit that are issued for the benefit of any of the creditors of the GmbH Guarantor or the GmbH Guarantor's Subsidiaries,

in each case, to the extent that any such on-lending or otherwise passing on or bank guarantees or letters of credit are still outstanding at the time of the enforcement of the relevant Limited Upstream Obligation; for the avoidance of doubt, nothing in this paragraph (ii) shall have the effect that such on-lent amounts may be enforced multiple times (no double dip);

(B) if, at the time of enforcement of the Limited Upstream Obligation, a DPLA (either directly or indirectly through an unbroken chain of domination and/or profit transfer agreements) exists between the Issuer or the relevant Guarantor whose obligations are secured by the relevant Limited Upstream Obligation as dominating company (*herrschendes Unternehmen*) and the relevant GmbH Guarantor as a dominated company (*beherrschtes Unternehmen*), provided that:

(1) the GmbH Guarantor is a Subsidiary of the Issuer or the relevant Guarantor whose obligations are secured by the relevant Limited Upstream Obligation; or

(2) the GmbH Guarantor and the Issuer or the relevant Guarantor whose obligations are secured by the relevant Limited Upstream Obligation are both Subsidiaries of a joint (direct or indirect) parent company with such parent company as dominating entity (*beherrschendes Unternehmen*),

in each case unless the mere existence of such DPLA does not lead to the inapplicability of § 30 (1) sentence 1 GmbHG;

(C) if and to the extent any payment under the Limited Upstream Obligation is covered (*gedeckt*) by a fully valuable and recoverable consideration or recourse claim (*vollwertiger Gegenleistungs- oder Rückgewähranspruch*) of the GmbH Guarantor against the Issuer or the relevant Guarantor whose obligations are secured by the relevant Limited Upstream Obligation; or

(D) if the relevant GmbH Guarantor has not complied with its obligations pursuant to paragraphs (iii) and/or (iv) (as applicable) below; however, if and to the extent that the relevant Limited Upstream Obligation has been enforced without regard to the restrictions contained in this paragraph (b) because the Management Notification and/or the Auditor's Determination has not (or not in a timely manner) been delivered pursuant to paragraphs (iii) and/or (iv) (as applicable) below, but the Auditor's Determination has then been delivered within four months from its due date in accordance with paragraphs (iv) below, the Trustee shall upon demand of the GmbH Guarantor repay any amount received from the GmbH Guarantor which pursuant to the Auditor's Determination would not have been available for enforcement, if the Auditor's Determination had been delivered in a timely manner.

(iii) If the relevant GmbH Guarantor does not notify the Trustee within fifteen (15) Business Days after the making of a demand against that GmbH Guarantor under the relevant Limited Upstream Obligation:

(A) to what extent such Limited Upstream Obligation is an upstream or cross-stream guarantee or indemnity; and

(B) to what extent a GmbH Capital Impairment would occur as a result of an enforcement of the Limited Upstream Obligation (setting out in reasonable detail the amount of its GmbH Net Assets, providing an up-to-date *pro forma* balance sheet),

then the restrictions set out in paragraph (i) above shall cease to apply until a Management Notification has been provided.

(iv) If the Trustee disagrees with the Management Notification, it may within twenty (20) Business Days of its receipt, request the relevant GmbH Guarantor to provide to the Trustee within forty-five (45) Business Days of receipt of such request a determination by the Auditors or any other auditors of

international standard and reputation appointed by the GmbH Guarantor (at its own cost and expense) setting out in reasonable detail the amount in which the payment under the Limited Upstream Obligation would cause a GmbH Capital Impairment subject to the terms set out under this paragraph (b). Save for manifest errors, the Auditor's Determination shall be binding on all parties.

(v) If, after it has been provided with an Auditor's Determination which prevented it from demanding any or only partial payment under the Limited Upstream Obligation, the Trustee ascertains in good faith that the financial conditions of the GmbH Guarantor as set out in the Auditor's Determination has substantially improved, the Trustee (acting reasonably) may, at the GmbH Guarantor's cost and expense, arrange for the preparation of an updated balance sheet of the GmbH Guarantor by applying the same principles that were used for the preparation of the Auditor's Determination by the auditors who prepared the Auditor's Determination in order for such Auditors to determine whether (and, if so, to what extent) the GmbH Capital Impairment has been cured as result of the improvement of the financial condition of the GmbH Guarantor. The Trustee may not arrange for the preparation of an Auditor's Determination prior to the expiry of three months from the date of the issuance of the preceding Auditor's Determination. The Trustee may only demand payment under the Limited Upstream Obligation to the extent the Auditors determine that the GmbH Capital Impairment have been cured.

(vi) The GmbH Net Assets shall be adjusted as follows:

(A) the amount of any increase in the registered share capital of the relevant GmbH Guarantor which was carried out after the relevant GmbH Guarantor became a party to this Indenture and made from retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*) shall be deducted from the amount of the registered share capital (Stammkapital) of the relevant GmbH Guarantor if it is expressly prohibited under the Notes Documents and has been carried out without the prior written consent of the Trustee;

(B) the amount of non-distributable assets according to § 253 (6) HGB shall not be included in the calculation of GmbH Net Assets;

(C) the amount of non-distributable assets according to § 268 (8) HGB shall not be included in the calculation of GmbH Net Assets;

(D) the amount of non-distributable assets according to § 272 (5) HGB shall not be included in the calculation of GmbH Net Assets; and

(E) loans or other liabilities incurred by the relevant GmbH Guarantor in willful or grossly negligent violation of the Notes Documents shall not be taken into account as liabilities.

(vii) Where a GmbH Guarantor claims in accordance with the provisions of this paragraph (b) that the Guarantee can only be enforced in a limited amount, it shall realize, to the extent lawful and within reasonable opinion commercially justifiable, any and all of its assets that are shown in the balance sheet with a book value (*Buchwert*) that is significantly lower than the market value of the assets and are not necessary for the relevant GmbH Guarantor's business (*nicht betriebsnotwendig*).

(c) Liquidity Impairment Limitation Language

(i) Save as set out in this paragraph (c), the Trustee shall not enforce, and any German Guarantor shall have a defence (Einrede) against, any Limited Upstream Obligation if and to the extent a payment and/or enforcement in respect of a Limited Upstream Obligation would cause a Liquidity Impairment for such German Guarantor.

(ii) Paragraphs (b)(iii), (b)(iv), (b)(v) and (b)(vii) above (including the repayment contemplated in paragraph (b)(ii)(D) above) shall apply mutatis mutandis to the restriction in paragraph (i) above.

(d) Where the provisions of this Section [●] apply to a limited partnership (*Kommanditgesellschaft*), all references to the assets of a German Guarantor shall *mutatis mutandis* include a reference to the assets of the general partner (*Komplementär*) of such limited partnership (*Kommanditgesellschaft*).

(e) In addition to the restrictions set out in paragraphs (b) through (d) above, if a German Guarantor demonstrates that, according to the decisions of the German Federal Supreme Court (*Bundesgerichtshof*) or a higher regional court of appeals (*Oberlandesgericht*), the payment under and/or enforcement of any Limited Upstream Obligation against such German Guarantor would result in personal liability of its managing director(s) (*Geschäftsführer*) or director(s) (*Vorstände*) for a

reimbursement of payments made under any Limited Upstream Obligation (including, without limitation, pursuant to §§ 30, 31, 43 GmbHG, § 15(b) InsO and/or § 826 BGB), the German Guarantor shall have a defence (*Einrede*) against the Limited Upstream Obligation to the extent required in order not to incur such liability.

(f) For the avoidance of doubt, the validity and enforceability of any Limited Upstream Obligation granted by a German Guarantor or of any subsidiary of a German Guarantor in respect of any borrowing liabilities which are owed by that German Guarantor or any of its subsidiaries shall not be limited under Section [●].

(g) Nothing in this Section [●] shall prevent the Trustee or a German Guarantor from claiming in court that payments under and/or an enforcement of the Limited Upstream Obligations do or do not fall within the scope of §§ 30, 31, 43 GmbHG, § 15(b) InsO and/or § 826 BGB (as applicable).

(h) Nothing in this Section [●] shall constitute a waiver (*Verzicht*) of any right granted under this Indenture or any other Notes Document to the Trustee or vice versa.

(i) Notwithstanding anything to the contrary in this Indenture, this Section [●] and any rights and/or obligations arising out of it shall be governed by, and construed in accordance with, German law. Each reference in this Section [●] to a statutory provision shall be construed to be a reference to the relevant equivalent statutory provision (if any) as amended, re-enacted or replaced from time to time.

General Comments regarding GmbH Limitation Language

German capital maintenance, liquidity maintenance and financial assistance rules (including with respect to Sections 30, 31 GmbHG and Section 15(b) InsO), are subject to evolving case law. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of its subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the German Guarantors to make payments on the Notes or the Notes Guarantees or the enforceability of the Notes Guarantees, the Indenture and the Security Documents relating to the Collateral provided by the German Guarantors.

In addition, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding destructive interference (*existenzvernichtender Eingriff*) (meaning, a situation in which a shareholder deprives a GmbH of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a Guarantee or other collateral granted by the German Guarantors. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced, even to nil. Moreover, according to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the stressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of the Guarantee or any Collateral by the German Guarantors.

The enforcement of security granted by a German Guarantor may also be excluded (entirely) in case the granting or enforcement of such security and/or the filing for insolvency as a consequence of a claim by any so secured finance party under such security resulted or would result in any personal liability of the relevant German Guarantor's managing directors pursuant to Section 15(b) InsO.

Furthermore, the beneficiary (for example, a holder of Notes) of a transaction qualifying as a repayment of the stated share capital of the grantor of a guarantee or security interest, as applicable, (for example, the provision or the enforcement of a guarantee or security interest) could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*Bundesgerichtshof*) ruled that this could be the case if, for example, the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the grantor of the guarantee or provider of security interest is close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Parallel Debt; Security Interests

Under German law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such accessory security interests (*akzessorische Sicherungsrechte*) cannot be held on behalf of third parties who do not (yet) hold the secured

claim, will automatically lapse to the extent a secured claims is settled, discharged or novated, and may not be assigned independently, but will automatically follow the claims they secure in case the relevant secured claim is assigned. The holders of the Notes from time to time will not be party to the Security Documents. In order to permit the holders of the Notes from time to time to benefit from pledges granted to the Security Agent under German law, the Intercreditor Agreement will provide for the creation of a Parallel Debt (as defined therein). Pursuant to the creation of the Parallel Debt, the Security Agent has its own separate and independent claim equal to each amount payable by each obligor under, in particular, the Notes and the Notes Guarantees. The pledges governed by German law will directly and exclusively secure the Parallel Debt rather than the obligations under the Notes or the Notes Guarantees or the holders of the Notes directly. The validity of the Parallel Debt concept and of the pledges granted under German law to secure such Parallel Debt has not been tested before German courts, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by German law. Therefore, the ability of the Security Agent to enforce the Collateral may be restricted. In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent. See "*Risk Factors—Risks Related to the Notes—The Escrow Charge will be granted to the Trustee and the security interests in the remaining Collateral will be granted to the Security Agent, in each case, rather than directly to the holders of the Notes. The ability of the Trustee or the Security Agent, as applicable, to enforce the Collateral may be restricted by local law.*"

German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the Security Agent the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realization of the asset constituting the collateral and no right to intervene (meaning, the right to request the court to impose a stay on proceedings initiated by other creditors).

In addition, under German law, a creditor who provided additional, or extended existing funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the Note Guarantees (together, the "Securities") have not been, and will not be, registered under the Securities Act, or the securities laws of any other jurisdiction, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any other applicable jurisdiction. Accordingly, the Securities offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and in offshore transactions to non-U.S. persons outside of the United States (in each case, as defined in Regulation S) in reliance on Regulation S under the Securities Act.

We use the terms "offshore transaction," "U.S. person" and the "United States" with the meanings given to them in Regulation S.

Each purchaser of the Securities (other than the Initial Purchasers), by its acceptance thereof, will be deemed to have acknowledged, represented to, warranted to and agreed with the Issuer, each Guarantor and the Initial Purchasers as follows:

(1) The purchaser understands and acknowledges that the Securities have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the Securities are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws or pursuant to an exemption therefrom or in any transaction not subject thereto and, in each case, in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below;

(2) The purchaser is not an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer or any Guarantor, is not acting on behalf of the Issuer or any Guarantor and is either:

   (a) a qualified institutional buyer, within the meaning of Rule 144A under the Securities Act, and is aware that any sale of these Securities to them will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for their own account or for the account of another qualified institutional buyer; or

   (b) a non-U.S. person (and is not purchasing the Securities for the account or benefit of a U.S. person) and is purchasing the Securities outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act and, if resident in a member state of the EEA or the United Kingdom, not a retail investor;

(3) The purchaser acknowledges that none of the Issuer, the Guarantors, or the Initial Purchasers, nor any person representing any of them, has made any representation to it with respect to us or the offer or sale of any of the Securities, other than the information contained in this offering memorandum, which offering memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Securities. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this offering memorandum. It has had access to such financial and other information concerning us and the Securities as it has deemed necessary in connection with its decision to purchase any of the Securities, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers;

(4) The purchaser is purchasing the Securities for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case, for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Securities to a qualified institutional buyer pursuant to Rule 144A, to non-U.S. persons in offshore transactions pursuant to Regulation S or any other exemption from registration available under the Securities Act, or in any transaction not subject to the Securities Act;

(5) The purchaser understands and agrees on its own behalf and on behalf of any investor account for which it is purchasing the Securities, and each subsequent holder of the Securities by its acceptance thereof will be deemed to agree, that if in the future it decides to resell, pledge or otherwise transfer any Securities or any beneficial interests in any Securities, it will do so prior to the date which is, in the case of Securities offered to qualified institutional buyers, one year after the later of the original issue date of such Securities, the original issue date of the issuance of any additional securities and the last date on which the Issuer or any affiliate of the Issuer was the owner of such Security (or any predecessor of such Security) and, in the case of Securities offered to non-U.S. persons in accordance with Regulation S, 40 days after the later of the original issue date of such Security and the date on which such Security (or any predecessor of such Security) was first offered to persons other than distributors (as defined in Rule 902 of Regulation S) in reliance on Regulation S only (i) to the Issuer, the Guarantors or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Securities are eligible for resale pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur in offshore transactions outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the Security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date;

(6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IT IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF SUCH SECURITIES, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL SECURITIES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY),] [IN THE CASE OF SECURITIES SOLD TO NON-U.S. PERSONS IN ACCORDANCE WITH REGULATION S: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF THIS SECURITY AND THE DATE ON WHICH SUCH SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S] ONLY (A) TO THE ISSUER, THE GUARANTOR OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN

THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If the purchaser purchases Securities, it will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Securities as well as to holders of these Securities.

(7) The purchaser agrees that it will give to each person to whom it transfers the Securities notice of any restrictions on the transfer of such Securities;

(8) The purchaser acknowledges that the Registrar will not be required to accept for registration or transfer any Securities acquired by it except upon presentation of evidence satisfactory to the Issuer and the Registrar that the restrictions set forth therein have been complied with;

(9) The purchaser acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of its acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Securities is no longer accurate, it shall promptly notify the Initial Purchasers. If it is acquiring any Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account; and

(10) The purchaser understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of the Securities or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Securities in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Securities will be subject to the selling restrictions set forth under "*Plan of Distributio*n" and "*Transfer Restrictions*."

(11) The purchaser acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes (including the Note Guarantees) is no longer accurate, it will promptly notify the Initial Purchasers. If the purchaser is acquiring any Notes (including the Note Guarantees) as a fiduciary or agent for one or more investor accounts, the purchaser represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

PLAN OF DISTRIBUTION

The Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Notes. The sale of the Notes will be made pursuant to a purchase agreement among the Issuer and the Initial Purchasers to be dated the date of the final offering memorandum (the "Purchase Agreement").

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase the Notes from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all the Notes if they purchase any of them.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this offering memorandum. Depending on market conditions, certain of the Initial Purchasers may decide to initially purchase and hold a portion of the Notes for their own accounts. After the initial Offering, the Initial Purchasers may change the price at which the Notes are offered and any other selling terms at any time without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates, including in respect of sales into the United States. To the extent that any Initial Purchaser that is not a U.S. registered broker dealer intends to effect any sales of the Notes in the United States, it will do so through one or more U.S. registered broker dealer affiliates as permitted by guidelines promulgated by the Financial Industry Regulatory Authority. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

Persons who purchase the Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with this Offering and to reimburse them for certain out of pocket expenses.

The Sponsor or its affiliates may place a purchase order for and be allocated the Notes at a purchase price per Note equal to the issue price set forth on the cover page of this offering memorandum, subject to a pass through of the Initial Purchasers' discount (ignoring any credit) in respect of the Notes purchased by such persons.

Investment funds advised by entities affiliated with the Sponsor may purchase Notes in the Offering at a purchase price per Note equal to the issue price set forth on the cover page of this offering memorandum, and in the case of investment funds registered under the Investment Company Act of 1940, as amended (the "1940 Act"), subject to the 1940 Act. The Purchase Agreement between the Issuer and the Initial Purchasers will not restrict the ability of the funds and the affiliates of the Sponsor to buy or sell the Notes in the future and, as a result, these investment funds and affiliates of the Sponsor may buy or sell Notes in open market transactions at any time following the consummation of the Offering.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel. The Purchase Agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or, in some cases, the Offering may be terminated.

The Purchase Agreement provides that the Issuer and each of the Guarantors will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. We have agreed not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any debt securities of, or guaranteed by, the Issuer and the Guarantors or any of their subsidiaries that are substantially similar to the Notes during the period from the date of the Purchase Agreement through and including the date falling 30 days after the closing of the Offering without the prior written consent of Goldman Sachs Bank Europe SE.

The Notes and the Note Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A and to non-U.S. persons in offshore transactions in reliance on Regulation S. Until 40 days after the later of (i) the commencement of the Offering and (ii) the Issue Date of the Notes, an offer or sale of the Notes initially sold in reliance on Regulation S within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise

than in accordance with Rule 144A under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "*Notice to Certain Investors*" and "*Transfer Restrictions.*"

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and
- 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.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Notes, the distribution of this offering memorandum and resale of the Notes. See "*Transfer Restrictions*."

The Issuer has also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Issuer will apply, through their Listing Agent, for the listing of and permission to deal in the Notes on the Official List of the Exchange; however, the Issuer cannot assure you that such listing will be obtained or, if obtained, maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market making activity will be subject to the limits imposed by the Securities Act and the Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"). Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk Factors—Risks Relating the Notes—Transfer of the Notes will be restricted, which may adversely affect the value of the Notes*."

In connection with the offering, the Stabilizing Manager, or a person acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager may also over-allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk Factors—Risks Related to the Notes—Transfer of the Notes will be restricted, which may adversely affect the value of the Notes*."

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the offering of the Notes is made and, if commenced, may be discontinued at any time at the sole discretion of the Initial Purchasers. If these activities are commenced, they must end no later than the earlier of 30 calendar days after the date of issuance of the Notes and 60 calendar days after the date of the allotment of the Notes. These transactions may be effected in the over the counter market or otherwise.

Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days (as such term is used for purposes of Rule 15c6 1 of the U.S. Exchange Act) unless the parties to any such trade expressly agree otherwise. We expect that delivery of the Notes will be made against payment on or about the date specified on the cover page of this offering memorandum, which will be two business days following the date of pricing of the Notes (this settlement cycle is being referred to as "T+2"). Accordingly, purchasers who wish to trade such Notes on the date of this offering memorandum will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers or their respective affiliates from time to time have provided in the past, are currently providing, or may in the future provide, investment banking, financial advisory, commercial banking, various lending, hedging, cash management, guarantee or other banking or budgeting services to us and our affiliates under bilateral agreements or local facilities in the ordinary course of business, for which they have received or may receive customary fees and commissions. The Initial Purchasers or their affiliates may also receive allocations of the Notes. In addition, the Initial Purchasers or their respective affiliates will act as mandated lead arrangers and original lenders, as applicable, under the Senior Secured Facilities Agreements, which we will enter into as borrowers and draw to provide financing for the Acquisition. The Initial Purchasers and their respective affiliates may also act as counterparties in hedging arrangements. In addition, certain of the Initial Purchasers or certain of their respective affiliates, including Goldman Sachs International, advised the Sponsor on the Acquisition. The Initial Purchasers or their respective affiliates have provided a bridge facility that will be cancelled, including all commitments thereunder, on the Issue Date. In addition, Goldman Sachs Bank USA, an affiliate of Goldman Sachs Bank Europe SE, will act as administrative agent and co-collateral agent, and Citibank, N.A., London Branch, an affiliate of Citigroup Global Markets Limited, will act as co-collateral agent under the ABL Facility Agreement. Goldman Sachs Bank USA will also act as agent and security agent under the Senior Term Facilities Agreement. Commerzbank Aktiengesellschaft and/or its affiliates are lenders under the Existing Credit Facility which will be repaid and terminated on or around the Acquisition Closing Date. Commerzbank Aktiengesellschaft and/or its affiliates are also lenders under the Existing Real Estate Facilities which are expected to remain in place following the Transactions. In connection with their services in such capacities, the Initial Purchasers and their respective affiliates have received in the past, or will receive in the future, customary fees and commissions.

In the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and instruments of ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and 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 short positions in such securities and instruments.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer and certain Guarantors are incorporated under the laws of Luxembourg. Most of our managers and executive officers live outside the United States. A substantial portion of our assets and the assets of our directors, managers and executive officers are located outside the United States. As a result, although we have appointed an agent for service of process under the Indenture governing the Notes, it may be difficult for you to serve process on those persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States.

Luxembourg

As there is no treaty between Luxembourg and the United States regarding the reciprocal recognition and enforcement of judgments in civil and commercial matters, courts in Luxembourg will not automatically recognize and enforce a final judgement rendered by a U.S. court. A valid and conclusive judgment against the Issuer or a Luxembourg Guarantor with respect to the Notes and the Notes Guarantees obtained from a court of competent jurisdiction in the United States, remains in full force and effect after all appeals as may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be recognized and enforced through a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures (exequatur) set out in the relevant provisions of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*) and Luxembourg case-law, being:

- the foreign court must properly have had jurisdiction to hear and determine the matter, both according to its own laws and to the Luxembourg international private law conflict of jurisdiction rules;
- the foreign court must have applied the substantive law which is designated by the Luxembourg conflict of laws rules or, at least, the order must not contravene the principles underlying those rules (based on case law and legal doctrine, it is not certain that this condition would still be required for an exequatur to be granted by a Luxembourg court);
- the decision of the foreign court must be enforceable (*exécutoire*) in the jurisdiction in which it was rendered;
- the decision of the foreign court must not have been obtained by fraud, but in compliance with the rights of the defendant to appear, and if the defendant appeared, to present its defense and in compliance with its own procedural laws; and
- the decisions and the considerations of the foreign court must not contravene Luxembourg international public policy rules or have been given in proceedings of a tax, penal or criminal nature (which would include awards of damages made under civil liabilities provisions of the U.S. federal securities laws, or other laws, to the extent that the same would be classified by Luxembourg courts as being of a penal or punitive nature (for example, fines or punitive damages)) or rendered subsequent to an evasion of Luxembourg law (*fraude à la loi*). Ordinarily an award of monetary damages would not be considered as a penalty, but if the monetary damages include punitive damages such punitive damages may be considered as a penalty.

If an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law if the choice of the foreign law was not made bona fide or if the foreign law was not pleaded and proved or, if pleaded and proved, the foreign law was contrary to Luxembourg mandatory provisions (*lois impératives*) or incompatible with Luxembourg public policy rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than euro. However, enforcement of the judgment against any party in Luxembourg would be available only in euro and for such purposes all claims or debts would be converted into euro.

Germany

We have been advised by our German counsel that there is doubt as to the enforceability in Germany of civil liabilities based on federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. federal or state courts. The United States and the Federal Republic of Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. The enforceability of final judgments therefore may depend on the laws of the relevant U.S. state and federal laws of the United States. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Germany. A final judgment by a U.S. federal or state court, however, may be recognized and enforced in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below.

German courts will, in particular, not recognize and enforce such judgments if the judgment is not final under applicable U.S. federal or state law or if any of the reasons for excluding enforceability set forth in section 328(1) of the German Code of Civil Procedure exist:

- if, pursuant to German law, the U.S. federal or state court having rendered the foreign judgment did not have jurisdiction;
- if process has not been duly served or has not been served in a timely fashion to permit a defense, provided that the defendant did not actively participate in such process and pleads accordingly;
- if the judgment is incompatible with a prior judgment rendered by a German court or by a foreign court which is to be recognized in Germany;
- if the judgment, or the proceeding resulting in the judgment, to be recognized is incompatible with a proceeding in Germany which was pending (*rechtshängig*) before a German court before the U.S. federal or state court entered its judgment;
- if a recognition of the judgment would be obviously incompatible with essential principles of German law, in particular, if the recognition would be incompatible with the civil rights (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*); and
- if reciprocity is not ensured (i.e., the U.S. federal or state courts would not recognize and enforce a comparable judgment by a German court in equivalent circumstances).

Subject to the foregoing, holders of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Germany. There is some German case law to the effect that reciprocity of the recognition of judgments is ensured in relation to claims relating to assets (*vermögensrechtliche Ansprüche*) with regard to various U.S. states. We cannot, however, assure you that attempts to enforce judgments in Germany will be successful. It is also doubtful whether a German court would accept jurisdiction and impose civil liability in an original action solely predicated by U.S. federal securities laws.

In addition, the recognition and enforcement of punitive damages are usually denied by German courts as incompatible with the essential principles of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

Consequently, judgments awarding monetary damages under civil liabilities provisions of the U.S. federal securities laws may not be enforceable to the extent they provide for a compensation that would qualify as being of a penal or punitive nature.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. In so far as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provided for pretrial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and/or the deposition of witnesses. Evidence obtained in this matter may be decisive in the outcome of any proceeding. No such pretrial discovery process exists under German law.

If the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under

such circumstances, a judgment by a federal or state court of the United States against the Issuer or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a federal or state court of the United States.

In addition, it may under certain circumstances also not be possible for investors to effect service of process within Germany upon the German Guarantors or those persons under the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 and the German law implementing such convention if such service were deemed to infringe German sovereignty or security, which may be the case if such service violated the fundamental principles of German law, in particular the civil rights (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*). However, the German Constitutional Court (*Bundesverfassungsgericht*) held in 2013 that service may not be denied solely because the action before the U.S. court contains claims for punitive damages.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Kirkland & Ellis International LLP, as to matters of U.S. federal, New York State, English and German law and by Arendt & Medernach SA, as to matters of Luxembourg law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Milbank LLP, as to matters of U.S. federal, New York State, English and German law, and by Loyens & Loeff Luxembourg S.à r.l., as to matters of Luxembourg law.

INDEPENDENT AUDITORS

The consolidated financial statements of Birkenstock GmbH & Co. KG as of and for each of the years ended September 30, 2020 and 2019 included in this offering memorandum, have been audited by BDO AG Wirtschaftsprüfungsgesellschaft, independent auditors, as stated in each of their reports appearing herein. Such reports also refer to group management reports, which are not included in this offering memorandum.

BDO AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany, is a member of the Chamber of Public Accountants in Germany.

WHERE YOU CAN FIND OTHER INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this offering memorandum and any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any related amendments or supplements to the offering memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

While any of the Notes remain outstanding and are "restricted securities" within the meaning of the Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from the reporting requirements under Rule 12g3 2(b) of the U.S. Exchange Act, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

Pursuant to the Indenture governing the Notes, and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See "*Description of the Notes—Certain Covenants—Reports*."

Copies of the Issuer's organizational documents, the Indenture and the Financial Statements published by us may be inspected at the office of the Paying Agent during normal business hours for a period of 14 days following the grant of listing of the Notes. See "*Listing and General Information*." Copies of such documents will also be available at the office of the Issuer following written request to the address of the Issuer on and after the grant of listing of the Notes.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

Application will be made to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange. There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained.

The Notes are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

Clearing Information

The Notes have been, or will be, accepted for clearance through the facilities of Euroclear and Clearstream, as applicable, under the common codes and ISIN numbers set forth below:

	ISIN	Common Code
Rule 144 Global Note	XS2338167369	233816736
Regulation S Global Note	XS2338167104	233816710

Periodic Reporting Under the Exchange Act

The Issuer is currently not subject to the periodic reporting and other information requirements of the Exchange Act.

Resolutions, Authorizations and Approvals by Virtue of which the Notes have been Issued

The Issuer and the Guarantors have, or will have, obtained all necessary consents, approvals and authorizations (if any) in connection with the issuance of the Notes and the issuance of the Note Guarantees thereon, respectively. The issuance of the Notes will be approved by the board of managers or shareholders, as applicable, of the Issuer prior to the Issue Date.

General Information on the Issuer

The Issuer is a private limited liability company (*société à responsibilité limitée*) organized under the laws of Luxembourg. As of the date of this offering memorandum, the Issuer has no material assets or liabilities and has not engaged in any activities other than those related to its formation and the Transactions. The Issuer is registered with the Luxembourg trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B252262. The Issuer's principal business address is 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg. The Issuer's Legal Entity Identifier is 5299004DSXRFOZZ5UG09

General Information on the Issue Date Guarantors

The Issue Date Guarantors are listed and described below.

BK LC Lux SPV S.à r.l. is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, registered with the Luxembourg trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B252419 and whose registered address is 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg.

Birkenstock Group B.V. & Co. KG is a limited liability partnership organized under the laws of Germany, registered in the commercial register of the local court (*Amtsgericht*) of Montabaur under HRA 22603, with business address at Burg Ockenfels, 53545 Linz, Germany.

Birkenstock US BidCo, Inc. is a corporation under the laws of the state of Delaware, registered with the Delaware Secretary of State under number 5199441, with business address at c/o Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022.

Post-Closing Guarantors

Within 120 days from (and excluding) the Acquisition Closing Date, subject to and in accordance with the Agreed Security Principles and substantially simultaneously with the guarantees granted in favor of obligations under the Senior Term Facilities, the Notes are expected to be guaranteed on a senior subordinated basis by certain members of the BIRKENSTOCK Group organized in Germany and the United States that guarantee the Senior Term Facilities Agreement within 120 days from (and excluding) the Acquisition Closing Date.

Post-Issue Reporting

Except as otherwise provided in this offering memorandum or as required by applicable law or regulation, we do not intend to provide post-issue information regarding the Notes. The organizational documents of the Issuer, along with the Indenture, and the most recent consolidated financial statements published by us may be inspected at the office of the Paying Agent during normal business hours for a period of 14 days following grant of listing of the Notes. Copies of such documents will also be available from the Issuer upon request on and after the grant of listing of the Notes.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN GERMAN GAAP COMPARED TO IFRS RELATED TO MANAGEMENT'S KEY PERFORMANCE MEASURES

The financial information of the BIRKENSTOCK Group included in this offering memorandum has been prepared and presented in accordance with German GAAP. Such policies and standards are laid down in German law and by German accounting standards. Significant differences exist between German GAAP and IFRS, which might be material to the financial information herein. Such differences not only affect the measurement of net income and shareholders' equity, but the fundamental basis for preparing the Financial Statements. In making an investment decision, investors must rely upon their own examination of our business and financial condition, the terms of the notes and the financial information provided in this document. No attempt has been made to quantify the impact of any differences to our financial information, nor has a reconciliation of German GAAP and IFRS financial information been prepared. Potential investors should consult their own professional advisors for an understanding of the differences between German GAAP and IFRS, and how those differences might affect the Group's financial information contained herein.

Had we undertaken any such quantification or the preparation of such reconciliation in respect of our financial information, other potentially significant accounting and disclosure differences might have come to its attention, which are not identified below. Accordingly, none of the Issuer or any other member of the Group can provide no assurance that the differences described below represent all significant differences between German GAAP and IFRS, as they would apply to the BIRKENSTOCK Group's financial information presented.

Set forth is a summary of the significant differences between German GAAP and IFRS as they relate to the BIRKENSTOCK Group for the periods presented herein. This summary details the significant differences between German GAAP and IFRS on the basis of existing guidance. Regulatory bodies that promulgate German GAAP and IFRS have significant ongoing projects that could affect future comparisons such as this one between German GAAP and IFRS. Future developments or changes in either German GAAP or IFRS may give rise to additional differences between German and IFRS, which could have a significant impact on us.

Financial Statement Presentation

Under IFRS, the presentation of the balance sheet is based on a current/non-current distinction of assets and liabilities. IFRS requires the presentation of assets and liabilities in order of liquidity only when a liquidity presentation provides information that is reliable and is more relevant than a current/non-current presentation. Under German GAAP, the presentation of the balance sheet is based on liquidity of the assets and liabilities. In addition, the regulations concerning the presentation of financial statements under IFRS could lead to different disclosures in the balance sheet and the income statements compared to German GAAP. The disclosures required in the explanatory notes to the financial statements are more extensive under IFRS than under German GAAP. German GAAP does not require a cash flow statement or statement of changes in equity whereas IFRS has this requirement.

Impairment of Assets

Under IFRS, an impairment loss is recognized if the recoverable amount of an asset is less than its carrying amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. If this is the case, the recoverable amount is determined for the cash generating unit to which the asset belongs, unless either (i) the asset's fair value less costs of disposal is higher than its carrying amount; or (ii) the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

Under German GAAP, an impairment loss for long-lived assets must only be recorded if a permanent impairment in value is anticipated. An impairment loss is recognized under German GAAP if the fair value less cost to sell is permanently expected to be lower than the carrying amount of an asset. The concept of cash generating units is not applicable under German GAAP, and impairment loss is determined on an item-by-item basis.

Amortization, depreciation and impairment on intangible and tangible assets

Under IFRS and German GAAP, amortization and depreciation are based on the useful life of the relevant asset. However, under German GAAP, all intangible and tangible assets are subject to amortization and

depreciation, whereas under IFRS intangible assets with an indefinite useful life, are not amortized but are only subject to an impairment test which is performed on at least an annual basis. We amortize both goodwill and brands in our German GAAP financial statements mainly over a period of five years and 35 years, respectively. Under IFRS, both goodwill and brands would be identified as indefinite lived intangible assets, and therefore not amortized but subject to annual impairment testing.

Leases

Under German GAAP, accounting for leases is primarily due to certain decrees of the Federal Ministry of Finance, to determine whether capitalization at the lessee level is required. These rules differ from IFRS rules in several respects. Some leases specified as operating lease under German GAAP may qualify as a finance lease under IFRS.

Under IFRS 16 (*Leases*), all rent and leasing contracts are accounted on-balance as financial leases, i.e. the rights of use ("RoU") are capitalized as fixed assets with a corresponding liability and the rent and leasing expenses in the Profit and Loss Statement are replaced by depreciation of the RoU-asset and interest from the lease liability.

From a high-level perspective the impact on EBIT will largely depend on the volume and residual terms of rent and leasing contracts, while EBITDA will increase from the add-back of rent and leasing expenses. Correspondingly, net debt will increase by the RoU-liability.

Provision for Pensions

Under German GAAP and IFRS, post-employment benefits are classified either as defined contributions or defined benefit plans. Under IFRS, it is required to use the projected unit credit method to determine the present value of the entity's defined benefit obligation, whereas under German GAAP, no actuarial valuation method is specified. The use of actuarial techniques shall result in an economically reasonable amount. The use of the projected unit credit method is only one of the permissible actuarial valuation methods.

A major difference between German GAAP and IFRS is the discount rate used to discount post-employment benefit obligations. Under IFRS, the discount rate is determined by reference to market yields of high-quality corporate bonds at the end of the reporting period. Under German GAAP, the determination of the discount is determined on i.e., the average market yields for the past seven years.

Under German GAAP, all changes in the pension liability are recognized in the income statement, whereas under IFRS, certain changes in the pension liability are recognized in the other comprehensive income. The amount which has to be accounted for as a liability from a defined benefit plan equals of the cash value of the defined benefit pension obligation, less the fair value of the plan assets which exist for the direct fulfillment of the obligation.

Provisions and Contingencies

Under IFRS, provisions are recognized if an entity has a present obligation as a result of a past event and if it is probable (meaning, more likely than not or probability greater than 50%) that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision shall be the best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The best estimate is the amount the entity would pay to settle the obligation or to transfer it to a third party at that time.

Under German GAAP, the criteria for the recognition of provisions and contingencies are less detailed and prescriptive than under IFRS. Provisions shall only be recognized in the amount that is necessary according to prudent business judgement. The uncertain nature therefore requires estimates of the amount to be recognized. Under German GAAP, the discount rate is determined on the average market yields for the past seven years, whereas the discount rate according to IFRS reflects current market assessments of the time value of money and the risks specific to the liability.

Derivative Financial Instruments and Hedging

Under IFRS, derivative financial instruments (for example, interest rate swaps) are recorded in the consolidated statements of financial position at fair value (mark-to-market) on the acquisition date. Changes in the fair value of derivatives are recorded each period in earnings or as separate component of equity, depending on whether a derivative is designated as a part of a hedge transaction and the type of the hedge transaction.

Under German GAAP, there is no distinction in the accounting treatment between fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation. If a derivative financial instrument and its related underlying instrument are designated as a hedge for a particular risk exposure ("Valuation Unit"), and the hedge is considered to be effective, the changes of the fair value of the hedging instrument and the hedged item are netted in the income statement line of the hedged items. Therefore, the effective portion of the hedged item and the hedging instrument remains unrecognized. However, under German GAAP, a provision for anticipated contract losses is recognized for the portion of the negative market values of the interest rate swaps exceeding the underlying transactions as well as for the ineffective portion of the Valuation Units. Unrealized gains are not recognized under German GAAP. If the liabilities to banks relate to floating rate interest-bearing loans, respective swaps are entered into to fix the interest rates. If the requirements are met, hedging instruments and hedged items are combined to form a Valuation Unit and are accounted for using the net hedge presentation method. In accordance with the net hedge presentation method, the effective portion of the hedged item and the hedging instrument remains unrecognized as long as the hedge is effective. The hedge effectiveness is determined by means of the dollar-offset-method. A provision for anticipated contract losses is recognized for the portion of the negative market values of the interest rate swaps exceeding the hedged item as well as for the ineffective portion of the Valuation Units. Unrealized gains for the hedging instruments and the hedged items are not recognized.

Interest-Bearing Loans and Borrowings

Under IFRS, all interest-bearing loans and borrowings are initially recorded at the fair value of the consideration received, less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are measured at amortized cost using the effective interest method. Under German GAAP, interest-bearing loans and borrowings are recorded at their repayment amounts. Transaction costs, except for costs to be paid to the finance providers, are expensed as incurred. Only transaction costs paid to finance providers are deferred and amortized on a straight line basis to interest and similar expense.

Prepaid Expenses for Bank Loans

Under German GAAP, prepaid expenses in connection with a bank loan are included in prepaid expenses on the assets side of the balance sheet and amortized by systematic annual charges over the full time of the liability. Under IFRS, transaction costs that are directly attributable to the originated bank loan are amortized through profit or loss over the term of the loan using the effective interest method.

INDEX TO THE FINANCIAL STATEMENTS

Condensed Consolidated Interim Financial Statements
for the financial quarter from 1st October 2020 to 31st December 2020
of
Birkenstock GmbH & Co. KG, Linz am Rhein

Consolidated Income Statement

Birkenstock GmbH & Co. KG
Linz am Rhein

		Q1 2021			Q1 2020		
		kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
1.	Revenues		127,335			103,955	
2.	Change in finished goods and work in progress		36,347			44,020	
3.	Other operating income		5,039			3,398	
				168,721			151,373
4.	Cost of materials						
	a) Cost of raw materials, consumables and supplies and purchased merchandise	(46,714)			(39,187)		
	b) Cost of purchased services	(9,176)			(4,228)		
			(55,890)			(43,415)	
5.	Personnel expenses						
	a) Wages and salaries	(36,600)			(36,319)		
	b) Social security contributions, pension and other benefits of which relating to pensions kEUR 139 (prior year kEUR 118)	(5,602)			(5,879)		
			(42,202)			(42,198)	
6.	Amortisation on intangible assets and depreciation on tangible assets		(6,880)			(7,007)	
7.	Other operating expenses		(52,674)			(44,653)	
				(157,646)			(137,273)
8.	Other interest and similar income		27			124	
9.	Interest and similar expenses		(484)			(304)	
	of which from compounding provisions kEUR 27 (prior year kEUR 12)			(457)			(180)
10.	Taxes on income			(1,748)			(2,264)
11.	**Result after taxes**			**8,870**			**11,656**
12.	Other taxes			(50)			0
13.	**Group net income for the year**			**8,820**			**11,656**
14.	Minority interest share of group net income			(41)			(600)
15.	**Group retained earnings**			**8,779**			**11,056**
16.	Decrease/Increase in the adjustment item for lower consolidated net income compared with the parent company			5,430			(3,343)
17.	**Net Profit**			**14,209**			**7,713**
18.	Retained profits brought forward from previous year			110,552			142,016
19.	**Net retained profit**			**124,761**			**149,729**

Consolidated Balance Sheet

Birkenstock GmbH & Co. KG
Linz am Rhein

ASSETS

	December 31, 2020	September 30, 2020
	kEUR	*kEUR*
A. Fixed assets		
I. Intangible assets		
1. Purchased licenses, industrial property, rights and similar rights and licenses to such rights and assets	178,947	180,916
2. Goodwill	11,224	11,558
3. Prepayments	2,164	2,009
	192,335	194,483
II. Tangible assets		
1. Land, similar rights and buildings including buildings on leasehold	57,636	57,160
2. Technical equipment and machinery	33,403	34,066
3. Other equipment, factory and office equipment	17,524	17,570
4. Prepayments	10,120	12,522
	118,683	121,318
III. Financial assets		
Shares in affiliated companies	72	72
	311,090	315,873
B. Current assets		
I. Inventories		
1. Raw materials and supplies	43,521	37,586
2. Work in progress	29,226	25,935
3. Finished goods and merchandise	194,191	161,161
.	266,938	224,683
II. Receivables and other assets		
1. Trade receivables	35,873	55,419
2. Other assets	7,372	9,376
.	43,245	64,795
III. Cash on hand and bank balances	80,074	104,689
	390,257	394,167
C. Prepaid expenses	5,049	5,204
D. Deferred tax assets	10,203	7,563
	716,599	722,806

EQUITY AND LIABILITIES

		December 31, 2020	September 30, 2020
		kEUR	*kEUR*
A.	Equity		
	I. Capital shares of the limited partners	10,000	10,000
	II. Capital reserve	152,508	152,508
	III. Revenue reserves		
	1. Statutory reserves	147,500	147,500
	2. Other revenue reserves	0	0
	IV. Adjustment item for lower consolidated net income compared with the parent company	(13,390)	(7,960)
	V. Equity difference from currency translation	(93)	2,401
	VI. Retained earnings	110,552	0
	VII. Net profit	14,209	110,552
	VIII. Non-controlling interests	40,506	40,465
		461,792	455,466
B.	Provisions		
	1. Provisions for pensions and similar obligations	2,303	2,235
	2. Tax provisions	17,193	15,101
	3. Other provisions	44,781	42,488
		64,277	59,824
C.	Liabilities		
	1. Liabilities to banks	101,622	102,401
	2. Payments received on account of orders	3,440	1,829
	3. Trade payables	18,497	22,791
	4. Payables to affiliated companies	0	1
	5. Payables to shareholders	28,205	41,840
	6. Other liabilities	18,895	18,882
	of which taxes kEUR 8,211 (September 30, 2020 kEUR 7,868) of which social security contributions kEUR 52 (September 30, 2020 kEUR 7)		
		170,659	187,744
D.	Deferred income	1,337	1,398
E.	Deferred tax liabilities	18,533	18,374
		716,599	722,806

Consolidated Statement of Changes in Equity

Birkenstock GmbH & Co. KG
Linz am Rhein

	Parent company equity											Non-controlling interests			Group equity
		Reserves													
	Capital shares of the limited partners	Capital reserve according to partnership agreement	Revenue reserves			Total reserves	Adjustment item for lower consolidated net income compared to the parent company	Equity difference from currency translation	Retained Earnings	Net profit	Total	Non-controlling interests before annual result	Annual result relating to non-interests controlling	Total	Total
			Reserve according to partnership agreement	Other revenue reserves	Total revenue reserves										
	kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
Balance as at 01.10.2019	**10,000**	**182,498**	**87,853**	**0**	**87,853**	**270,351**	**(9,853)**	**3,011**	**0**	**142,016**	**415,525**	**25,034**	**2,780**	**27,814**	**443,339**
Credit to liability clearing accounts	0	0	0	0	0	0	0	0	0	(82,369)	(82,369)	0	0	0	(82,369)
Transfers into / out of reserves	0	(29,990)	59,647	0	59,647	29,657	0	0	0	(59,647)	(29,990)	29,990	0	29,990	0
Currency translation	0	0	0	0	0	0	0	(610)	0	0	(610)	0	0	0	(610)
Other changes	0	0	0	0	0	0	1,893	0	0	(1,893)	0	2,780	(2,780)	0	0
Changes in companies consolidated	0	0	0	0	0	0	0	0	0	0	0	(16,123)	0	(16,123)	(16,123)
Annual group net income	0	0	0	0	0	0	0	0	0	112,445	112,445	0	(1,216)	(1,216)	111,229
Balance as at 30.09.2020/01.10.2020	**10,000**	**152,508**	**147,500**	**0**	**147,500**	**300,008**	**(7,960)**	**2,401**	**0**	**110,552**	**415,001**	**41,681**	**(1,216)**	**40,465**	**455,466**
Transfer of previous year result	0	0	0	0	0	0	0	0	110,552	(110,552)	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0	(2,494)	0	0	(2,494)	0	0	0	(2,494)
Other changes	0	0	0	0	0	0	(5,430)	0	0	5,430	0	(1,216)	1,216	0	0
Annual group net income	0	0	0	0	0	0	0	0	0	8,779	8,779	0	41	41	8,820
Balance as at 31.12.2020	**10,000**	**152,508**	**147,500**	**0**	**147,500**	**300,008**	**(13,390)**	**(93)**	**110,552**	**14,209**	**421,286**	**40,465**	**41**	**40,506**	**461,792**

Consolidated Statement of Cash Flows

Birkenstock GmbH & Co. KG
Linz am Rhein

		Q1 2021		Q1 2020	
		kEUR	*kEUR*	*kEUR*	*kEUR*
	Consolidated net income for the year	8,820		11,656	
+/–	Depreciation and amortisation of fixed assets	6,880		7,007	
+/–	Increase/decrease in provisions without tax provisions	2,359		(6,648)	
–/+	Other expenditure/income not involving payment	3		(20)	
–/+	Increase/decrease in inventories, trade receivables and other assets not attributable to the investing or financing activities	(21,219)		(51,635)	
+/–	Increase/decrease in trade liabilities and other liabilities not attributable to the investing or financing activities	(1,035)		(13,825)	
–/+	Profit/loss on disposal of fixed assets	—		(22)	
+/–	Interest expenses/interest income	454		200	
+/–	Income tax expense/income	1,748		2,264	
–/+	Income tax payments	(2,137)		(8,865)	
=	**Cash flow from operating activities**		**(4,127)**		**(59,888)**
–	Payments for investments in intangible assets	(527)		(3,631)	
+	Cash in from disposals of tangible assets	92		87	
–	Payments for investments in tangible assets	(2,088)		(3,496)	
+	Interest received	27		124	
=	**Cash flow from investing activities**		**(2,496)**		**(6,916)**
+	Cash in from (financing) loans	—		70,862	
–	Payments for the repayment of (financing) loans	(779)		—	
–	Interest paid	(481)		(325)	
–	Dividends paid to shareholders of the parent company	(16,000)		(15,000)	
–	Dividends paid to other shareholders	—		(450)	
=	**Cash flow from financing activities**		**(17,260)**		**55,087**
	Net change in cash and cash equivalents		(23,883)		(11,717)
	Changes in cash and cash equivalents due to currency conversion and measurement		(732)		(381)
	Cash and cash equivalents at start of period		104,689		40,402
	Cash and cash equivalents at end of period		**80,074**		**28,304**

Condensed Notes to the Consolidated Interim Financial Statements
for the financial quarter from 1st October 2020 to 31st December 2020 ("Q1 2021")
of
Birkenstock GmbH & Co. KG, Linz am Rhein

I. General information

Birkenstock GmbH & Co. KG, Linz am Rhein, (abbreviated below as "BS KG" or "company") has been the parent company of the Birkenstock Group since 1st October 2013. Birkenstock Group's consolidated interim financial statements have been prepared in accordance with German GAAP and the German Accounting Standard 16 (DRS 16).

The BS KG is registered in the Commercial Register at the Montabaur District Court under the number HRA 21317.

The income statement is prepared using the total cost method.

To the extent necessary the format of the group balance sheet is extended to include the special items for limited partners.

In order to adjust the group's retained earnings to the retained earnings reported in the quarterly financial statements of BS KG, the equity was extended by the item "Adjustment item for lower consolidated net income compared with the parent company".

The quarterly financial statements should be read in conjunction with our annual financial statements 2020, which contain a detailed description of our business operations as part of the group management report.

II. Companies consolidated

Changes in companies consolidated for the financial year 2020 are presented as part of the notes to the financial statement for the financial year 2020. Since beginning of the financial year 2021 the following changes occurred:

- foundation of Birkenstock Norway AS, Oslo/ Norway; in November 2020

The comparability of the current year's consolidated interim financial statements to that of the prior year was not affected by changes in the companies consolidated.

III. Consolidation methods

There haven't been any changes in consolidation methods since the consolidated financial statements 2020. An explicit description of consolidation methods is part of the notes to the beforementioned report.

IV. Accounting policies

The accounting policies and measurement principles applied in these quarterly financial statements are based on those used in the consolidated financial statements of the Birkenstock GmbH & Co. KG for the financial year 2020. An overview of accounting policies applied can be found as part of the notes to the annual report 2020.

For the purpose of these consolidated interim financial statements, taxes on income are recognized based on the best estimate of the weighted income tax rate expected for the full year. This tax rate is applied to the pre-tax result.

V. Explanations to selected items of the consolidated balance sheet

Inventories

The strong increase in inventories by kEUR 42,255 in the reporting period compared with September 30, 2020 results mainly from an increase of finished goods. One reason for this is that higher net sales of direct to consumer channels induce relatively higher stock levels compared to any wholesale and distribution business to fulfill the demand of this particular market segment.

Receivables and other assets

Trade receivables amount to kEUR 35,873 (September 30, 2020: kEUR 55,419) depicting seasonality of the first quarter as well as changes in underlying processes and revenue. To ensure liquidity measures like process optimzations in accounts receivables and a higher share of prepayment terms were implemented. Further, the increase of online sales has decreased days sales outstanding due to shorter payment terms granted compared to business customers.

Cash on hand and bank balances

The decrease by kEUR 24,615 compared with September 30, 2020 is attributable to the seasonality of business as well as dividends paid to shareholders. Further, improvements in days sales outstanding do not require additional financing for the first quarter of the financial year.

Other provisions

Other provisions were formed mainly for personnel expenses (kEUR 13,346, September 30, 2020 kEUR 22,170). Further provisions include essentially expenses for pending invoices as well as the outstanding invoices for temporary workers.

Liabilities

Composition and term:

	December 31, 2020				September 30, 2020			
	Total amount	of which due within a term of up to 1 year	of which due within a term of more than 1 year	of which due within a term of more than 5 years	Total amount	of which due within a term of up to 1 year	of which due within a term of more than 1 year	of which due within a term of more than 5 years
	kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
Liabilities to banks	101,622	101,622	0	0	102,401	102,401	0	0
Payments received on account of orders	3,440	3,440	0	0	1,829	1,829	0	0
Trade payables	18,497	18,497	0	0	22,791	22,791	0	0
Payables to affiliated companies	0	0	0	0	1	1	0	0
Payables to shareholders	28,205	28,205	0	0	41,840	41,840	0	0
Other liabilities	18,895	18,843	52	0	18,882	18,830	52	0
	170,659	170,607	52	0	187,744	187,692	52	0

The decrease in liabilities by kEUR 17,086 is mainly attributable to the settlement of payables to shareholders.

Deferred taxes

Deferred tax assets for tax losses carried forward were capitalised to the extent that adequate deferred tax liabilities were available. These deferred tax assets were offset against the deferred tax liabilities.

Additionally, deferred tax assets amounting to kEUR 9,108 (September 30, 2020: kEUR 6,758) resulted from consolidation measures applied.

VI. Explanations to selected items of the consolidated income statement

Revenues

The group revenues result mainly from the sale of shoes and are attributed to the following regions:

	Q1 2021	Q1 2020
	kEUR	*kEUR*
Domestic	13,705	10,288
European Union	24,536	16,666
Third-party country	89,094	77,001
Total	127,335	103,955

Sales revenues of mEUR 127,3 (Q1 2020: mEUR 104,0) were derived from operating business. This represents all distribution areas such as shoe shops, branches, online business, wholesale and retail trade as well as income from licenses. 11 % of the group turnover is generated in Germany, 19 % in other European countries and 70 % in countries outside of the European Union. The overall increase of revenues is attributable to the strong performance of online sales in all regions.

Other operating income

Other operating income includes in particular income from currency translation differences amounting to kEUR 3,201 (Q1 2020: kEUR 1,118), which is mainly attributable to the fluctuation of the USD exchange rate.

Other operating expenses

The main items included in other operating expenses are logistics expenses of kEUR 14,942 (Q1 2020: kEUR 11,223) and advertising expenses of kEUR 10,629 (Q1 2020: 8,300). The changes of absolute as well as relative share of online sales is attributable to the increase of other operating expenses, in particular the logistics and advertising expenses. Further, expenses from currency translation amounted to kEUR 8,764 (Q1 2020: kEUR 4,257).

VII. Explanations to the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows include the cash and bank balances of the companies included in the consolidation.

VIII. Other disclosures

Personally liable partner and management

The personally liable partners of BS KG are:

- BS Verwaltungsgesellschaft mbH, Kitzbühel/Austria, with subscribed capital of EUR 35,000.00
- BS International Verwaltungsgesellschaft mbH, Kitzbühel/Austria, with subscribed capital of EUR 35,000.00

In the Q1 2021 management was performed by BS Verwaltungsgesellschaft mbH, represented by its managing directors:

- Markus Bensberg, Bad Honnef (merchant, managing director)
- Oliver Reichert, Buch am Erlbach (merchant, managing director)

BS International Verwaltungsgesellschaft mbH was excluded from management in Q1 2021.

Employees

During the reporting period Q1 2021 an average of 3,573 (Q1 2020: 3,822) persons were employed by the company, of which 1,387 (Q1 2020: 1,417) were salaried employees and 2,186 (Q1 2020: 2,405) industrial employees.

Significant post balance sheet events

Birkenstock Group has entered into a transaction to transfer and sell the majority of all material business activities including related assets and liabilities to L Catterton and its affiliates. Signing of the transaction was conducted on 26 February 2021, whereas closing has not been finalized yet as of the creation of this financial statements.

Other financial commitments

The continuing financial obligations relate to:

Q1 2021	Remaining term Up to 1 year	Remaining term Over 1 year Up to 5 years	Remaining term More than 5 years
	kEUR	*kEUR*	*kEUR*
Rent for office and business premises	13,276	28,300	14,185
Consulting contracts	2,295	0	0
Service contracts	5,738	17,520	0
IT-service and maintenance	9,263	5,757	0
Cars	870	559	0
Licences	252	0	0
Other	30	2	0
	31,723	52,139	14,185

Linz am Rhein, 31st March 2021

BS Verwaltungsgesellschaft mbH

Markus Bensberg

Oliver Reichert

Convenience translation of the Original German Audit Report. Solely the original text in German is authoritative.

Consolidated financial statements and auditor's report for the financial year from 1 October 2019 to 30 September 2020 of Birkenstock GmbH & Co. KG Linz am Rhein

CONSOLIDATED BALANCED SHEET
as at 30 September 2020
Birkenstock GmbH & Co. KG
Linz am Rhein

ASSETS

		30.9.2020	30.9.2019
		kEUR	*kEUR*
A.	Fixed assets		
	I. Intangible assets		
	1. Purchased licenses, industrial property, rights and similar rights and licenses to such rights and assets	180,916	179,727
	2. Goodwill	11,558	13,024
	3. Prepayments	2,009	5,951
		194,483	198,702
	II. Tangible assets		
	1. Land, similar rights and buildings including buildings on leasehold	57,160	58,166
	2. Technical equipment and machinery	34,066	35,422
	3. Other equipment, factory and office equipment	17,570	18,476
	4. Prepayments	12,522	11,453
		121,318	123,517
	III. Financial Assets		
	Shares in affiliated companies	72	120
		315,873	322,339
B.	Current assets		
	I. Inventories		
	1. Raw materials and supplies	37,586	35,375
	2. Work in progress	25,935	26,766
	3. Finished goods and merchandise	161,161	192,530
	4. Prepayments	0	1,695
		224,682	256,366
	II. Receivables and other assets		
	1. Trade receivables	55,419	44,864
	2. Receivables from affiliated companies	0	41
	3. Other assets	9,376	29,380
		64,795	74,285
	Cash on hand and bank balances	104,689	40,402
		394,166	371,053
C.	Prepaid expenses	5,204	5,005
D.	Deferred tax assets	7,563	8,688
		722,806	707,085

EQUITY AND LIABILITIES

		30.9.2020 kEUR	30.9.2019 kEUR
A. Equity			
I.	Capital shares of the limited partners	10,000	10,000
II.	Capital reserve	152,508	182,498
III.	Revenue reserves		
1.	Statutory reserves	147,500	87,853
2.	Other revenue reserves	0	0
IV.	Adjustment item for lower consolidated net income compared with the parent company	-7,960	-9,853
V.	Equity difference from currency translation	2,401	3,011
VI.	Net profit	110,552	142,016
VII.	Non-controlling interests	40,465	27,814
		455,466	443,339
B. Provisions			
1.	Provisions for pensions and similar obligations	2,235	2,204
2.	Tax provisions	15,101	10,955
3.	Other provisions	42,488	47,088
		59,824	60,247
C. Liabilities			
1.	Liabilities to banks	102,401	110,451
2.	Payments received on account of orders	1,829	374
3.	Trade payables	22,791	25,604
4.	Payables to affiliated companies	1	747
5.	Payables to shareholders	41,840	29,523
6.	Other liabilities of which taxes kEUR 7,868 (prior year kEUR 5,343) of which social security contributions kEUR 0 (prior year kEUR 51)	18,882	15,827
		187,744	182,526
D. Deferred income		1,398	739
E. Deferred tax liabilities		18,374	20,234
		722,806	707,085

CONSOLIDATED INCOME STATEMENT

for the period from 1 October 2019 to 30 September 2020

Birkenstock GmbH & Co. KG
Linz am Rhein

		2019/2020			2018/2019		
		kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
1.	Revenues		730,514			721,518	
2.	Change in finished goods and work in progress		(32,464)			26,688	
3.	Other operating income		22,770			24,290	
				720,820			772,496
4.	Cost of materials						
a)	Cost of raw materials, consumables and supplies and purchased merchandise	(135,041)			(178,497)		
b)	Cost of purchased services	(14,096)			(23,736)		
			(149,137)			(202,233)	
5.	Personnel expenses						
a)	Wages and salaries	(147,491)			(146,644)		
b)	Social security contributions, pension and other benefits	(23,671)			(25,505)		
	of which relating to pensions kEUR 552 (prior year kEUR 798)		(171,162)			(172,149)	
6.	Amortisation on intangible assets and depreciation on tangible assets		(29,827)			(27,249)	
7.	Other operating expenses		(227,132)			(210,202)	
				(577,258)			(611,833)
8.	Other interest and similar income		255			488	
9.	Interest and similar expenses		(3,201)			(3,446)	
	of which from compounding provisions kEUR 171 (prior year kEUR 234)			(2,946)			(2,958)
10.	Taxes on income			(29,146)			(28,215)
11.	**Result after taxes**			**111,470**			**129,490**
12.	Other taxes			(241)			(332)
13.	**Group net income for the year**			**111,229**			**129,158**
14.	Minority interest share of group net income			1,216			(2,780)
15.	**Group retained earnings**			**112,445**			**126,378**
16.	Withdrawals from revenue reserves			0			5,785
17.	Decrease/Increase in the adjustment item for lower consolidated net income compared with the parent company			(1,893)			9,853
18.	**Net profit**			**110,552**			**142,016**

Notes to the consolidated financial statements

for the financial year from 1 October 2019 to 30 September 2020

of

Birkenstock GmbH & Co. KG, Linz am Rhein

I. General information

Birkenstock GmbH & Co. KG, Linz am Rhein, (abbreviated below as "BS KG" or "company") has been the parent company of the Birkenstock Group since 1 October 2013 and prepares consolidated financial statements and group management report in accordance with the provisions of §§ 290 et seqq. HGB and the supplementary provisions of the articles of association.

The BS KG is registered in the Commercial Register at the Montabaur District Court under the number HRA 21317.

The income statement is prepared using the total cost method.

To the extent necessary the format of the group balance sheet is extended to include the special items for limited partners.

In order to adjust the group's retained earnings to the retained earnings reported in the annual financial statements of BS KG, the equity was extended by the item "Adjustment item for lower consolidated net income compared with the parent company".

The financial year of the group and the companies consolidated is the period from 1 October 2019 to 30 September 2020. Where individual subsidiaries were just established or purchased during the financial year 2019/2020, an appropriate abbreviated financial year was prepared as at 30 September 2020.

The financial year of the Birkenstock India Private Ltd ends on 31 March. The financial year of Birkenstock Trading (Shanghai) Co. Ltd. and Birkenstock Brasil Comercio de Calcados Ltda. ends on 31 December. For group consolidation purposes, interim financial statements were prepared as at 30 September 2020.

In accordance with § 264b HGB BS KG is exempt from the duty to prepare, audit and publish the annual financial statements and management report for the financial year 2019/2020 but it has undergone a voluntary audit of the financial statements.

II. Companies consolidated

In addition to Birkenstock GmbH & Co. KG as parent company, the following companies over which a controlling interest is exercised were included by means of full consolidation into the group financial statements as at 30 September 2020:

Company name	Location	Shareholding in %
Birkenstock Sales GmbH	Vettelschoß	100
Birkenstock Productions Rheinland-Pfalz GmbH	Linz am Rhein	100
Birkenstock Productions Hessen GmbH	Steinau-Ürzell	100
Birkenstock Productions Sachsen GmbH	Linz am Rhein	100
Birkenstock International GmbH	Linz am Rhein	100
Commercial Object Management GmbH & Co. KG	Vettelschoß	100
Birkenstock Real Estate GmbH	Linz am Rhein	100
Birkenstock digital GmbH	München	100
ALPRO GmbH[2]	Vettelschoß	100
Birkenstock Global GmbH[2]	Linz am Rhein	100
Birkenstock Immobilien GmbH & Co. KG[3]	Linz am Rhein	0
Birkenstock Americas GmbH	Linz am Rhein	100
Birkenstock Asia Pacific Ltd.[2]	Hongkong/Hongkong	100
Birkenstock Trading (Shanghai) Co. Ltd.[2]	Shanghai/China	100
Birkenstock Spain S.L.[2]	Madrid/Spanien	100
Birkenstock UK Ltd.[2]	London/Vereinigtes Königreich	100

Company name	Location	Shareholding in %
Birkenstock Eastern Europe s.r.o.[2,4]	Bratislava/Slowakei	100
Birkenstock Austria GmbH[2]	Wien/Österreich	100
Birkenstock Brasil Comercio de Calcados Ltda.[2]	Sao Paulo/Brasilien	100
Birkenstock Italy S.r.l.[2]	Mailand/Italien	100
Birkenstock Japan Limited[2]	Tokio/Japan	100
Birkenstock Nordic ApS[2]	Kopenhagen/ Dänemark	100
Birkenstock USA LP[2]	Novato/USA	100
Birkenstock USA digital LLC[2]	Novato/USA	100
Birki LP[2]	Novato/USA	100
Birki Inc.[2]	Novato/USA	100
Alpro Professional LP[2]	Novato/USA	100
Alpro Management Inc.[2]	Novato/USA	100
L+L Logic and Logistics LP[2]	Novato/USA	100
Lservice Management Inc.[2]	Novato/USA	100
Birkenstock Components GmbH	Linz am Rhein	100
Birkenstock Canada Ltd.	Vancouver/Kanada	100
Birkenstock MEA (FZE)	Sharjah/VAE	100
Birkenstock International MEA/ India GmbH	Linz am Rhein	100
Birkenstock Global MEA / India GmbH[2]	Linz am Rhein	100
Birkenstock MEA FZ LLC[2]	Dubai/VAE	100
Birkenstock India Private Ltd[2]	New Delhi/Indien	100
Birkenstock Poland SP.z.o.o.[2]	Warszawa/Polen	100
Birkenstock France Societe par Actions Simplifiee[1,2]	Paris/Frankreich	100
Birkenstock Global Sales Verwaltungs GmbH[1,2]	Linz am Rhein	100
Birkenstock Global Sales GmbH & Co. KG[1,2]	Linz am Rhein	100
Birkenstock Switzerland GmbH[1,2]	Zürich/Schweiz	100
Birkenstock Cosmetics GmbH & Co. KG[1,3]	Linz am Rhein	0
Birkenstock Cosmetics Verwaltungs GmbH[1]	Linz am Rhein	100
Birkenstock Cosmetics International GmbH[1,3]	Linz am Rhein	0
Birkenstock Cosmetics USA GP LLC[1,3]	Wilmington/USA	0
Birkenstock Cosmetics USA LP[1,3]	Wilmington/USA	0

[1] Included in the consolidated financial statements for the first time in 2019/2020.

[2] Indirect investments

[3] Inclusion based on de-facto control in accordance with § 290 (1) HGB

[4] Liquidated in October 2020

In the financial year 2019/2020 the following changes took place within the companies consolidated:

The following companies were founded in the financial year 2020:

- Birkenstock France Societe par Actions Simplifiee, Paris/ France, September 2020
- Birkenstock Global Sales Verwaltungs GmbH, Linz am Rhein/ Germany, September 2020
- Birkenstock Global Sales GmbH & Co. KG, Linz am Rhein/ Germany, September 2020
- Birkenstock Switzerland GmbH, Zürich/ Switzerland, September 2020

The owners AB-Beteiligungs GmbH and CB-Beteiligungs GmbH & Co. KG transferred their shares in Birkenstock Cosmetics Verwaltungs GmbH, general partner of Birkenstock Cosmetics GmbH & Co. KG, on 12 December 2019 to Birkenstock GmbH & Co. KG. As a result, Birkenstock Cosmetics GmbH & Co. KG is to be included in the Birkenstock consolidated financial statements from this date. The acquisition did not have any material impact on the net assets, financial position and results of operations.

The initial inclusion in the consolidated financial statements took place as of 1 January 2020. For the purposes of initial consolidation, interim financial statements were prepared as of 31 December 2019.

In addition to Birkenstock Cosmetics GmbH & Co. KG and Birkenstock Cosmetics Verwaltungs GmbH, the 100% subsidiary Birkenstock Cosmetics International GmbH and its US subsidiaries Birkenstock Cosmetics

USA GP LLC and Birkenstock Cosmetics USA LP are also included in the consolidated financial statements of BS KG.

The capital consolidation resulting from the inclusion of Birkenstock Cosmetics GmbH & Co. KG in the consolidated financial statements leads to a negative goodwill of kEUR 16,123, which is reported as non-controlling interests within equity.

In the consolidated income statement, the loss of Birkenstock Cosmetics GmbH & Co. KG and its subsidiaries is shown after the item "Consolidated net profit/loss for the year" under the item "Non-controlling interests in consolidated net profit/loss", according to § 307 Abs. 2 HGB.

The comparability of the current year's consolidated financial statements to those of the prior year was not affected by changes in the companies consolidated.

The following companies were not included or rather the investments not included at equity in the consolidated financial statements based on the fact that they are not material (individually and jointly) for the presentation of the net assets, financial position and results of operations of the group, as well as their insignificant business operations according to § 296 (2) HGB or rather § 311 (2) HGB:

Company name	Location	Shareholding in %
Birkenstock Orthopädie GmbH	Linz am Rhein	100
COM GmbH	Vettelschoß	100
Footwear Beteiligungs GmbH	Vettelschoß	100
Footwear Distribution Spain S.L.	Alicante/Spanien	60
CB Brands International FZE[1]	Sharjah International Airport Freezone/ Vereinigte Arabische Emirate	100
Birkenstock USA GP LLC	Novato/USA	100

[1] Liquidated in August 2020

The following subsidiaries included in the consolidated financial statements applied the exemption clause § 264 (3) HGB in the financial year 2019/2020:

Company name	Location	Shareholding in %
Birkenstock Productions Rheinland-Pfalz GmbH	Linz am Rhein	100
Birkenstock Productions Sachsen GmbH	Linz am Rhein	100
Birkenstock Productions Hessen GmbH	Steinau-Ürzell	100
Birkenstock Sales GmbH	Vettelschoß	100
Birkenstock digital GmbH	München	100
Birkenstock Americas GmbH	Linz am Rhein	100
Birkenstock Components GmbH	Linz am Rhein	100

III. Consolidation methods

The **capital consolidation** is performed using the revaluation method. According to this the carrying value of the shares of the equity of the subsidiary is to be measured at the amount representing the fair value of the assets, liabilities, prepaid and accrued items and special items to be taken up in the consolidated financial statements. The determination of the fair values is performed on the date of the initial consolidation of the subsidiary or rather when the entity becomes a subsidiary.

A positive amount remaining after offsetting the carrying amounts of the shares with the revalued equity of the subsidiary is capitalised as goodwill and amortised straight-line over the expected useful life.

Active differences totalling kEUR 24,080 (prior year kEUR 24,078) exist from capital consolidation.

The carrying amount of goodwill capitalised from the capital consolidation as at 30 September 2020 amounts to kEUR 11,558 (prior year kEUR 12,890). In the financial year 2019/2020 no unscheduled depreciation on goodwill was accounted.

Minority interests in the equity of consolidated subsidiaries are disclosed within equity under the item **"Non-controlling interests"**. In the group income statement, the profit or loss attributable to minority shareholders within group results is shown separately below the net profit for the year.

The **consolidation of debts** is performed by elimination of loans, receivables, provisions and liabilities between the entities included in the consolidated financial statements. If there are liabilities and receivables between the entities included in the consolidation, for which postponement of priority has been declared, these are allocated to the consolidated equity or rather to the carrying amount of the shares and included in the first-time capital consolidation.

Within the **elimination of intercompany profits** allowances were made to inventories disclosed at the reporting date which derive from supplies from entities included in the group financial statements totalling kEUR 46,643 (prior year: kEUR 48,745).

The **consolidation of income and expenses** was performed by offsetting revenues and other operating income between group companies against the corresponding expenses. Furthermore, interest income and income from profit and loss transfer agreements are offset against corresponding counter items and intra-group profit distributions were eliminated.

Where there are differences arising from the consolidation measures between the values of assets, liabilities or deferred items under German commercial code and their tax values, **deferred tax** assets and liabilities are calculated on these to the extent that these differences are expected to reverse in later financial years.

The changes in consolidation items not impacting income and the prior year results of the subsidiaries generated after the time of initial consolidation are included in or offset against group equity.

The annual financial statements of subsidiaries in **foreign currency** included in the consolidation are **translated** in accordance with § 308a HGB. Under this rule the assets and liabilities of the balance sheet are translated into Euro at the mean spot exchange rate on the reporting date, except for shareholders' equity which is translated at the historic rate at the time of initial consolidation. Items in the income statement are translated at the average exchange rate for the financial year. Differences arising from currency translation are disclosed separately within group equity under the item "Equity difference from currency translation". Currency differences from both debt consolidation and the elimination of intercompany profits and losses are disclosed in the income statement under the item "Other operating expenses".

IV. Accounting policies

The annual financial statements included in the consolidated financial statements are prepared applying uniform accounting policies.

Intangible assets are measured at cost, less straight-line amortization. Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets, with the exception of the brand name, are amortized over a useful life of three to fifteen years.

Goodwill is amortised, depending on its expected useful life, over a period of five to fifteen years. When determining the depreciation period, estimates are made as to over which period the acquired business is expected to produce a positive contribution to results.

A useful life of more than five years has been set for goodwill where the internal development of a corresponding organisation would have been amortised at the earliest within this period. The brand name "Birkenstock" included in the intangible assets is amortised over a period of 35 years.

Tangible assets are stated at acquisition cost less scheduled straight-line depreciation. Depreciation is generally based on the expected useful life or remaining useful life, which are generally estimated as follows:

Land, similar rights and buildings including buildings on leasehold	14 – 50
Technical equipment and machinery	8 – 20
Other equipment, factory and office equipment	3 – 8

Moveable fixed assets with acquisition costs under EUR 250.00 are treated as immediate expense and with acquisition costs of between EUR 250 and EUR 1,000.00 accounted for in an annual summary account and depreciated over five years.

The financial assets are stated at acquisition costs or, where there is a permanent de-crease in value, at the lower fair value at the balance sheet date.

Where there is a permanent decrease in value, unscheduled depreciation is made in or-der to state the fixed asset at a lower value at the reporting date. When the reasons for impairment losses no longer exist, these can be reversed by appropriate write-ups, unless this does not relate to impairment of goodwill.

Under inventories raw materials and supplies and goods purchased are generally measured at the lower of average acquisition costs and fair value. Work in progress and finished goods are measured at production costs or at lower fair value at the balance sheet date. In addition to material and wages costs, production costs include proportionate material and manufacturing overheads including depreciation. Recognisable risks which can, for example, arise from an above-average storage period or reduced usability are accounted for applying appropriate write-downs.

Receivables and other assets are capitalised at nominal amounts less necessary allowances or at present value. In the case of foreign currency receivables, shortterm receivables are translated at the mean spot exchange rate at the balance sheet date and receivables with a maturity above one year at the lower of the rate at the time they arose and the mean spot exchange rate at the balance sheet date.

Cash and bank balances are stated at nominal value.

Prepaid expenses and deferred income are recognised for income or expenses which related to a certain period after the reporting date.

Capital shares of the limited partners are reported at nominal value and are fully paid up. The classification of the other equity items is in accordance with the provisions of the articles of association of BS KG. The changes in the individual shareholders' equity items are all disclosed in the consolidated statement of changes in equity.

Provisions for pension and similar obligations are determined actuarially based on bio-metric probabilities (Reference Tables 2018 G by Heubeck) using the projected unit credit method. Expected future salary and pension increases are accounted for in determining the obligations. Currently, annual adjustments amount to 0.00 % p.a. for pension entitlements and 1.50 to 2.50 % p.a. for pensions are used. The interest rate for calculations for the discounting of pension obligations amounts to 2.41 % p.a. (prior year: 2.82 % p.a.) this is the average market rate of the past ten years as determined and published by the German Federal Bank for an assumed remaining term of 15 years. Where reinsurance policies have been taken out to cover the pension obligations, which are not accessible to all other creditors, the value of the provision was offset against the fair value of the covering assets.

Tax and other provisions are set up for recognisable risks and uncertain liabilities and measured at the settlement amount required in accordance with reasonable commercial judgement. Future price and cost increases were accounted for in determining the settlement amount where necessary. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term.

Liabilities are recognised at their settlement amount. Foreign currency liabilities are translated where current at the average mean spot rate at the balance sheet date and where non-current at the higher of the rate at the time they arose and the mean spot exchange rate at the balance sheet date.

Deferred taxes are recognised in the annual financial statements of the consolidated companies for tax charges and reliefs resulting from differences between the value of assets, liabilities and deferred items under German commercial code and their tax values, which are expected to reverse in future financial years. The deferred taxes are measured at individual tax rates of the entities at the time of reversal of the differences.

On determining deferred tax assets and deferred tax liabilities on consolidation measures the consolidation measures are assigned to the company concerned and the deferred tax is calculated in accordance with the valid individual tax rates of the relevant group company.

V. Explanations to the group balance sheet

Fixed assets

The classification of the summarised items of fixed assets and their development are presented in the fixed asset movement schedule below.

DEVELOPMENT OF GROUP FIXED ASSETS AS AT 1 OCTOBER 2019 TO 30 SEPTEMBER 2020

Birkenstock GmbH & Co. KG

Linz am Rhein

	Acquisition costs							Accumulated amortisation and depreciation							Net book values		
Fixed Assets	**Balance at 1.10.2019**	**Currency variance**	**Additions**	**Additions First-time consolidation**	**Disposals**	**Reclassifications**	**Balance at 30.9.2020**	**Balance at 1.10.2019**	**Currency variance**	**Additions**	**Additions First-time consolidation**	**Disposals**	**Reclassifications**	**Balance at 30.9.2020**	**Balance at 30.9.2020**	**Balance at 30.9.2019**
	kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
I. Intangible assets																
1. Purchased licenses, industrial property, rights and similar rights and licenses to rights and assets	233,313	(81)	5,201	656	(11)	5,319	244,397	53,586	(95)	9,663	337	(10)	0	63,481	180,916	179,727
2. Goodwill	29,291	0	,0	2	0	0	29,293	16,267	0	1,468	0	0	0	17,735	11,558	13,024
3. Prepayments	5,951	(171)	1,654	55	(7)	(5,367)	2,115	0	0	106	0	0	0	106	2,009	5,951
	268,555	(252)	6,855	713	(18)	(48)	275,805	69,853	(95)	11,237	337	(10)	0	81,322	194,483	198,702
II. Tangible assets																
1. Land, similar rights and buildings including buildings on leasehold	105,693	(217)	762	123	(1,144)	1,629	106,846	47,527	(115)	3,163	74	(963)	0	49,686	57,160	58,166
2. Technical equipment and machinery	94,706	0	62	990	(1,004)	8,083	102,837	59,284	0	9,959	500	(972)	0	68,771	34,066	35,422
3. Other equipment, factory and office equipment	64,558	(383)	2,764	585	(3,517)	2,312	66,319	46,082	(161)	5,468	194	(2,834)	0	48,749	17,570	18,476
4. Prepayments	11,453	(25)	13,045	25	0	(11,976)	12,522	0	0	0	0	0	0	0	12,522	11,453
	276,410	(625)	16,633	1.723	(5,665)	48	288,524	152,893	(276)	18,590	768	(4,769)	0	167,206	121,318	123,517
III. Financial assets																
Shares in affiliated companies	183	0	0	0	(48)	0	135	63	0	0	0	0	0	63	72	120
	183	0	0	0	(48)	0	135	63	0	0	0	0	0	63	72	120
Total	545,148	(877)	23,488	2.436	(5,731)	0	564,464	222,809	(371)	29,827	1,105	(4,779)	0	248,591	315,873	322,339

Intangible fixed assets amounting to kEUR 170,552 relate to the brand name “Birkenstock”. As a result of amortization, investments (kEUR 6,855) and the initial consolidation of Birkenstock Cosmetics GmbH & Co. KG (kEUR 376), the intangible fixed assets changed by kEUR 4,219.

Tangible fixed assets decreased by kEUR 2,499 in total. This is mainly due to current depreciation (kEUR 18,590), which was kEUR 1,957 higher than new investments (kEUR 16,633). The increase due to the initial consolidation of Birkenstock Cosmetics GmbH & Co. KG amounted to kEUR 955.

The shares in affiliated companies relate to the companies not included in the consolidated financial statements due to their minor materiality.

Inventories

Inventories comprise shoes and sandals with orthopaedic insoles produced by companies within the Birkenstock Group, work in progress as well as the raw materials and supplies and goods required for manufacturing.

The sharp decrease in inventories by kEUR 31,684 in the financial year compared with the previous year is primarily due to the temporary closure of the production facilities as a result of COVID 19.

Receivables and other assets

Receivables and other assets have the following remaining terms:

	30.09.2020	Of which remaining term more than 1 year up to 1 year	30.09.2019	Of which remaining term more than 1 year up to 1 year
	kEUR	*kEUR*	*kEUR*	*kEUR*
Trade receivables	55,419	66	44,864	0
Receivables from affiliated companies	0	0	41	0
Other assets	9,376	931	29,380	910
	64,795	997	74,285	910

Other assets include tax receivables amounting to kEUR 5,227 (prior year: kEUR 7,417).

Receivables from affiliated companies consist in the previous year exclusively of other assets.

Furthermore, other assets in the previous year include amounts due from Birkenstock Cosmetics GmbH & Co. KG amounting to kEUR 18,460.

Trade receivables increased by a total of kEUR 10,555. This is mainly related to kEUR 10,361 higher sales in September 2020 compared to September 2019.

Equity

The shares of the limited partners of BS KG amounting to kEUR 10,000 in total are equivalent to the liability amounts recorded in the Commercial Register.

The capital reserve set up in accordance with the provisions of the articles of association of BS KG results from contributions by the limited partners. In the reporting year, a withdrawal of kEUR 29,990 was made from the capital reserve by shareholders' resolution of 30 September 2020.

In the financial year 2019/2020, 42 % (prior year 42 %) of BS KG's net income of 2018/2019 (kEUR 59,647, prior year: kEUR 46,564) was allocated to the statutory reserves in accordance with the provisions of the articles of association of BS KG by resolution of the shareholders' meeting on 24 June 2020.

In fiscal year 2019/2020, an amount of kEUR 1,893 was withdrawn from the adjustment item for lower group earnings in order to adjust the net retained profits in the group to the net retained profits reported in the annual financial statements of BS KG.

In accordance with the provisions of the articles of association of BS KG, 42 % of the annual net income or rather kEUR 46,432 shall be transferred at the time of the approval of the annual financial statements of BS KG from the net profit as at 30 September 2020 to the statutory reserves thus making it inaccessible for distributions.

Equity attributable to minority interests of Birkenstock Immobilien GmbH & Co. KG and Birkenstock Cosmetics GmbH & Co. KG is included under non-controlling interests.

With regard to changes in individual shareholders' equity items we refer to the consolidated statement of changes in equity.

Pension provisions

The pension provisions relate to the pension entitlements of former employees which are calculated based on actuarial principles and comprise the following:

	30.09.2020	30.09.2019
	kEUR	*kEUR*
Settlement amount of the pension obligations	5,109	5,162
Less fair value = acquisition cost of reinsurance policies	2,874	2,958
Excess of the obligations over assets	2,235	2,204

In accordance with § 253 (6) sentence 2 HGB the discounting of the pension provisions at the average market interest rate of the past ten years compared to the discounting at the average market interest rate of the past seven years results in a difference of kEUR 347 (prior year: kEUR 379).

Other provisions

Other provisions were formed mainly for personnel expenses (kEUR 22,170, prior year kEUR 22,759), expenses for pending invoices (kEUR 8,438, prior year: kEUR 9,609) as well as for guarantee obligations (kEUR 826, prior year: kEUR 2,995).

Liabilities

Composition and term:

	30.09.2020				30.09.2019			
	Total amount	of which due within a term of up to 1 year	of which due within a term of more than 1 year	of which due within a term of up to 5 year	Total amount	of which due within a term of up to 1 year	of which due within a term of more than 1 year	of which due within 5 term of more than 1 year
	kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
Liabilities to banks	102,401	0	102,401	0	110,451	0	110,451	0
Payments received on account of orders	1,829	1,829	0	0	374	374	0	0
Trade payables	22,791	22,791	0	0	25,604	25,604	0	0
Payables to affiliated companies	1	1	0	0	747	747	0	0
Payables to shareholders	41,840	41,840	0	0	29,523	29,523	0	0
Other liabilities	18,882	18,830	52	0	15,827	15,827	0	0
	187,744	85,291	102,453	0	182,526	72,075	110,451	0

Liabilities to banks decreased by kEUR 8,050.

The significant increase in liabilities to shareholders is attributable to dividend payments not yet made.

The liabilities to shareholders and to affiliated companies in both the financial year and the previous year exclusively include other liabilities.

Deferred taxes

The deferred tax liabilities from the annual financial statements of the companies included in the consolidation amounting to kEUR 20,663 (prior year: kEUR 21,747) relate to temporary differences between the commercial and tax accounting values of intangible assets (brand name, goodwill) and tangible assets, which were offset against deferred tax assets of kEUR 2,289 (prior year: kEUR 1,513). The deferred tax assets relate to temporary differences between the commercial and tax accounting values of the inventories, the receivables as well as the pension provisions and other provisions.

Deferred tax assets for tax losses carried forward were capitalised to the extent that adequate deferred tax liabilities were available. These deferred tax assets were offset against the deferred tax liabilities.

Additionally, deferred tax assets amounting to kEUR 6,758 (prior year: kEUR 7,052) resulted from consolidation measures applied.

Deferred taxes were based on a tax rate of 14 % in Germany for the group of BS KG (parent of the group) and this rate was equivalent to an average trade tax rate of the tax group. For the other domestic companies and the foreign group companies individual corporate tax rates of 14 % to 40 % were set.

Deferred taxes developed in the financial year as follows:

	Balance at 01.10.2019	Change Financial year	Balance at 30.09.2020
	kEUR	*kEUR*	*kEUR*
Deferred tax assets (not offset)	8,688	(1,125)	7,563
Deferred tax assets (for disclosure offset against deferred tax liabilities)	1,513	776	2,289
Deferred tax liabilities	(21,747)	1,084	(20,663)

VI. Explanations to the group income statement

Revenues

The group revenues result mainly from the sale of shoes and are attributed to the following regions:

	2019/2020	2018/2019
	kEUR	*kEUR*
Domestic	132,562	137,931
European Union	166,857	166,131
Third-party country	431,095	417,456
Total	730,514	721,518

Other operating income

Other operating income includes, in particular, income relating to other periods from the reversal of provisions of kEUR 5,821 (previous year: kEUR 3,918) and income from currency translation differences of kEUR 1,280 (previous year: kEUR 14,870). The significant decrease in income from currency translation is attributable to the fluctuation in the USD exchange rate.

Other operating expenses

The main items included in other operating expenses are logistics expenses of kEUR 66,377 (previous year: kEUR 49,386), legal and consulting fees of kEUR 19,280 (previous year: kEUR 31,537), advertising expenses of kEUR 44,573 (previous year: kEUR 39,411), and rental and leasing expenses for real estate of kEUR 25,534 (previous year: kEUR 25,480).

Expenses relating to other periods amounted to kEUR 1,340 (previous year: kEUR 1,903). These include in particular warranty expenses (kEUR 432) and payments of professional association contributions from previous years (kEUR 242). In the previous year, expenses relating to other periods resulted in particular from findings of the tax audit in the amount of kEUR 739.

Expenses from currency translation amounted to kEUR 18,580 (previous year: kEUR 8,801).

Financial instruments

Forward exchange contracts

The following forward exchange contracts were concluded as part of the implementation of currency hedges:

Category	Type	Volume *kEUR*	Fair value *kEUR*	Carrying amount *kEUR*	Balance sheet item	Valuation method	Due date
Currency-related	Forward	4,358	12	—	—	Market price	30.10.2020
Currency-related	Forward	1,708	5	—	—	Market price	30.11.2020
Currency-related	Forward	2,560	8	—	—	Market price	30.12.2020
Currency-related	Forward	1,960	7	—	—	Market price	29.01.2021
Currency-related	Forward	2,045	5	—	—	Market price	26.02.2021
Currency-related	Forward	5,620	5	—	—	Market price	31.03.2021
Currency-related	Forward	10,297	27	—	—	Market price	30.04.2021
Currency-related	Forward	18,117	21	—	—	Market price	28.05.2021
Currency-related	Forward	13,006	-37	37	provision for contingent losses	Market price	30.06.2021
Currency-related	Forward	25,999	62	—	—	Market price	30.06.2021
Currency-related	Forward	12,567	30	—	—	Market price	30.07.2021
Currency-related	Forward	10,352	41	—	—	Market price	31.08.2021
Currency-related	Forward	7,886	19	—	—	Market price	30.09.2021

Valuation unit syndicated loan / EURO Zero Floored Forward Interest Rate Swap

In accordance with § 254 HGB, a valuation unit in the form of micro-hedges exists, as EURO zero-floored forward interest rate swaps were concluded in parallel to hedge interest rate risks from the floating-rate syndicated loan, so that these borrowings were converted into fixed-rate loans. The loan and derivative volume amounts to kEUR 100,000 each, whereby the interest rate derivative is split into two sections of kEUR 50,000 each. The fair value of these two interest rate derivatives at the balance sheet date amounts to kEUR -1,647.6 and kEUR -1,641.7, respectively. The hedge exists in each case for at least the entire term of the underlying transaction until 30 September 2022. The negative fair value of the interest rate swaps resulting at the balance sheet date does not have to be recognized as a liability due to the existence of the valuation units using the freezing method. Effectiveness is ensured by a critical term match.

Taxes on income

Taxes on income include income from deferred tax of kEUR 572 (prior year: kEUR 2,349).

Minority interest in net income

This consists of the profit attributable to minority interests of Birkenstock Immobilien GmbH & Co. KG and the loss of Birkenstock Cosmetics GmbH & Co. KG as well as its subsidiary Birkenstock Cosmetics International GmbH and its US subsidiaries Birkenstock Cosmetics USA GP LLC and Birkenstock Cosmetics USA LP.

VII. Explanations to the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows includes the cash and bank balances of the companies included in the consolidation.

VIII. Other disclosures

Personally liable partner and management

The personally liable partners of BS KG are:

- BS Verwaltungsgesellschaft mbH, Kitzbühel/Austria, with subscribed capital of EUR 35,000.00
- BS International Verwaltungsgesellschaft mbH, Kitzbühel/Austria, with subscribed capital of EUR 35,000.00

In the financial year 2019/2020 management was performed by BS Verwaltungsgesellschaft mbH, represented by its managing directors:

- Markus Bensberg, Bad Honnef (merchant, managing director)
- Oliver Reichert, Buch am Erlbach (merchant, managing director)

BS International Verwaltungsgesellschaft mbH was excluded from management in the financial year 2019/2020.

Total remuneration of management

In accordance with § 314 (3) sentence 2 HGB the remuneration paid to the managing directors of BS Verwaltungsgesellschaft mbH for carrying out their duties in the parent company and in the subsidiaries in the financial year 2019/2020 is not disclosed.

Employees

During the financial year 2019/2020 an average of 3,703 (prior year: 3,593) persons were employed by the company, of which 1,373 (prior year: 1,243) were salaried em-ployees and 2,330 (prior year: 2,350) industrial employees.

Significant post balance sheet events

No events of significance occurred after the end of the financial year that have a material effect on the net assets, financial position and results of operations.

Other financial commitments

The continuing financial obligations relate to:

	Remaining term Up to 1 year	Remaining term Over 1 year Up to 5 years	Remaining term More than 5 years
	kEUR	*kEUR*	*kEUR*
Rent for office and business premises	14,377	31,470	15,785
Consulting contracts	3,060	0	0
Service contracts	6,082	19,934	0
IT-service and maintenance	8,941	7,472	0
Cars	942	731	0
Licences	1,013	0	0
Other	35	3	0
	34,450	59,610	15,785

The financial commitments from consultancy contracts relate entirely to the two limited partners.

Auditor's fees

In the financial year 2019/2020 the auditors' fees included in the consolidated financial statements amounted to kEUR 484.5 of which kEUR 388 was related to year-end audit services, kEUR 18,5 for other consultancy services and kEUR 178 for tax advisory services.

Linz am Rhein, 12 February 2021

BS Verwaltungsgesellschaft mbH

Markus Bensberg Oliver Reichert

CONSOLIDATED STATEMENT OF CASH FLOWS
for the period from 1 October 2019 to 30 September 2020

Birkenstock GmbH & Co. KG
Linz am Rhein

		2019/2020		2018/2019	
		kEUR	*kEUR*	*kEUR*	*kEUR*
	Consolidated net income for the year	111,229		129,158	
+/–	Depreciation and amortisation of fixed assets	29,827		27,249	
+/–	Increase/decrease in provisions without tax provisions	(4,919)		5,551	
–/+	Other expenditure/income not involving payment	141		74	
–/+	Increase/decrease in inventories, trade receivables and other assets not attributable to the investing or financing activities	24,498		(31,666)	
+/–	Increase /decrease in trade liabilities and other liabilities not attributable to the investing or financing activities	1,525		516	
–/+	Profit/loss on disposal of fixed assets	(558)		177	
+/–	Interest expenses/interest income	2,805		2,724	
+/–	Income tax expense/income	29,146		28,215	
–/+	Income tax payments	(25,746)		(26,743)	
=	**Cash flow from operating activities**		**167,948**		**135,255**
–	Payments for investments in intangible assets	(6,855)		(6,683)	
+	Cash in from disposals of tangible assets	93		58	
–	Payments for investments in tangible assets	(16,633)		(31,730)	
+	Cash in from disposal of financial assets	1,416		(0)	
–	Payments relating to investments in financial assets	0		(6)	
+	Interest received	159		(305)	
–	Payments for additions to the consolidation group	532		0	
=	**Cash flow from investing activities**		**(21,288)**		**(38,056)**
–	Payments out of the capital reserve to shareholders of the parent company	(29,990)		(0)	
+	Cash in from equity injections of other shareholders	29,990		(0)	
+	Cash in from (financing) loans	75,000		0	
–	Payments for the repayment of (financing) loans	(83,051)		(54,149)	
–	Interest paid	(2,154)		(2,674)	
–	Dividends paid to shareholders of the parent company	(70,400)		(48,344)	
–	Dividends paid to other shareholders	(450)		(450)	
=	**Cash flow from financing activities**		**(81,055)**		**(105,617)**
	Net change in cash and cash equivalents		65,605		(8,418)
	Changes in cash and cash equivalents due to currency conversion and measurement		(1,318)		494
	Cash and cash equivalents at start of period		40,402		48,326
	Cash and cash equivalents at end of period		**104,689**		**40,402**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2019 to 30 September 2020

Birkenstock GmbH & Co. KG

Linz am Rhein

	Parent company equity										Non-controlling interests			Group equity
		Reserves												
			Revenue reserves											
	Capital shares of the limited partners	Capital reserve according to partnership agreement	Reserve according to partnership agreement	Other revenue reserves	Total revenue reserves	Total reserves	Adjustment item for lower consolidated net income compared to the parent company	Equity difference from currency translation	Net profit	Total	Non-controlling interests before annual result	Annual result relating to non-controlling interests	Total	Total
	kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
Balance as at 01.10.2018	**10,000**	**182,498**	**41,290**	**5,785**	**47,075**	**229,573**	**0**	**2,557**	**110,866**	**352,996**	**23,872**	**2,062**	**25,934**	**378,930**
Credit to liability clearing accounts	0	0	0	0	0	0	0	0	(64,303)	(64,303)	(900)	0	(900)	(65,203)
Transfers into / out of reserves	0	0	46,563	(5,785)	40,778	40,778	0	0	(40,778)	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0	454	0	454	0	0	0	454
Other changes	0	0	0	0	0	0	(9,853)	0	9,853	0	2,062	(2,062)	0	0
Changes in companies consolidated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual group net income	0	0	0	0	0	0	0	0	126,378	126,378	0	2,780	2,780	129,158
Balance as at 30.09.2019/01.10.2019	**10,000**	**182,498**	**87,853**	**0**	**87,853**	**270,351**	**(9,853)**	**3,011**	**142,016**	**415,525**	**25,034**	**2,780**	**27,814**	**443,339**
Credit to liability clearing accounts	0	0	0	0	0	0	0	0	(82,369)	(82,369)	0	0	0	(82,369)
Transfers into / out of reserves	0	(29,990)	59,647	0	59,647	29,657	0	0	(59,647)	(29,990)	29,990	0	29,990	0
Currency translation	0	0	0	0	0	0	0	(610)	0	(610)	0	0	0	(610)
Other changes	0	0	0	0	0	0	1,893	0	(1,893)	0	2,780	(2,780)	0	0
Changes in companies consolidated	0	0	0	0	0	0	0	0	0	0	(16,123)	0	(16,123)	(16,123)
Annual group net income	0	0	0	0	0	0	0	0	112,445	112,445	0	(1,216)	(1,216)	111,229
Balance as at 30.09.2020	**10,000**	**152,508**	**147,500**	**0**	**147,500**	**300,008**	**(7,960)**	**2,401**	**110,552**	**415,001**	**41,681**	**(1,216)**	**40,465**	**455,466**

INDEPENDENT AUDITOR'S REPORT

Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

To Birkenstock GmbH & Co. KG, Linz am Rhein

AUDIT OPINIONS

We have audited the consolidated financial statements of Birkenstock GmbH & Co. KG, Linz am Rhein, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2020, the consolidated statement of profit and loss, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from 1 October 2019 to 30 September 2020 and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies.

In addition, we have audited the group management report of Birkenstock GmbH & Co. KG for the financial year from 1 October 2019 to 30 September 2020.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 30 September 2020 and of its financial performance for the financial year from 1 October 2019 to 30 September 2020 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in compliance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal controls as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

AUDITOR RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, and intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 12 February 2021

BDO AG

Wirtschaftsprüfungsgesellschaft

Signed by Bruckhaus	Signed by Mirzaie
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Convenience translation of the Original German Audit Report. Solely the original text in German is authoritative.

Consolidated financial statements, group management report and auditor's report for the financial year from 1. October 2018 to 30. September 2019 of Birkenstock GmbH & Co. KG Linz am Rhein

BDO

CONSOLIDATED BALANCE SHEET
as at 30 September 2019
Birkenstock GmbH & Co. KG
Linz am Rhein

ASSETS

	30.9.2019	30.9.2018
	kEUR	*kEUR*
A. Fixed assets		
I. Intangible assets		
1. Purchased licenses, industrial property, rights and similar rights and licenses to such rights and assets	179,727	187,652
2. Goodwill	13,024	15,138
3. Prepayments	5,951	0
	198,702	202,790
II. Tangible assets		
1. Land, similar rights and buildings including buildings on leasehold	58,166	52,907
2. Technical equipment and machinery	35,422	28,047
3. Other equipment, factory and office equipment	18,476	17,258
4. Prepayments	11,453	10,107
	123,517	108,319
III. Financial assets	120	114
	322,339	311,223
B. Current assets		
I. Inventories		
1. Raw materials and supplies	35,375	26,684
2. Work in progress	26,766	27,876
3. Finished goods and merchandise	192,530	164,732
4. Prepayments	1,695	185
	256,366	219,477
II. Receivables and other assets		
1. Trade receivables	44,864	53,006
2. Receivables from affiliated companies	41	5
3. Other assets	29,380	30,111
	74,285	83,122
III. Cash on hand and bank balances	40,402	48,326
	371,053	350,925
C. Prepaid expenses	5,005	1,391
D. Deferred tax assets	8,688	6,132
	707,085	669,671

EQUITY AND LIABILITIES

		30.9.2019	30.9.2018
		kEUR	*kEUR*
A.	Equity		
I.	Capital shares of the limited partners	10,000	10,000
II.	Capital reserve	182,498	182,498
III.	Revenue reserves		
1.	Statutory reserves	87,853	41,290
2.	Other revenue reserves	0	5,785
IV.	Adjustment item for lower consolidated net income compared with the parent company	-9,853	0
V.	Equity difference from currency translation	3,011	2,557
VI.	Net profit	142,016	110,866
VII	Non-controlling interests	27,814	25,934
		443,339	378,930
B.	Provisions		
1.	Provisions for pensions and similar obligations	2,204	1,820
2.	Tax provisions	10,955	7,134
3.	Other provisions	47,088	41,726
		60,247	50,680
C..	Liabilities		
1.	Liabilities to banks	110,451	164,600
2.	Payments received on account of orders	374	1,160
3.	Trade payables	25,604	25,140
4.	Payables to affiliated companies	747	735
5.	Payables to shareholders	29,523	12,576
6.	Other liabilities of which taxes kEUR 5,343 (prior year kEUR 3,730). of which social security contributions kEUR 88 (prior year kEUR 51)	15,827	15,105
		182,526	219,316
D.	Deferred income	739	635
E.	Deferred tax liabilities	20,234	20,110
		707,085	669,671

CONSOLIDATED INCOME STATEMENT

for the period from 1 October 2018 to 30 September 2019

Birkenstock GmbH & Co. KG Linz am Rhein

		2018/2019			2017/2018		
		kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
1.	Revenues		721,518			648,320	
2.	Change in finished goods and work in progress		26,688			4,778	
3.	Other operating income		24,290			10,186	
				772,496			663,284
4.	Cost of materials						
	a) Cost of raw materials, consumables and supplies and purchased merchandise	(178,497)			(150,588)		
	b) Cost of purchased services	(23,736)			(30,063)		
			(202,233)			(180,651)	
5.	Personnel expenses						
	a) Wages and salaries	(146,644)			(120,326)		
	b) Social security contributions, pension and other benefits	(25,505)			(20,481)		
	of which relating to pensions kEUR 792, (prior year kEUR 50)		(172,149)			(140,807)	
6.	Amortisation on intangible assets and depreciation on tangible assets		(27,249)			(30,037)	
7.	Other operating expenses		(210,202)			(192,185)	
				(611,833)			(543,680)
8.	Other interest and similar income		488			461	
	of which from discounting provisions kEUR 0 (prior year kEUR 86)						
9.	Interest and similar expenses		(3,446)			(2,081)	
	of which from discounting provisions kEUR 170 (prior year kEUR 177)			(2,958)			(1,620)
10.	Taxes on income			(28,215)			(25,081)
11.	**Result after taxes**			**129,490**			**92,903**
12.	Other taxes			(332)			(839)
13.	**Group net income for the year**			**129,158**			**92,064**
14.	Minority interest share of group net income			(2,780)			(2,062)
15.	**Group retained earnings**			**126,378**			**90,002**
16.	Withdrawals from revenue reserves			5,785			20,864
17.	Increase in the adjustment item for lower consolidated net income compared with the parent company			9,853			0
18.	**Net profit**			**142,016**			**110,866**

Notes to the consolidated financial statements

for the financial year from 1 October 2018 to 30 September 2019
of
Birkenstock GmbH & Co. KG, Linz am Rhein

I. General information

Birkenstock GmbH & Co. KG, Linz am Rhein, (abbreviated below as "BS KG" or "company") has been the parent company of the Birkenstock Group since 1 October 2013 and prepares consolidated financial statements and group management report in accordance with the provisions of §§ 290 et seqq. of the German Commercial Code and the supplementary provisions of the articles of association.

The BS KG is registered in the Commercial Register at the Montabaur District Court under the number HRA 21317.

The income statement is prepared using the total cost method.

To the extent necessary the format of the group balance sheet is extended to include the special items for limited partners.

In order to adjust the group's retained earnings to the retained earnings reported in the annual financial statements of BS KG, the equity was extended by the item "Adjustment item for lower consolidated net income compared with the parent company".

The financial year of the group and the companies consolidated is the period from 1 October 2018 to 30 September 2019. Where individual subsidiaries were just established or purchased during the financial year 2018/2019, an appropriate abbreviated financial year was prepared as at 30 September 2019.

The financial year of the newly established company Birkenstock India Private Ltd, New Delhi, India, ends on 31 March. The financial year of Birkenstock Trading (Shanghai) Co. Ltd. and Birkenstock Brasil Comercio de Calcados Ltda. ends on 31 December. For group consolidation purposes, interim financial statements were prepared as at September 30, 2019.

In accordance with § 264b HGB BS KG is exempt from the duty to prepare, audit and publish the annual financial statements and management report for the financial year 2018/2019 but it has undergone a voluntary audit of the financial statements.

II. Companies consolidated

In addition to Birkenstock GmbH & Co. KG as parent company, the following companies over which a controlling interest is exercised were included by means of full consolidation into the group financial statements as at 30 September 2019:

Company name	Location	Shareholding in %
Birkenstock Sales GmbH	Vettelschoß	100
Birkenstock Productions Rheinland-Pfalz GmbH	Linz am Rhein	100
Birkenstock Productions Hessen GmbH	Steinau-Ürzell	100
Birkenstock Productions Sachsen GmbH	Linz am Rhein	100
Birkenstock International GmbH	Linz am Rhein	100
Commercial Object Management GmbH & Co. KG	Vettelschoß	100
Birkenstock Real Estate GmbH	Linz am Rhein	100
Birkenstock digital GmbH	Munich	100
ALPRO GmbH[2]	Vettelschoß	100
Birkenstock Global GmbH[2]	Linz am Rhein	100
Birkenstock Immobilien GmbH & Co. KG[3]	Linz am Rhein	0
Birkenstock Americas GmbH	Linz am Rhein	100
Birkenstock Asia Pacific Ltd.[2]	Hong Kong/Hong Kong	100
Birkenstock Trading (Shanghai) Co. Ltd.[2]	Shanghai/China	100
Birkenstock Spain S.L.[2]	Madrid/Spain	100
Birkenstock UK Ltd.[2]	London/United Kingdom	100
Birkenstock Eastern Europe s.r.o.[2]	Bratislava/Slovakia	100

Company name	Location	Shareholding in %
Birkenstock Austria GmbH[2]	Vienna/Austria	100
Birkenstock Brasil Comercio de Calcados Ltda.[2]	Sao Paulo/Brazil	100
Birkenstock Italy S.r.l.[2]	Milan/Italy	100
Birkenstock Japan Limited[2]	Tokyo/Japan	100
Birkenstock Nordic ApS[2]	Copenhagen/Denmark	100
Birkenstock USA LP[2]	Novato/USA	100
Birkenstock USA digital LLC[2]	Novato/USA	100
Birki LP[2]	Novato/USA	100
Birki Inc.[2]	Novato/USA	100
Alpro Professional LP[2]	Novato/USA	100
Alpro Management Inc.[2]	Novato/USA	100
L+L Logic and Logistics LP[2]	Novato/USA	100
Lservice Management Inc.[2]	Novato/USA	100
Birkenstock Components GmbH[1]	Linz am Rhein	100
Birkenstock Canada Ltd.[1]	Vancouver/ Canada	100
Birkenstock MEA (FZE)[1]	Sharjah/UAE	100
Birkenstock International MEA/India GmbH[1]	Linz am Rhein	100
Birkenstock Global MEA/India GmbH[1,2]	Linz am Rhein	100
Birkenstock MEA FZ LLC[1,2]	Dubai/VAE	100
Birkenstock India Private Ltd[1,2]	New Delhi/India	100
Birkenstock Poland SP.z.o.o.[1,2]	Warszawa/Polen	100

[1] Included in the consolidated financial statements for the first time in 2018/2019.

[2] Indirect investments

[3] Inclusion based on de-facto control in accordance with § 290 (1) HGB

In the financial year 2018/2019 the following changes took place within the companies consolidated:

The following companies were founded in the financial year 2019:

- Birkenstock MEA/India GmbH located in Linz am Rhein/ Deutschland, January 2019
- Birkenstock Global MEA/India GmbH, Linz am Rhein/ Deutschland, March 2019
- Birkenstock MEA FZ LLC, Dubai/ VAE, April 2019
- Birkenstock India Private Ltd., New Dehli/ India, September 2019
- Birkenstock Poland SP z.o.o., Warsaw/ Poland, June 2019

The comparability of the current year's consolidated financial statements to those of the prior year was not affected by changes in the companies consolidated.

The following companies were not included or rather the investments not included at equity in the consolidated financial statements based on the fact that they are not material (individually and jointly) for the presentation of the net assets, financial position and results of operations of the group, as well as their insignificant business operations according to § 296 (2) HGB or rather § 311 (2) HGB:

Company name	Location	Shareholding in %
Birkenstock Orthopädie GmbH	Linz am Rhein	100
COM GmbH	Vettelschoß	100
Footwear Beteiligungs GmbH	Vettelschoß	100
Footwear Distribution Spain S.L.	Alicante/Spain	60
CB Brands International FZE	Sharjah International Airport Freezone/ United Arab Emirates	100
Betula Shoe Inc.[1]	Novato/USA	100
Birkenstock USA GP LLC	Novato/USA	100

1 liquidated in October 2018

The following subsidiaries included in the consolidated financial statements applied the exemption clause § 264 (3) HGB in the financial year 2018/2019:

Company name	Location	Shareholding in %
Birkenstock Productions Rheinland-Pfalz GmbH	Linz am Rhein	100
Birkenstock Productions Sachsen GmbH	Linz am Rhein	100
Birkenstock Productions Hessen GmbH	Steinau-Ürzell	100
Birkenstock Sales GmbH	Vettelschoß	100
Birkenstock digital GmbH	Munich	100
Birkenstock Americas GmbH	Linz am Rhein	100
Birkenstock Components GmbH	Linz am Rhein	100

III. Consolidation methods

The capital consolidation is performed using the revaluation method. According to this the carrying value of the shares of the equity of the subsidiary is to be measured at the amount representing the fair value of the assets, liabilities, prepaid and accrued items and special items to be taken up in the consolidated financial statements. The determination of the fair values is performed on the date of the initial consolidation of the subsidiary or rather when the entity becomes a subsidiary.

A positive amount remaining after offsetting the carrying amounts of the shares with the revalued equity of the subsidiary is capitalised as goodwill and amortised straight-line over the expected useful life.

Active differences totalling kEUR 24,078 (prior year kEUR 24,078) exist from capital consolidation.

The carrying amount of goodwill capitalised from the capital consolidation as at 30 September 2019 amounts to kEUR 12,890 (prior year kEUR 14,203). In the financial year 2018/19 no unscheduled depreciation on goodwill was accounted. In the previous year there were unscheduled depreciation of goodwill in the amount of kEUR 1,445, since the relevant brand names and business activities could not be used further or were discontinued.

Additionally, as at 30 September 2019 there is negative goodwill from the capital consolidation amounting in total to kEUR 35,702 (prior year kEUR 35,702). Since the negative goodwill is particularly based on retention of earnings of the subsidiary in the period before initial consolidation and thus has equity character, it is not disclosed as a separate item in group equity but included within other revenue reserves.

Minority interests in the equity of consolidated subsidiaries are disclosed within equity under the item **"Non-controlling interests"**. In the group income statement, the profit or loss attributable to minority shareholders within group results is shown separately below the net profit for the year.

The **consolidation of intercompany balances** is performed by elimination of loans, receivables, provisions and liabilities between the entities included in the consolidated financial statements. If there are liabilities and receivables between the entities included in the consolidation, for which postponement of priority has been declared, these are allocated to the consolidated equity or rather to the carrying amount of the shares and included in the first-time capital consolidation.

Within the **elimination of intercompany balances** allowances were made to inventories disclosed at the reporting date which derive from supplies from entities included in the group financial statements totalling kEUR 48,745 (prior year: kEUR 35,148).

The **consolidation of income and expenses** was performed by offsetting revenues and other operating income between group companies against the corresponding expenses. Furthermore, interest income and income from profit and loss transfer agreements are offset against corresponding counter items and intra-group profit distributions were eliminated.

Where there are differences arising from the consolidation measures between the values of assets, liabilities or deferred items under German commercial code and their tax values, **deferred tax** assets and liabilities are calculated on these to the extent that these differences are expected to reverse in later financial years.

The changes in consolidation items not impacting income and the prior year results of the subsidiaries generated after the time of initial consolidation are included in or offset against group equity.

The annual financial statements of subsidiaries in **foreign currency** included in the consolidation are **translated** in accordance with § 308a HGB. Under this rule the assets and liabilities of the balance sheet are

translated into Euro at the mean spot exchange rate on the reporting date, except for shareholders' equity which is translated at the historic rate at the time of initial consolidation. Items in the income statement are translated at the average exchange rate for the financial year. Differences arising from currency translation are disclosed separately within group equity under the item "Equity difference from currency translation".

IV. Accounting policies

The annual financial statements included in the consolidated financial statements are prepared applying uniform accounting policies.

Intangible assets are measured at cost, less straight-line amortization.

Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets, with the exception of the brand name, are amortized over a useful life of three to fifteen years.

Goodwill is amortised, depending on its expected useful life, over a period of five to fifteen years. When determining the depreciation period, estimates are made as to over which period the acquired business is expected to produce a positive contribution to results.

A useful life of more than five years has been set for goodwill where the internal development of a corresponding organisation would have been amortised at the earliest within this period. The brand name "Birkenstock" included in the intangible assets is amortised over a period of 35 years.

Tangible assets are stated at acquisition cost less scheduled straight-line depreciation. Depreciation is generally based on the expected useful life or remaining useful life, which are generally estimated as follows:

Land, similar rights and buildings including buildings on leasehold	14 – 50
Technical equipment and machinery	8 – 20
Other equipment, factory and office equipment	3 – 8

Moveable fixed assets with acquisition costs under EUR 250.00 are treated as immediate expense and with acquisition costs of between EUR 250 and EUR 1,000.00 accounted for in an annual summary account and depreciated over five years.

The financial assets are stated at acquisition costs or, where there is a permanent decrease in value, at the lower fair value at the balance sheet date.

Where there is a permanent decrease in value, unscheduled depreciation is made in order to state the fixed asset at a lower value at the reporting date. When the reasons for impairment losses no longer exist, these can be reversed by appropriate write-ups, unless this does not relate to impairment of goodwill.

Under inventories raw materials and supplies and goods purchased are generally measured at the lower of average acquisition costs and fair value. Work in progress and finished goods are measured at production costs or at lower fair value at the balance sheet date. In addition to material and wages costs, production costs include proportionate material and manufacturing overheads including depreciation. Recognisable risks which can, for example, arise from an above-average storage period or reduced usability are accounted for applying appropriate write-downs.

Receivables and other assets are capitalised at nominal amounts less necessary allowances or at present value. In the case of foreign currency receivables, short-term receivables are translated at the mean spot exchange rate at the balance sheet date and receivables with a maturity above one year at the lower of the rate at the time they arose and the mean spot exchange rate at the balance sheet date.

Cash and bank balances are stated at nominal value.

Prepaid expenses and deferred income are recognised for income or expenses which related to a certain period after the reporting date.

Capital shares of the limited partners are reported at nominal value and are fully paid up. The classification of the other equity items is in accordance with the provisions of the articles of association of BS KG. The changes in the individual shareholders' equity items are all disclosed in the consolidated statement of changes in equity.

Provisions for pension and similar obligations are determined actuarially based on biometric probabilities (Reference Tables 2018 G by Heubeck) using the projected unit credit method. Expected future salary and pension increases are accounted for in determining the obligations. Currently, annual adjustments amount to

0.00 % p.a. for pension entitlements and 1.50 % p.a. to 2.50 % p.a. for pensions are used. The interest rate for calculations for the discounting of pension obligations amounts to 2.82 % p.a. (prior year: 3.34 % p.a.) this is the average market rate of the past ten years as determined and published by the German Federal Bank for an assumed remaining term of 15 years. Where reinsurance policies have been taken out to cover the pension obligations, which are not accessible to all other creditors, the value of the provision was offset against the fair value of the covering assets.

Tax and other provisions are set up for recognisable risks and uncertain liabilities and measured at the settlement amount required in accordance with reasonable commercial judgement. Future price and cost increases were accounted for in determining the settlement amount where necessary. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term.

Liabilities are recognised at their settlement amount. Foreign currency liabilities are translated where current at the average mean spot rate at the balance sheet date and where non-current at the higher of the rate at the time they arose and the mean spot exchange rate at the balance sheet date.

Deferred taxes are recognised in the annual financial statements of the consolidated companies for tax charges and reliefs resulting from differences between the value of assets, liabilities and deferred items under German commercial code and their tax values, which are expected to reverse in future financial years. The deferred taxes are measured at individual tax rates of the entities at the time of reversal of the differences.

On determining deferred tax assets and deferred tax liabilities on consolidation measures the consolidation measures are assigned to the company concerned and the deferred tax is calculated in accordance with the valid individual tax rates of the relevant group company.

V. Explanations to the group balance sheet

Fixed assets

The classification of the summarised items of fixed assets and their development are presented in the fixed asset movement schedule below.

DEVELOPMENT OF GROUP FIXED ASSETS AS AT 1 OCTOBER 2018 TO 30 SEPTEMBER 2019

Birkenstock GmbH & Co. KG

Linz am Rhein

Fixed assets	Acquisition costs						Accumulated amortisation and depreciation						Net book values	
	Balance at 1.10.2018	Currency variance	Additions	Disposals	Reclassifications	Balance at 30.9.2019	Balance at 1.10.2018	Currency variance	Additions	Disposals	Reclassifi-cations	Balance at 30.9.2019	Balance at 30.9.2019	Balance at 30.9.2018
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	TEUR	kEUR	kEUR	kEUR
I. Intangible assets														
Purchased licenses, industrial property, rights and similar rights and licenses to such rights and assets	232,531	71	733	(22)	0	233,313	44,879	62	8,659	(14)	0	53,586	179,727	187,652
Goodwill	29,291	0	0	0	0	29,291	14,153	0	2,114	0	0	16,267	13,024	15,138
Prepayments	0	0	5,951	0	0	5,951	0	0	0	0	0	0	5,951	0
	261,822	71	6,684	(22)	0	268.555 0	59.032	62	10.773	(14)	0	69.853 0	198.702	202.790
II. Tangible assets														
Land, similar rights and buildings including buildings on leasehold	97,612	48	3,333	(277)	4,977	105,693	44,705	18	2,885	(162)	81	47,527	58,166	52,907
Technical equipment and machinery	81,676	1	669	(2,375)	14,735	94,706	53,629	2	8,035	(2,382)	0	59,284	35,422	28,047
Other equipment, factory and office equipment	59,163	220	4,223	(1,498)	2,450	64,558	41,905	97	5,556	(1,395)	(81)	46,082	18,476	17,258
Prepayments	10,107	5	23,503	0	(22,162)	11,453	0	0	0	0	0	0	11,453	10,107
	248,558	274	31,728	(4,150)	0	276,410	140,239	117	16,476	(3,939)	0	152,893	123,517	108,319
III. Financial assets														
Shares in affiliated companies	177	0	6	0	0	183	63	0	0	0	0	63	120	114
	177	0	6	0	0	183	63	0	0	0	0	63	120	114
Total	510,557	345	38,418	(4,172)	0	545,148	199,334	179	27,249	(3,953)	0	222,809	322,339	311,223

Intangible fixed assets amounting to kEUR 176,689 relate to the brand name "Birkenstock". As a result of amortisation and investments (kEUR 6,684), the intangible fixed assets changed by kEUR 4,088).

Tangible fixed assets increased by kEUR 15,198. This is mainly due to investments in production facilities.

Due to a change in the planned use of the property Burg Ockenfels an impairment loss of kEUR 4,500 was accounted for in the prior year.

The shares in affiliated companies relate to the companies not included in the consolidated financial statements due to their minor materiality.

Inventories

Inventories comprise shoes and sandals with orthopaedic insoles produced by companies within the Birkenstock Group, work in progress as well as the raw materials and supplies and goods required for manufacturing.

Inventories increased by EUR 36,889 thousand to ensure better availability of goods and adherence to delivery dates.

Receivables and other assets

Receivables and other assets have the following remaining terms:

	30.09.2019	of which remaining term more than 1 year up to 1 year	30.09.2018	of which remaining term more than 1 year up to 1 year
	kEUR	kEUR	kEUR	kEUR
Trade receivables	44,864	0	53,006	0
Receivables from affiliated companies	41	0	5	0
Other assets	29,380	910	30,111	54
	74,285	910	83,122	54

Other assets include tax receivables amounting to kEUR 7,417 (prior year: 7,069).

Receivables from affiliated companies consist in the current as well as the previous year exclusively of other assets.

Furthermore, other assets include amounts due from Birkenstock Cosmetics GmbH & Co. KG amounting to kEUR 18,460 (prior year: kEUR 12,480).

Trade receivables decreased by a total of TEUR 8,142. This is mainly due to the special campaign for the French market, which was produced and invoiced shortly before the previous year's reporting date. There was no similar promotion in the 2019 financial year in the same period.

Equity

The shares of the limited partners of BS KG amounting to kEUR 10,000 in total are equivalent to the liability amounts recorded in the Commercial Register.

The capital reserve set up in accordance with the provisions of the articles of association of BS KG results from contributions by the limited partners.

In the financial year 2018/2019, 42 % (prior year 15 %) of BS KG's net income of 2018/2019 (kEUR 46,564 (prior year: kEUR 10,917)) was allocated to the statutory reserves in accordance with the provisions of the articles of association of BS KG by resolution of the shareholders' meeting on 07. May 2019.

The other revenue reserves mainly include the negative goodwill amounts from the capital consolidation which relate to the retention of earnings of the consolidated entities before initial consolidation.

In the financial year 2018/2019 a transfer of kEUR 5,785 from the groups' revenue reserves was made and an amount of kEUR 9,853 was transferred to the adjustment item for lower consolidated earnings in order to reconcile the group net profit to the net profit in the annual financial statements of BS KG.

In accordance with the provisions of the articles of association of BS KG, 42 % of the annual net income or rather kEUR 59,646 shall be transferred at the time of the approval of the annual financial statements of BS KG from the net profit as at 30 September 2019 to the statutory reserves thus making it inaccessible for distributions.

Equity attributable to minority interests of Birkenstock Immobilien GmbH & Co. KG is included under non-controlling interests.

With regard to changes in individual shareholders' equity items we refer to the consolidated statement of changes in equity.

Pension provisions

The pension provisions relate to the pension entitlements of former employees which are calculated based on actuarial principles and comprise the following:

	30.09.2019	30.09.2018
	kEUR	kEUR
Settlement amount of the pension obligations	5,162	4,863
less fair value = acquisition cost of reinsurance policies	2,958	3,043
Excess of the obligations over assets	2,204	1,820

In accordance with § 253 (6) sentence 2 HGB the discounting of the pension provisions at the average market interest rate of the past ten years compared to the discounting at the average market interest rate of the past seven years results in a difference of kEUR 379 (prior year: kEUR 424).

Other provisions

Other provisions were formed mainly for personnel expenses (kEUR 22,759, prior year kEUR 18,322), expenses for pending invoices (kEUR 9,609, prior year: kEUR 10,037) as well as for guarantee obligations (kEUR 2,995, prior year: kEUR 2,715).

Liabilities

Composition and term:

	30.09.2018				30.09.2017			
	Total amount	of which due within a term of up to 1 year	of which due within a term of more than 1 year	of which due within a term of up to 5 year	Total amount	of which due within a term of up to 1 year	of which due within a term of more than 1 year	of which due within 5 term of more than 1 year
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Liabilities to banks	110,451	0	110,451	0	164,600	0	164,600	0
Payments received on account of orders	374	374	0	0	1,160	1,160	0	0
Trade payables	25,604	25,604	0	0	25,140	25,140	0	0
Payables to affiliated companies	747	747	0	0	735	735	0	0
Payables to shareholders	29,523	29,523	0	0	12,576	12,576	0	0
Other liabilities	15,827	15,827	0	0	15,105	15,105	0	0
	182,526	72,075	110,451	0	219,316	54,716	164,600	0

The significant increase in liabilities to shareholders is due to dividend payments not yet made. Due to the good earnings situation, the revolving loan could be reduced by kEUR 54,149.

The liabilities to shareholders and to affiliated companies in both the financial year and the previous year exclusively include other liabilities.

Deferred tax

The deferred tax liabilities from the annual financial statements of the companies included in the consolidation amounting to kEUR 21,747 (prior year: kEUR 21,566) relate to temporary differences between the commercial and tax accounting values of intangible assets (brand name, goodwill) and tangible assets, which

were offset against deferred tax assets of kEUR 1,513 (prior year: kEUR 1,456). The deferred tax assets relate to temporary differences between the commercial and tax accounting values of the inventories, the receivables as well as the pension provisions and other provisions.

Deferred tax assets for tax losses carried forward were capitalised to the extent that adequate deferred tax liabilities were available. These deferred tax assets were offset against the deferred tax liabilities.

Additionally, deferred tax assets amounting to kEUR 7,052 (prior year: kEUR 5,148 resulted from consolidation measures applied.)

Deferred taxes were based on a tax rate of 14 % in Germany for the group of BS KG (parent of the group) and this rate was equivalent to an average trade tax rate of the tax group. For the other domestic companies and the foreign group companies individual corporate tax rates of 14 % to 40 % were set.

Deferred taxes developed in the financial year as follows:

	Balance at 01.10.2018	Change Financial year	Balance at 30.09.2019
	kEUR	kEUR	kEUR
Deferred tax assets (not offset)	6,132	2,556	8,688
Deferred tax assets (for disclosure offset against deferred tax liabilities)	1,456	57	1,513
Deferred tax liabilities	(21,566)	(180)	(21,747)

VI. Explanations to the group income statement

Revenues

The group revenues result mainly from the sale of shoes and are attributed to the following regions:

	2019/2020	2018/2019
	kEUR	kEUR
Domestic	137,931	127,333
European Union	166,131	146,007
Third-party country	417,456	374,980
Total	721,518	648,320

Other operating income

Other operating income primarily includes income from the release of provisions kEUR 3,918 (prior year: kEUR 3,308) and income from exchange differences kEUR 14,870 (prior year: kEUR 1,742). The significant increase in income from currency translation is related to BS USA.

Depreciation and amortisation

The amortisation of intangible assets and depreciation on tangible assets include unscheduled depreciation of kEUR 0 (prior year: kEUR 4,500).

Other operating expenses

Other operating expenses consist mainly of legal and consultancy fees amounting to kEUR 31,537 (prior year: kEUR 25,303), advertising expenses of kEUR 39,411 (prior year kEUR 38,362) as well as rental and leasing costs for property amounting to kEUR 25,480 (prior year kEUR 18,418).

Expenses from currency translation amounted to kEUR 8,801 (prior year: kEUR 7,973); expenses relating to other periods amounted to kEUR 1,903 (prior year: kEUR 618). Of the expenses unrelated to the accounting period, kEUR 739 relate to expenses resulting from findings of the result from the tax audit that has been completed.

Taxes on income

Taxes on income include income from deferred tax of kEUR 2,349 (prior year: kEUR 1,989).

Minority interest in net income

This consists of the minority interest in net income of Birkenstock Immobilien GmbH & Co. KG.

VII. Explanations to the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows includes the cash and bank balances of the companies included in the consolidation.

Significant changes in the cash flow from operating activities result from the increased consolidated net income and the prior-year effect in the cash flow statement from the payment of liabilities resulting from the accrual of Footwear Distribution GmbH & Co. KG in fiscal year 2016/2017. The repayment of the syndicated loan results in a significant change in cash flow from financing activities.

VIII. Other disclosures

Personally liable partner and management

The personally liable partners of BS KG are:

- BS Verwaltungsgesellschaft mbH, Kitzbühel/Austria, with subscribed capital of EUR 35,000.00
- BS International Verwaltungsgesellschaft mbH, Kitzbühel/Austria, with subscribed capital of EUR 35,000.00

In the financial year 2018/2019 management was performed by BS Verwaltungsgesellschaft mbH, represented by its managing directors:

- Markus Bensberg, Bad Honnef (merchant, managing director)
- Oliver Reichert, Buch am Erlbach (merchant, managing director)

BS International Verwaltungsgesellschaft mbH was excluded from management in the financial year 2018/2019.

Total remuneration of management

In accordance with § 314 (3) sentence 2 HGB the remuneration paid to the managing directors of BS Verwaltungsgesellschaft mbH for carrying out their duties in the parent company and in the subsidiaries in the financial year 2018/2019 is not disclosed.

Employees

During the financial year 2018/2019 an average of 3,593 (prior year: 3,382) persons were employed by the company, of which 1,243 (prior year: 1,377) were salaried employees and 2,350 (prior year: 2,005) industrial employees.

Significant post balance sheet events

The shareholders ABB and CBB have sold their shares in Birkenstock Cosmetics Verwaltungs GmbH, general partner of Birkenstock Cosmetics GmbH & Co. KG to Birkenstock GmbH & Co. KG on 12 December 2019. As a result, Birkenstock Cosmetics GmbH & Co. KG is to be included in the consolidated financial statements of Birkenstock from this date. The acquisition is not expected to have any material effects on the net assets, financial position and results of operations.

Otherwise, no further events of particular significance occurred after the end of the financial year that have a material effect on the net assets, financial position and results of operations.

Other financial commitments

The continuing financial obligations relate to:

	Remaining term Up to 1 year	Remaining term Over 1 year Up to 5 years	Remaining term More than 5 years
	kEUR	kEUR	kEUR
Rent for office and business premises	10,726	26,418	20,220
Consulting contracts	3,060	765	0
Service contracts	6,358	28,860	0
IT-service and maintenance	7,378	9,538	0
Cars	966	898	0
Licences	581	0	0
Other	35	87	156
	29,104	66,566	20,376

The financial commitments from consultancy contracts relate entirely to the two limited partners.

Auditors' fees

In the financial year 2018/2019 the auditors' fees included in the consolidated financial statements amounted to kEUR 559 of which kEUR 384 was related to year-end audit services, kEUR 17 for other consultancy services and kEUR 158 for tax advisory services.

Linz am Rhein, 14. February 2020

BS Verwaltungsgesellschaft mbH

Markus Bensberg Oliver Reichert

CONSOLIDATED STATEMENT OF CASH FLOWS
for the period from 1 October 2018 to 30 September 2019

Birkenstock GmbH & Co. KG
Linz am Rhein

		2018/2019		2017/2018	
		kEUR	*kEUR*	*kEUR*	*kEUR*
	Consolidated net income for the year	129,158		92,064	
+/–	Depreciation and amortisation of fixed assets	27,249		30,037	
+/–	Increase/decrease in provisions without tax provisions	5,551		3,961	
–/+	Other expenditure/income not involving payment	(74)		(0)	
–/+	Increase/decrease in inventories, trade receivables and other assets not attributable to the investing or financing activities	(31,666)		(19,472)	
+/–	Increase /decrease in trade liabilities and other liabilities not attributable to the investing or financing activities	516		(59,552)	
–/+	Profit/loss on disposal of fixed assets	177		(374)	
+/–	Interest expenses/interest income	2,724		1,620	
+/–	Income tax expense/income	28,215		25,081	
–/+	Income tax payments	(26,743)		(22,142)	
=	**Cash flow from operating activities**		**135,255**		**51,223**
–	Payments for investments in intangible assets	(6,683)		(701)	
+	Cash in from disposals of tangible assets	58		350	
–	Payments for investments in tangible assets	(31,730)		(15,830)	
+	Cash in from disposal of financial assets	(0)		391	
–	Payments relating to investments in financial assets	(6)		(0)	
+	Interest received	305		442	
=	**Cash flow from investing activities**		**(38,056)**		**(15,348)**
+	Cash in from (financing) loans	(0)		97.200	
–	Payments for the repayment of (financing) loans	(54,149)		(59,400)	
–	Interest paid	(2,674)		(1,928)	
–	Dividends paid to shareholders of the parent company	(48,344)		(51,300)	
–	Dividends paid to other shareholders	(450)		(0)	
=	**Cash flow from financing activities**		**(105,617)**		**(15,428)**
	Net change in cash and cash equivalents		-8,418		20,447
	Changes in cash and cash equivalents due to currency conversion and measurement		494		(42)
	Cash and cash equivalents at start of period		48,326		27,837
	Cash and cash equivalents at end of period		**40,402**		**48,326**

Consolidated statement of changes in equity

for the period from 1 October 2018 to 30 September 2019

Birkenstock GmbH & Co. KG
Linz am Rhein

	Parent company equity										Non-controlling interests			Group equity
		Reserves												
			Revenue reserves											
	Capital shares of the limited partners	Capital reserve according to partnership agreement	Reserve according to partnership agreement	Other revenue reserves	Total revenue reserves	Total reserves	Adjustment item for lower consolidated net Income compared to the parent company	Equity difference from currency translation	Net profit	Total	Non-controlling interests before annual result	Annual result relating to non-controlling interests	Total	Total
	kEUR	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*	*kEUR*
Balance as at 01.10.2017	**10,000**	**182,498**	**30,373**	**16,087**	**46,460**	**228,958**	**0**	**(277)**	**72,779**	**311,460**	**22,214**	**1,658**	**23,872**	**335,332**
Credit to liability clearing accounts	0	0	0	0	0	0	0	0	(51,300)	(51,300)	0	0	0	(51,300)
Transfers into / out of reserves	0	0	10,917	(10,302)	615	615	0	0	(615)	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0	2,834	0	2,834	0	0	0	2,834
Other changes	0	0	0	0	0	0	0	0	0	0	1,658	(1,658)	0	0
Changes in companies consolidated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual group net income	0	0	0	0	0	0	0	0	90,002	90,002	0	2,062	2,062	92,064
Balance as at 30.09.2018	**10,000**	**182,498**	**41,290**	**5,785**	**47,075**	**229,573**	**0**	**2,557**	**110,866**	**352,996**	**23,872**	**2,062**	**25,934**	**378,930**
Credit to liability clearing accounts	0	0	0	0	0	0	0	0	(64,303)	(64,303)	(900)	0	(900)	(65,203)
Transfers into / out of reserves	0	0	46,563	(5,785)	40,778	40,778	0	0	(40,778)	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0	454	0	454	0	0	0	454
Other changes	0	0	0	0	0	0	(9,853)	0	9,853	0	2,062	(2,062)	0	0
Changes in companies consolidated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual group net income	0	0	0	0	0	0	0	0	126,378	126,378	0	2,780	2,780	129,158
Balance as at 30.09.2019	**10,000**	**182,498**	**87,853**	**0**	**87,853**	**270,351**	**(9,853)**	**3,011**	**142,016**	**415,525**	**25,034**	**2,780**	**27,814**	**443,339**

INDEPENDENT AUDITOR'S REPORT

Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

To Birkenstock GmbH & Co. KG, Linz am Rhein

AUDIT OPINIONS

We have audited the consolidated financial statements of Birkenstock GmbH & Co. KG, Linz am Rhein, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30. September 2019, the consolidated statement of profit and loss, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from 1. October 2018 to 30. September 2019 and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the group management report of Birkenstock GmbH & Co. KG for the financial year from 1. October 2018 to 30. September 2019 .

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 30. September 2019 and of its financial performance for the financial year from 1. October 2018 to 30. September 2019 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in compliance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal controls as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

AUDITOR RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, and intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 14 February 2020

BDO AG
Wirtschaftsprüfungsgesellschaft

Signed by Bruckhaus	Signed by Mirzaie
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

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Offering Memorandum

April 27, 2021