Important Notice

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A ("**RULE 144A**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") OR (2) ARE NON-U.S. PERSONS OUTSIDE THE UNITED STATES PURSUANT TO "**OFFSHORE TRANSACTIONS**" IN COMPLIANCE WITH REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, A QUALIFIED INVESTOR).

IMPORTANT: You must read the following before continuing. The following applies to the preliminary offering memorandum (the "**Preliminary Offering Memorandum**") following this notice, whether received by email or otherwise received as a result of electronic communication. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Preliminary Offering Memorandum. In accessing the attached Preliminary Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications thereto each time you receive any information from us as a result of such access.

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 U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR 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) OR ANY PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE FOLLOWING PRELIMINARY 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 U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the Preliminary Offering Memorandum or make an investment decision with respect to the securities, investors must be either (1) Qualified Institutional Buyers ("**QIBs**") within the meaning of Rule 144A or (2) non-U.S. persons that are outside the United States; *provided* that investors resident in a Member State of the European Economic Area are qualified investors (within the meaning of Article 2(1)(e) of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU and Directive 2010/78/EU, to the extent implemented in the relevant Member State) and any relevant implementing measure in each Member State of the European Economic Area). The Preliminary Offering Memorandum is being sent at your request. By accepting the e-mail and accessing the Preliminary Offering Memorandum, you shall be deemed to have represented to us and the initial purchasers as set forth in the Preliminary Offering Memorandum (collectively, the "**Initial Purchasers**") that:

(1) you consent to delivery of such Preliminary Offering Memorandum by electronic transmission, and

(2) either:

- (a) you and any customers you represent are QIBs; or
- (b) you are not a U.S. person and the e-mail address that you gave us and to which the e-mail 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 if
- (c) you are resident in a Member State of the European Economic Area, you are a qualified investor, and

(3) you are not an individual investor.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

You are reminded that the Preliminary Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Preliminary 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 Preliminary 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 a 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 any Initial Purchaser of the securities offered or any affiliate of such Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such initial purchaser or affiliate on behalf of The House of Finance NV in such jurisdiction.

The securities 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**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Under no circumstances shall the Preliminary 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 Preliminary Offering Memorandum has not been approved by an authorized person in the United Kingdom. In the United Kingdom, each invitation of inducement to engage in investment activity (within the meaning of Section 21 of the UK Financial Services and Markets Act 2000 ("**FSMA**")) in connection with the offer of the securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which Section 21(1) of FSMA does not apply to us.

The Preliminary 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 any Initial Purchaser, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

SUBJECT TO COMPLETION, DATED JULY 5, 2019

PRELIMINARY OFFERING MEMORANDUM

**STRICTLY CONFIDENTIAL
NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES**

HOUSE OF HR
HUMAN RESOURCEFULNESS

The House of Finance NV

€320,000,000 % Senior Secured Notes due 2026

The House of Finance NV, a public limited company (*Naamloze Vennootschap*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with Register of Legal Entities Ghent, section Kortrijk under number 0685.593.921 (the "**Issuer**"), is offering (the "**Offering**") €320,000,000 aggregate principal amount of its Senior Secured Notes due 2026 (the "**Notes**"). The Notes will be issued pursuant to an indenture (the "**Indenture**") to be dated on July , 2019 (the "**Issue Date**"), among, *inter alios*, the Issuer and Citibank, N.A., London Branch, as trustee (the "**Trustee**") and Citibank, N.A., London Branch, as security agent (the "**Security Agent**").

Interest will accrue from the Issue Date, and be payable semi-annually in arrear on and of each year, commencing on , 20 . The Notes will mature on , 2026. The Issuer may redeem the Notes in whole or in part at any time on or after , 2022 at the redemption prices in this Offering Memorandum. At any time prior to , 2022, the Issuer will be entitled, at its option, to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of such Notes, plus accrued and unpaid interest and additional amounts, if any, plus a "make-whole" premium, as described in this Offering Memorandum. At any time prior to , 2022, the Issuer will be entitled, at its option, to redeem up to 35% of the aggregate principal amount of the Notes with the net proceeds of certain equity offerings at a redemption price specified in this Offering Memorandum, provided that at least 55% of the original aggregate principal amount of the Notes remains outstanding after the redemption. Prior to , 2022, the Issuer may redeem up to 10% of the original aggregate principal amount of the Notes during each 12-month period commencing on the Issue Date at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any. The Issuer may also redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. 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 the redemption prices set forth in this Offering Memorandum. However, a change in control will not be deemed to have occurred if a specified consolidated net leverage ratio is not exceeded in connection with such event.

The Notes will be senior secured obligations of the Issuer and as of the Issue Date, will be guaranteed (the "**Initial Note Guarantees**") on a senior secured basis by House of HR NV (the "**Company**") and The House of Pledge NV (the "**House of Pledge**") (collectively, the "**Initial Guarantors**"). Within 120 days following the Issue Date, certain restricted subsidiaries of the Company (the "**Post-Closing Guarantors**" and together with the Initial Guarantors, the "**Guarantors**") will guarantee (the "**Post-Closing Note Guarantees**" and together with the Initial Note Guarantees, the "**Note Guarantees**") the Notes on a senior secured basis. See "*Description of the Notes—The Note Guarantees*". The Notes and the Note Guarantees, will, upon issuance, rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer and the Guarantors that is not expressly subordinated in right of payment to the Notes and the Note Guarantees, including indebtedness incurred under the New Senior Facilities (as defined herein) and certain hedging obligations. The Note Guarantees may be released under certain circumstances.

On the Issue Date, the Notes will be secured by first-priority security interests over (i) material bank accounts of the Issuer, the Company and the House of Pledge in Belgium, including the Distribution Escrow Account (as defined herein) for the Issuer only, (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Issuer, the Company and the House of Pledge (including as a result of the certification pursuant to the Certification Agreement (as defined herein)), and (iii) the shares and other securities of the House of Pledge and the Issuer as well as the certificates issued by the House of Pledge pursuant to the Certification Agreement. Within 120 days following the Issue Date and subject to certain Agreed Security Principles (as defined herein), the Notes will be secured by first-priority security interests over (i) material bank accounts opened in the jurisdiction of incorporation of the relevant Post-Closing Guarantor, (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Post-Closing Guarantors, and (iii) the shares and other securities of certain of the Post-Closing Guarantors (to the extent directly owned by a Guarantor) and the direct restricted subsidiaries of the House of Pledge. See "*Description of the Notes—Security*". The Collateral (as defined herein) securing the Notes and the Note Guarantees will also secure obligations under the New Senior Facilities, may secure certain hedging obligations and subject to the terms of the indenture governing the Notes may secure future indebtedness, on a *pari passu* basis in accordance with the terms of the Intercreditor Agreement (as defined herein). The Notes and the Note Guarantees will be structurally subordinated to all existing and future indebtedness and other liabilities of subsidiaries that do not provide Note Guarantees and will rank senior in right of payment to any existing and future debt of the Issuer or the Guarantors that is subordinated in right of payment. The security interests in the Collateral may be released under certain circumstances. The validity and enforceability of the Note Guarantees and the security and the liability of the Guarantors will be subject to the limitations described in "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

There is no public market for the Notes. Application will be made to The International Stock Exchange Authority Limited 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 Notes will initially be represented by one or more global notes (the "**Global Notes**"), which will be deposited and immobilized with, and held by, the National Bank of Belgium (the "**NBB**"), as operator of the NBB Securities Settlement System (the "**NBB-SSS**"), and its participants (including Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking Frankfurt ("**Clearstream**")), on or about the Issue Date. Except in certain limited circumstances, definitive notes in registered form (the "**Definitive Registered Notes**") will not be issued in exchange for beneficial interests in the Global Notes. The Notes are in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Interests in a Global Note will be exchangeable for the relevant Definitive Registered Notes only in certain limited circumstances. See "*Book-Entry; Delivery and Form*".

Investing in the Notes involves a high degree of risk. See "*Risk Factors*" beginning on page 34.

Issue Price: % plus accrued and unpaid interest, if any, from the Issue Date

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The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, this offering is being made only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in compliance with Rule 144A under the U.S. Securities Act ("Rule 144A"). You are hereby notified that the Initial Purchasers (as defined herein) of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside of the United States, this offering is being made to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. The Notes will be held in an exempt securities account (an "X Account") with the clearing system operated by the National Bank of Belgium (the "NBB") or any successor thereto (the "NBB-SSS") (either directly or indirectly) through a participant in the NBB-SSS (including Euroclear and Clearstream). See "*Plan of Distribution*" and "*Notice to Investors*" for additional information about eligible offerees and resale restrictions.

Global Coordinator and Sole Physical Bookrunner

J.P. Morgan

Joint Bookrunner

ING

Co-Manager

KBC Bank

The date of this Offering Memorandum is , 2019

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Important Information about this Offering Memorandum

This Offering Memorandum is a confidential document that the Issuer is providing only to prospective purchasers of the Notes. Unless the context otherwise requires, references in this Offering Memorandum to "we", "our", "us" and the "Group" refer collectively to House of HR NV and its direct and indirect subsidiaries. You should read this Offering Memorandum before making a decision whether to purchase any Notes. You must not:

- use this Offering Memorandum for any other purpose;
- 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, other than a person retained to advise you in connection with the purchase of the Notes.

We have prepared this Offering Memorandum based on information we have or have obtained from sources we believe to be reliable. Summaries of documents contained in this Offering Memorandum may not be complete. Neither the Issuer nor any of J.P. Morgan Securities plc, ING Bank N.V., London Branch and KBC Bank NV (the "**Initial Purchasers**") is providing you with any legal, investment, business, tax or other advice in this Offering Memorandum. You should consult with your own counsel, accountants and other advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. 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 applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals. Neither we nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

The Offering is being made in reliance on (i) an exemption from registration under the U.S. Securities Act for an offer and sale of securities that does not involve a public offering and (ii) a transaction pursuant to Regulation S that is not subject to the registration requirements of the U.S. Securities Act. The Notes have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any other jurisdiction. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under "*Notice to Investors*". The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the NBB-SSS and under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. See "*Book-Entry; Delivery and Form*". You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor 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 U.S. Securities and Exchange Commission (the "**SEC**"), any U.S. state securities commission nor any non-U.S. securities authority nor other authority has approved or disapproved of the Notes or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense in the United States.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regards to us and our subsidiaries, affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

Neither the Initial Purchasers, nor the Trustee, the Paying Agent, the Registrar, the Transfer Agent nor the Security Agent, make any representation or warranty, express or implied, as to, and assume no responsibility for, the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers, the Trustee, the Paying Agent, the Registrar, the Transfer Agent or the Security Agent, as to the past, the present or the future.

We reserve the right to withdraw this Offering at any time. We and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part for any reason or for no reason, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed. The Initial Purchasers and certain of their respective related entities or the Investors and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including in the "*Description of the Notes*" and "*Book-Entry; Delivery and Form*", is subject to a change in or reinterpretation of the rules, regulations and procedures of the NBB-SSS, Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning the NBB-SSS, Euroclear or Clearstream, we accept no further responsibility in respect of such information. The NBB-SSS, Euroclear and Clearstream are not under any obligation to perform or continue to perform under such clearing arrangements and such arrangements may be modified or discontinued by any of them at any time.

The Issuer will apply to The International Stock Exchange Authority Limited to have the Notes listed and for permission to deal in the Notes on the Official List of the Exchange. The Issuer cannot guarantee that its application for the listing of the Notes on the Official List of the Exchange will be approved or permission to deal in the Notes will be granted as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

Stabilization

IN CONNECTION WITH THIS OFFERING, J.P. MORGAN SECURITIES PLC (THE "**STABILIZING MANAGER**") (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT 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, NO ASSURANCE CAN BE GIVEN THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THIS OFFERING IS MADE AND, IF BEGUN, MAY BE DISCONTINUED AT ANY TIME, BUT IT MUST 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 ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "*PLAN OF DISTRIBUTION*".

Notice to Investors in the United States

This Offering is being made in the United States in reliance upon an exemption from registration under the U.S. Securities Act for an offer and sale of the Notes which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See "*Notice to Investors*".

This Offering Memorandum is being provided (1) to a limited number of U.S. investors that we reasonably believe to be QIBs for informational use solely in connection with their consideration of the purchase of the Notes and (2) to non-U.S. persons outside the United States pursuant to offshore transactions in accordance with Regulation S under the U.S. Securities Act. The Notes described in this Offering Memorandum have not been registered with, recommended by or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

Notice to Investors in the European Economic Area

European Economic Area

This Offering Memorandum has been prepared on the basis that any offer of Notes in any member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within that Relevant Member State of Notes, which are the subject of the offering contemplated in this Offering Memorandum, may only do so in circumstances in which no obligation arises for the Issuer or the initial purchasers to produce a prospectus for such offer. Neither the Issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus for such offer. Neither the Issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of Notes contemplated in this Offering Memorandum. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

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 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 Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such 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 the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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 European Economic

Area ("**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 MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation 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 the Prospectus Directive. 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 such Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Prohibition of Sales to Individual 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 individual investor.

If, despite this prohibition, an individual investor succeeds in acquiring and holding the Notes, such individual investor will not receive any payments on the Notes.

United Kingdom

This Offering Memorandum is for distribution only to, and is directed solely at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (iii) are persons falling within Articles 49(2)(a) to (d) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment banking 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 be lawfully 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. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

Belgium

The Notes are not offered, directly or indirectly, to the public in Belgium. The Notes are being offered in Belgium to qualified investors only, within the meaning of Article 3, §2, (a) and 10 of the Belgian law of June 16, 2006 on the public offering of securities and admission of securities to trading on a regulated market as amended or replaced ("**Belgian Prospectus Law**"). Accordingly, this Offering Memorandum has not been and will not be notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des services et marchés financiers*) (the "**Belgian FSMA**"). This offering cannot be advertised and this Offering Memorandum and any other information, circular, brochure or similar documents may not be distributed, directly or indirectly, in Belgium other than to said qualified investors.

Grand Duchy of Luxembourg

This Offering Memorandum has not been approved by and will not be submitted for approval to the Luxembourg Supervision Commission of the Financial Sector (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which make a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities, as amended (the "**Prospectus Act**") and implementing the Prospectus Directive. Consequently, this Offering Memorandum and any other offering memorandum, prospectus, form of application, advertisement or other material may only be distributed to (i) Luxembourg qualified investors as defined in the Prospectus Act and (ii) no more than 149 prospective investors, which are not qualified investors.

The Netherlands

The Notes (including rights representing an interest in each Global Note that represents the Notes) may not be offered or sold to individuals or legal entities in the Netherlands other than to qualified investors (*gekwalificeerde beleggers*) as defined in the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*).

Germany

The Offering is not a public offering in the Federal Republic of Germany. The Notes may only be offered, sold and acquired in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz*) (the "**Securities Prospectus Act**"), as amended, the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, and any other applicable German law. No application will be made under German law to permit a public offer of Notes in the Federal Republic of Germany. This Offering Memorandum has not been approved for purposes of a public offer of the Notes and accordingly the Notes may not be, and are not being, offered or advertised publicly or by public promotion in Germany. Therefore, this Offering Memorandum is strictly for private use and the offer is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. 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. 6 of the Securities Prospectus Act or in circumstances where another exemption in accordance with Section 3(2) of the Securities Prospectus Act applies. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws. The Company has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt fur Finanzdienstleistungsaufsicht*) ("**BaFin**") or obtain a notification to the BaFin from another competent authority of a Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17 Para. 3 of the Securities Prospectus Act.

France

This Offering Memorandum has not been prepared in the context of a public offer of financial securities in France within the meaning of Article L. 411-1 of the French *Code Monétaire et Financier* and Title I of Book II of the Règlement Général of the Autorité des marchés financiers (the "**AMF**") and therefore has not been submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France (*offre au public de titres financiers*), and offers and sales of the Notes will only be made in France to providers of investment services relating to portfolio management for the account of third parties *(personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-1, L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The direct or indirect distribution or sale to the public of Notes acquired by any investor may only be made compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*. Neither this Offering Memorandum nor any other offering material may be distributed to the public in France.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

Presentation of Financial and Other Information

General

The issuer of the Notes is The House of Finance NV (the "**Issuer**"). The Issuer is a wholly owned indirect subsidiary of House of HR NV (the "**Company**"). The Issuer constitutes a "financial enterprise" as defined in Article 105, 1° c) of the Royal Decree implementing the Belgian Tax Code and does not have any material assets or liabilities or operating, investing or financing activities other than (i) being an intra-group bank for the Group, (ii) attracting external financing and on-lending the funds to the other companies of the Group, (iii) granting security to secure its obligations under external financing, (iv) intercompany payables and receivables, and (vi) cash pooling. As a consequence, no audited financial information that is prepared in accordance with IFRS is available for the Issuer and no financial information of the Issuer has been provided in this Offering Memorandum.

The financial information presented in this Offering Memorandum is the historical consolidated financial information of the Company and its consolidated subsidiaries (the "**Group**"). Accordingly, unless otherwise stated, all references to "we", "us", "our" or the "Group" in respect of historical financial statements in this Offering Memorandum are to the Company and its subsidiaries on a consolidated basis.

This Offering Memorandum includes:

- the audited consolidated financial statements of the Group (prepared in accordance with IFRS) as of and for the year ended December 31, 2018 including comparative information as of and for the year ended December 31, 2016 and 2017 (the "**Annual Consolidated Financial Statements**") together with the audit report thereon by the Group's independent auditors; and
- the unaudited interim consolidated financial statements of the Group (prepared in accordance with IAS 34 Interim Financial Reporting) as of and for the three months ended March 31, 2019, which include comparative figures as of December 31, 2018 and for the three months ended March 31, 2018, which have been subjected to limited review by the Group's independent auditors (the "**Interim Consolidated Financial Statements**" and, together with the Annual Consolidated Financial Statements, the "**Consolidated Financial Statements**").

Certain financial information in this Offering Memorandum has been presented for the twelve months ended March 31, 2019. Such financial information has been computed by adding the results of operations for the year ended December 31, 2018 derived from the Annual Consolidated Financial Statements to the results of operations for the three-month period ended March 31, 2019 and subtracting therefrom the results of operations for the three-month period ended March 31, 2018 both derived from the Interim Consolidated Financial Statements. This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed and is not necessarily representative of our results of operations for such period or for any future period.

Certain financial information in this Offering Memorandum has been presented on the basis of our business units' unaudited accounts (the "**business unit accounts**"). Certain of these business units, accounts may include information from statutory audited accounts, but they are not covered by the audit reports included in this Offering Memorandum and were prepared on a different basis from our Consolidated Financial Statements. The business units' accounts assume that any acquisitions undertaken that are reported with that business unit were acquired as at January 1, 2016 so that the business units' management can track the performance of the enlarged business unit post-acquisition on the same basis. Acquisitions may take several months to integrate into the business unit accounts. The business unit accounts used to prepare this Offering Memorandum did not include the acquisitions of Pharmacos and Mykelson.

Furthermore, the management of the business units are also responsible for identifying normalizations that should be reflected in the business unit accounts, both in the statutory information that is integrated from acquisitions and after such acquisition, as well as within the existing business units operation. We believe our approach on the preparation of our business accounts facilitates management's ability to track its key performance indicators, since the impact of acquisitions and normalizations that occur are eliminated. Financial information prepared on this basis has been referred to as business unit accounts or pro forma business unit accounts in this Offering Memorandum.

Certain financial information in this Offering Memorandum has been presented using unaudited statutory or management accounts. Certain of these figures set out in this Offering Memorandum have been computed by adding the revenues of all of our acquired entities to our historical statutory accounts (prepared from 2007 to 2015 on a Belgian GAAP basis), to present the total revenues of the Group, as if it had been operating as a consolidated group at the relevant date (See "*Our Business—Our Strengths—"We have an outstanding record of both organic and external growth" and "We have a resilient, highly cash-generative financial profile*"). The historical financial metrics for the acquired entities have been obtained from their individual accounts, and are therefore not comparable to our historical financial information. Some of these accounts may not been prepared in accordance with statutory requirements or the accounting policies used by these acquired entities may differ in substantial respects from the manner in which we have prepared our accounts. This financial information may not reflect what our results of operations or financial condition would have been had the Group operated as a consolidated group or reporting segment during the periods presented. A number of estimates, judgments and assumptions were made for the purpose of allocating those items that were not directly attributable and/or separately identifiable. This financial information has been presented for illustrative purposes and does not necessarily indicate what our results of operations had they existed with our current consolidation perimeter would have been had we been a consolidated entity in the past, how our financial condition will be in the future or how our operations might respond in the future to events similar to those experienced by us in the past.

Unless otherwise indicated, the Consolidated Financial Statements in this Offering Memorandum have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and adopted within in the European Union.

The Group publishes its financial statements in euros. All references to "**$**", "**U.S. dollars**", "**USD**", "**US$**" or "**dollars**" are to the lawful currency of the United States. All references to "**€**", "**euro**" or "**EUR**", are to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the treaty establishing the European Community, as amended. For historical information regarding rates of exchange between the euro and U.S. dollar, see "*Exchange Rate Information*".

Other Financial Measures and Ratios

This Offering Memorandum contains certain financial measures and ratios, including EBITDA, EBITDA Margin, *Pro Forma* Adjusted Revenue, *Pro Forma* Adjusted EBITDA, *Pro Forma* Capital Expenditure, Normalized *Pro Forma* Free Cash Flow, Gross Margin, Organic Growth, and certain leverage and coverage ratios that are not required by, defined under, or presented in accordance with IFRS (the "**Non-IFRS Measures**").

The Non-IFRS measures are defined by the Group as follows:

- EBITDA—represents operating profit/(loss) plus the income statement line items for depreciation and amortization, royalties and extraordinary items. The income statement line items net change in depreciation, amortization and impairment include, among others, depreciation of tangible assets, provisions for operational risks, disputes, pensions, bad debt, overdue receivables, if any. For a reconciliation of EBITDA to operating profit/(loss) for the period, see footnote (2) under "*Summary Consolidated Financial Information and other Data—Other Financial and Pro Forma Information*".

- EBITDA margin—represents EBITDA divided by revenue.
- *Pro Forma* Adjusted Revenue—represents the revenue for the period presented adjusted to reflect revenue generated by businesses acquired during that period as if those acquisitions had occurred on the first day of the period. *Pro* Forma Adjusted Revenue for the last twelve months ended March 31, 2019 also includes the revenue impact from the acquisitions of Pharmacos and Mykelson and the contemplated acquisition of Walesa as if they had occurred on April 1, 2018. See "*Summary—Recent Developments—Acquisitions".*
- *Pro Forma* Adjusted EBITDA—represents EBITDA as adjusted for the items set forth in "*Summary Consolidated Financial Information and other Data—Other Financial and Pro Forma Information*".
- *Pro Forma* Capital Expenditure—represents the capital expenditures for the period adjusted to reflect capital expenditures incurred by businesses acquired as if the business was acquired on the first day of the period.
- Normalized *Pro Forma* Free Cash Flow—represents *Pro Forma* Adjusted EBITDA less *Pro Forma* Capital Expenditure.
- Gross Margin—represents gross profit/(loss) divided by revenue.
- Organic Growth—represents revenue growth between one financial period and the comparable prior period, excluding the impact of acquisitions on revenue as follows:
  - in respect of revenue for the three months ended March 31, 2019 and for the three months ended March 31, 2018, we have excluded the impact of acquisitions on revenue by assuming that no acquisitions have occurred after January 1, 2018;
  - in respect of revenue for 2018 (compared against 2017), we have excluded the impact of acquisitions on revenue by assuming that no acquisitions have occurred after January 1, 2017; and
  - in respect of revenue for 2017 (compared against 2016), we have excluded the impact of acquisitions on revenue by assuming that no acquisitions have occurred after January 1, 2016.

We present Non-IFRS Measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Non-IFRS 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 IFRS. Non-IFRS Measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives or substitutes to net income or any other performance measures derived in accordance with IFRS.

Because of these limitations, the Non-IFRS Measures should not be considered as measures of discretionary cash available to us to invest in the growth of our businesses 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 IFRS results and using these Non-IFRS Measures only to supplement your evaluation of our performance.

EBITDA, EBITDA Margin and *Pro Forma* Adjusted EBITDA as used in this Offering Memorandum, are not calculated in the same manner as "consolidated EBITDA" which is calculated pursuant to the Indenture as described under "*Description of the Notes*" or for purposes of any of our other indebtedness. The information presented by Non-IFRS Measures is unaudited and has not been prepared in accordance with IFRS.

Non-Financial Operating Data

Certain key performance indicators and other non-financial operating data included in this Offering Memorandum are derived from management estimates, are not part of the Consolidated Financial Statements or accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts. A number of our key performance indicators relate to our business units. Our business units are comprised of a variety of legal entities which are designated as a business unit by us, typically on the basis of a common (i) management team; (ii) financial reporting unit; and (iii) market specialization, which may include common specializations, international recruitment network approaches, end-markets served or geographic presence. Our business units are those presented in the tables in "*Business—Our Service Offering—Three Staffing Segments and Digital*" in this Offering Memorandum. The Group's use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

The non-financial operating data are defined by Group as follows:

- Bench time—represents the time for which job candidates are paid but cannot be billed to a client assignment or other internal training or other matter, for our job candidates with indefinite contracts;
- Unique clients—represent our legal entity or natural person clients for each of the operational entities that formed part of consolidation perimeter as at the period indicated in this Offering Memorandum. There may be duplication in the figures if certain operational entities serve the same client or if the client has multiple legal entities under which it does business and which are served by our various operational entities;
- In-house full-time equivalent employees—represent our employees that are not intended for client assignments, such as our sales and marketing in-house employees. Full-time equivalent measures the number of in-house employees as adjusted to reflect the portion of hours worked in a week. An in-house employee on a 40-hour work week would represent one in-house full-time equivalent employee for the period whereas an in-house employee on a 20-hour work week would represent 0.5 full-time equivalent employee for the period;
- Job candidates—include our individuals that we recruit for assignments with clients, whether they be for temporary staffing positions, secondments or consulting roles; job candidates also refers to our engineers and consultants, freelancers and subcontractors that are intended for assignments with clients;
- Job candidates at work or people at work—represent any person that has worked one hour at a client during the month of March 2019. Job candidates at work include our engineers and consultants, freelancers and subcontractors as well as job candidates with an indefinite employment agreement with us (whether or not they worked one hour with a client during the applicable period);
- Total Market—represents the estimated total market size in 2017 expressed in terms of revenue, which encompassed the staffing market in Germany, the Netherlands and Belgium; the consulting market in Benelux and France; and the engineering staffing market in Belgium and the Netherlands;
- Addressable Market—represents the portion of our Total Market which has been narrowed down to reflect the estimated market size, expressed in terms of revenue, for each of our business units according to the particular staffing, sourcing or consulting services for the particular clients, industrial and geographic end-markets that each such business unit serves; to narrow the Total Market, we identified competitors that provide

similar services to our own within the niches in which we often operate and clients or others familiar with the market were consulted; using these additional sources, the Addressable Market relating to our particular business units were estimated; these estimates have their limitations and may not align with how other market participants view the size of our niche markets; and

- market position—represents our share of revenue of the Addressable Market of our business units, except where otherwise indicated; these market positions are higher than if we were to focus on the more general and broad markets in which we operate as measured by the Total Market.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. These standards also require management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the Consolidated Financial Statements, included elsewhere in this Offering Memorandum.

Rounding

Certain numerical figures set out in this Offering Memorandum, including financial information presented in millions or thousands and percentages describing market shares, 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. Percentages and amounts reflecting changes over time periods relating to financial and other information set forth in the "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and are calculated using the unrounded numerical data in the Consolidated Financial Statements or the tabular presentation of other information contained in this Offering Memorandum, as applicable, and not using the numerical data in the narrative description thereof.

Presentation of Industry and Market Data

In this Offering Memorandum, we rely on and refer to information regarding our business and the various markets or regions in which we operate and compete. Unless otherwise stated, all information regarding markets, market size, market position, growth rates and other industry data contained in this Offering Memorandum is based on our own estimates about the industry in which we operate, as well as the Company's analysis of facts and information derived from internal surveys, market research, customer feedback, publicly available information and industry publications, including from the Environmental Protection Agency, the International Monetary Fund, Statbel (Direction générale Statistique—Statistics Belgium), and the World Bank and services provided to us by The Boston Consulting Group. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but some of the information may have been derived from estimates or subjective judgments or may have been subject to limited audit or validation. While we believe this market data and other information to be accurate and correct and we have taken reasonable actions to ensure that the industry and market data cited herein has been extracted accurately and used in its proper context, we have not independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein. Such estimates or judgments, particularly as they relate to expectations about our market and industry, involve risks and uncertainties and are subject to the limitations described below as well as to change based on various factors, including those discussed under "*Risk Factors*" and "*Forward-Looking Statements*" elsewhere in this Offering Memorandum.

We cannot assure you that any of the assumptions underlying any statements regarding the employment services industry are accurate or correctly reflect our position in the industry. Market data and statistics are inherently predictive and speculative and are 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. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, the market statistics included in this Offering Memorandum should be viewed with caution and no representation or warranty is given by any person, including us or the Initial Purchasers, as to their accuracy.

Certain statements regarding the employment services industry are not based on published statistical data or information obtained from independent third-parties, but are based solely on our experience, our internal studies and estimates, and our own investigation of market conditions at the time of this Offering Memorandum. We believe these estimates to be accurate as of the date of this Offering Memorandum. However, this information may prove to be inaccurate because of the methods by which we obtained some of the data for these estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and availability of raw data and other factors; and accordingly, neither we, the Initial Purchasers nor any third-party sources can guarantee the accuracy or completeness of this information, and neither we nor the Initial Purchasers have independently verified this information. Neither we, the Initial Purchasers nor any third-party source assumes responsibility for the correctness of any business or market data included in this Offering Memorandum. We cannot assure you that these studies or estimates are accurate, and none of our internal surveys or information has been verified by any independent sources. While we are not aware of any misstatements regarding our estimates presented herein, our estimates involve risks, assumptions and uncertainties and are subject to change based on various factors, including those discussed under the heading "*Risk Factors*" in this Offering Memorandum.

Certain Definitions

In this Offering Memorandum, unless otherwise stated or the context clearly indicates a contrary intention, the following words and expressions shall bear the meaning assigned to them hereunder. Words in the singular shall include the plural and *vice versa*, words signifying any one gender shall include the other genders and references to natural persons shall include juristic persons and associations of persons:

"144A Global Notes"	the global notes in registered form representing the Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act;
"Agreed Security Principles"	refers to the agreed security principles appended to the New Senior Facilities Agreement, as of the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Company;
"Annual Consolidated Financial Statements"	the audited consolidated financial statements of the Group (prepared in accordance with IFRS) as of and for the year ended December 31, 2018 including comparative information as of and for the years ended December 31, 2016 and 2017;
"Belgian FSMA"	*Autoriteit voor Financiële Diensten en Markten/Autorité des services et marchés financiers;*
"Belgian GAAP"	Belgian Generally Accepted Accounting Practices as defined in the Royal Decree of January 30, 2001;
"Certification Agreement"	the certification agreement dated March 16, 2018, as amended pursuant to a first addendum dated June 21, 2018, a second addendum dated July 13, 2018 and a third addendum dated January 10, 2019 and as further amended from time to time and notably as amended and restated on the Issue Date and entered into between the Company and the House of Pledge, under which the Company has transferred and will transfer to the House of Pledge on or before the Issue Date (i) the Company's legal ownership of the shares and other securities it holds in its restricted subsidiaries, including the Issuer, in exchange for certificates which represent all economic rights to these shares and securities, and (ii) the Company's legal ownership of the intercompany loan receivables it owns in any restricted subsidiary of the Group in exchange for certificates which represent all economic rights to these intercompany loans in accordance with the Belgian law of July 15, 1998 on the certification of securities issued by Belgian companies and article 503 of the Belgian Companies Code. Each time the Company acquires additional or new shares, other securities or becomes creditor of intercompany loans receivables, these will automatically be certified and an addendum to the Certification Agreement will need to be executed;

"Clearstream"	Clearstream Banking Frankfurt;
"Code"	the U.S. Internal Revenue Code of 1986;
"Collateral"	the Initial Collateral and the Post-Closing Collateral, collectively;
"Company"	House of HR NV, a public limited company (*Naamloze Vennootschap*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with Register of Legal Entities Ghent, section Kortrijk under number 0643.887.978;
"Consolidated Financial Statements"	the Annual Consolidated Financial Statements and the Interim Consolidated Financial Statements;
"Distribution"	has the meaning ascribed to it in "*Summary—Distribution*";
"Distribution Escrow Account"	has the meaning ascribed to it in "*Summary—Distribution*";
"Distribution Interim Date"	has the meaning ascribed to it in "*Summary—Distribution*";
"EEA"	the European Economic Area;
"EU"	European Union;
"euro", "euros", "€" or **"EUR"**	the single currency of the Member States of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;
"Euroclear"	Euroclear Bank SA/NV;
"Exchange"	The International Stock Exchange;
"Existing Senior Facilities"	the €680 million senior facilities agreement comprising a €600 million term loan facility and €80 million revolving credit facility, dated December 19, 2017 between notably the Company as parent and original guarantor, the Issuer as original borrower, J.P. Morgan Securities plc, ING Bank N.V., acting through its French branch, KBC Bank N.V., KKR Corporate Lending (UK) LLC and Société Générale as senior mandated lead arrangers and ABN Amro Bank NV, Belfius Bank NV/SA and Crédit Lyonnais as mandated lead arrangers, the institutions listed therein as original lenders and ING Bank N.V., London Branch as agent and security agent;
"Financial Promotion Order"	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;
"Fitch"	Fitch Ratings, Inc.;
"FSMA"	the UK Financial Services and Markets Act 2000;
"GDPR"	Regulation 2016/679, also known as the General Data Protection Regulation;

"Global Notes"	the 144A Global Notes and the Regulation S Global Notes;
"Group"	the Company and its direct and indirect consolidated subsidiaries;
"Guarantors"	the Initial Guarantors and the Post-Closing Guarantors;
"House of Pledge"	The House of Pledge NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, having its registered office at Beversesteenweg 576, 8800 Roeselare, and registered with the Crossroad Bank for Enterprises under number 0691.892.387;
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board ("**IASB**") and adopted within the European Union;
"Indenture"	the indenture governing the Notes as described in "*Description of the Notes*";
"Initial Collateral"	refers to the following first-priority security interests provided on the Issue Date over (i) material bank accounts of the Issuer, the Company and the House of Pledge in Belgium, including the Distribution Escrow Account for the Issuer only, (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Issuer, the Company and the House of Pledge (including as a result of the certification pursuant to the Certification Agreement), and (iii) the shares and other securities of the House of Pledge and the Issuer as well as the certificates issued by the House of Pledge pursuant to the Certification Agreement. See "*Description of the Notes—Security*";
"Initial Guarantors"	the Company and the House of Pledge;
"Initial Purchasers"	J.P. Morgan Securities plc, ING Bank N.V., London Branch and KBC Bank NV;
"Intercreditor Agreement"	has the meaning ascribed to it in "*Description of Other Indebtedness—Intercreditor Agreement*";
"Interim Consolidated Financial Statements"	the unaudited interim consolidated financial statements of the Group (prepared in accordance with IAS 34 Interim Financial Reporting) as of and for the three months ended March 31, 2019, which include comparative figures as of and for the three months ended March 31, 2018;
"Issue Date"	the date of the issuance of the Notes offered hereby;
"Issuer"	The House of Finance NV, a public limited company (*Naamloze Vennootschap*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with Register of Legal Entities Ghent, section Kortrijk under number 0685.593.921;
"Listing Agent"	Carey Olsen Corporate Finance Limited;

"Minimum Distribution Amount"	has the meaning ascribed to it in "*Summary—Distribution*";
"Moody's"	Moody's Investors Service, Inc.;
"Naxicap Partners"	means Naxicap Partners SA, a *société anonyme à directoire et conseil de surveillance* (limited company with a management Board and a supervisory Board) incorporated under the laws of France, whose registered office is at 5/7 rue de Monttessuy, 75007 Paris, France, and registered under registration number 437 558 893 R.C.S. Paris;
"NBB"	the National Bank of Belgium or any successor thereto;
"NBB-SSS"	refers to the NBB securities settlement system operated by the NBB (or any successor thereto);
"New Senior Facilities"	the Term Loan B Facility and the Revolving Credit Facility made available pursuant to the New Senior Facilities Agreement;
"New Senior Facilities Agreement"	means the senior secured credit facilities comprising the Term Loan B Facility and the Revolving Credit Facility under the credit agreement dated on or about the Issue Date, as amended from time to time, among, *inter alios*, the Issuer, the Company and the agents thereto. See "*Description of Other Indebtedness—New Senior Facilities*";
"Note Guarantees"	the guarantees of the Notes by the Guarantors;
"Notes"	€320,000,000 aggregate principal amount of % Senior Secured Notes due 2026;
"Offering"	refers to the offering of the Notes by the Issuer;
"Paying Agent"	Citibank Europe plc;
"Post-Closing Collateral"	refers to the following first-priority security interests over (i) material bank accounts opened in the jurisdiction of incorporation of the relevant Post-Closing Guarantor, (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Post-Closing Guarantors, and (iii) the shares and other securities of certain of the Post-Closing Guarantors (to the extent directly owned by a Guarantor) and the direct restricted subsidiaries of the House of Pledge, to be provided within 120 days following the Issue Date. See "*Description of the Notes—Security*";
"Post-Closing Guarantors"	collectively, Accent Construct NV, Accent Jobs for People NV, Continu BV, Covebo Food BV, Covebo Logistiek BV, Covebo Metaal en Techniek BV, TimePartner Personalmanagement GmbH and Talent & Pro Nederland BV;
"Prospectus Directive"	Directive 2003/71/EC as amended and superseded, including any relevant implementing measure in the Relevant Member State;

"QIBs"	qualified institutional buyers, as defined under Rule 144A under the U.S. Securities Act;
"Registrar"	Citibank, N.A., London Branch;
"Regulation S Global Notes"	the global notes in registered form representing the Notes sold to non-U.S. persons outside the United States pursuant to Regulation S under the U.S. Securities Act;
"Revolving Credit Facility"	means the €100 million senior secured revolving credit facility established under the credit agreement governing the New Senior Facilities;
"Rule 144A"	Rule 144A under the U.S. Securities Act;
"S&P"	Standard & Poor's Rating Services;
"SEC"	the U.S. Securities and Exchange Commission;
"Security Agent"	Citibank, N.A., London Branch;
"Security Documents"	refers to the security documents that provide for security interests over the Collateral for the benefit of the holders of the Notes, as described in more detail under "*Description of the Notes—Security—General*";
"Stabilizing Manager"	J.P. Morgan Securities plc;
"Term Loan B Facility"	means the €550 million term loan B facility established under the credit agreement governing the New Senior Facilities;
"Transactions"	has the meaning ascribed to it in "*Summary—The Transactions*";
"Transfer Agent"	Citibank Europe plc;
"Trustee"	Citibank, N.A., London Branch;
"U.S. dollars", "$", "USD", "U.S.$" or "**dollars**"	the lawful currency of the United States;
"U.S. Exchange Act"	the U.S. Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
"X Account"	an exempt securities account with the NBB-SSS See "*Certain Tax Considerations—Certain Belgian tax considerations* ".

Exchange Rate Information

The following table sets forth, for the periods indicated below, the high, low, average and period-end Bloomberg Generic Composite Rates expressed in U.S. dollars per €1.00. The Bloomberg Generic Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Generic Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates below may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Offering Memorandum. We make no representation that the euro or U.S. dollar amounts referred to in this Offering Memorandum have been, could have been or could, in the future, be converted into U.S. dollars or euro, as the case may be, at any particular rate, if at all.

The average rate for a year means the average of the Bloomberg Generic Composite Rate on the last business day of each month during a year. The average rate for a month, or for a shorter period, means the average of the daily Bloomberg Generic Composite Rate during that month, or shorter period, as the case may be.

The Bloomberg Generic Composite Rate of the euro on July 4, 2019 was $1.1283 per €1.00.

	U.S. dollars per €1.00			
	Period End	**Average**	**High**	**Low**
Year ended December 31				
2014	1.2100	1.3209	1.3925	1.2100
2015	1.0866	1.1032	1.2099	1.0492
2016	1.0547	1.1034	1.1527	1.0384
2017	1.2022	1.1391	1.2026	1.0427
2018	1.1452	1.1782	1.2492	1.1245
Month				
January 2019	1.1450	1.1417	1.1533	1.1299
February 2019	1.1382	1.1349	1.1469	1.1271
April 2019	1.1217	1.1234	1.1307	1.1137
May 2019	1.1162	1.1186	1.1242	1.1134
June 2019	1.1359	1.1295	1.1389	1.1201
July 2019 (to July 4, 2019)	1.1283	1.1291	1.1307	1.1281

Forward-Looking Statements

This Offering Memorandum includes "forward-looking statements", within the meaning of the U.S. securities laws and certain other jurisdictions, which are based on our current expectations and projections about future events, including statements under the headings "*Presentation of Industry and Market Data*", "*Summary*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Our Business*" and other sections.

All statements other than statements of historical facts included in this Offering Memorandum, including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including those identified under the "*Risk Factors*" section in this Offering Memorandum. These include, but are not limited to:

- volatile or uncertain economic conditions;
- competition in the employment services industry limiting our ability to maintain or increase market share or profitability;
- competition in labor markets limiting our ability to attract, train and retain the job candidates necessary to meet our clients' staffing needs;
- loss of key personnel;
- our ability to preserve our reputation and the image of our brands in the marketplace;
- inability to effectively implement our business strategy or achieve our objectives;
- certain historical results of acquired entities may not be reflective of our past performance or representative of our future results;
- unrealized benefits, costs or disruptions resulting from acquisitions we complete;
- our search engine optimization or digital advertising campaigns may not be successful or cost-effective;
- fluctuation in interim results as a result of seasonality;
- inability to maintain effective internal controls;
- risks associated with collection of trade receivables and certain counterparty risk;
- inadequate levels of insurance coverage;
- underutilization of our job candidates on indefinite term contracts or any significant increase in staff costs;
- changes in sentiments toward the staffing industry or the use of our services;
- improper disclosure or loss of sensitive or confidential company, employee, associate or client data, including personal data;
- changes in financial reporting standard and accounting policies;
- incurrence of significant charges for impairment of goodwill;
- risks related to the use of template contracts;
- factors that affect our SME and ISE clients;
- inability to pass along increases in our operating costs, as a consequence of the structuring of our contractual relationships;
- failure to comply with the legal regulations in places we do business or the regulatory prohibition or restriction of employment services;

- failure to maintain or comply with permits or certifications;
- legal or regulatory claims, including employment related claims;
- limited ability to protect our intellectual property;
- changes in interpretation of laws, changes to tax rates or introduction of new tax legislation;
- breaches of health and safety laws; and
- other factors associated with the Notes, the Note Guarantees, the Collateral or our structure or indebtedness discussed under "*Risk Factors—Risks Relating our Indebtedness*" and "*Risk Factors—Risks Relating to the Notes*".

Words such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "might", "plan", "possible", "potential", "predict", "project", "should", "suggest", "target", "will", "would" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct.

We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Memorandum. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, 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.

Any forward-looking statement that we make in this Offering Memorandum speaks only as of the date on which it is made and, except as otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. We urge you to read the sections of this Offering Memorandum entitled "*Presentation of Industry and Market Data*", "*Summary*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Our Business*" for a more complete discussion of the factors that could affect our future performance and the markets in which we operate.

Tax Considerations

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price in the offering. See "*Certain Tax Considerations*" and "*Certain ERISA Considerations*".

Summary

This summary highlights selected information contained elsewhere in this Offering Memorandum. It is not complete and does not contain all the information that you should consider before investing in the Notes. The following summary should be read in conjunction with and is qualified in its entirety by the more detailed information included elsewhere in this Offering Memorandum. You should read the entire Offering Memorandum, including the Consolidated Financial Statements included elsewhere in this Offering Memorandum, before making an investment decision. See the section entitled "Risk Factors" for factors that you should consider before investing in the Notes.

Overview

We are a leading provider of HR solutions in key European staffing markets, offering complementary HR staffing solutions and services through three segments and a well-developed portfolio of specialized business units across various geographies. We also offer digital recruiting through dedicated platforms. Our engineering and consulting segment is focused on supplying clients with highly skilled white-collar and mid- to highly skilled construction professionals to meet clients' specialized needs in a variety of end-markets including financial, legal, industrial and construction end-markets. Our specialized staffing segment typically supplies a small number of scarce high demand mid-skilled blue-collar and white-collar workers (sourced increasingly from outside our primary markets) to clients for specialized positions. Finally, our general staffing segment focuses on a wide range of end-markets in Germany by typically providing clients with high numbers of lower-skilled blue collar workers, and to a lesser extent white-collar workers, in certain categories of employment that are experiencing significant structural labor shortages.

Each of our segments is comprised of business units that have leading positions in their respective markets and their own brand(s) which are used to market their HR solutions. Our engineering and consulting segment is comprised of our Abylsen, Continu, Vialegis, Redmore and TEC Alliance business units, as well as ibb and AERO (which are sub-business units of TimePartner). This segment has the broadest geographic footprint, though its operations are concentrated in France, Belgium and the Netherlands. Our specialized staffing segment is comprised of our Accent and Covebo business units, with their primary operations in Belgium and the Netherlands, respectively, as well as branches in countries that form part of their international recruiting networks. Our general staffing segment is comprised of our TimePartner and Zaquensis business units which provide staffing solutions in Germany. Our engineering and consulting, specialized staffing and generalized staffing segments represented 50.7%, 41.9% and 7.3%, respectively, of our Group's EBITDA (excluding corporate costs and intragroup eliminations) for the three months ended March 31, 2019.

Since our founding, the Group has expanded from a presence only in Belgium to 10 countries in Europe. We increased our revenue from approximately €127 million for the year ended December 31, 2007, to €1.6 billion, for the year ended December 31, 2018. We believe our particular focus on concentrating our services in geographic markets with attractive staffing fundamentals, supplying specialized and niche staffing, focusing on SME clients, serving a diversified range of clients and end-markets, implementing a strong entrepreneurial drive and remuneration system and following a disciplined approach to strategic acquisitions have contributed to our growth.

Our industry benefits from a number of long-term underlying trends, such as ageing populations, increased competition for talent, technological changes, re-skilling and lifelong learning among workers, workers' increased premium on quality of life, and favorable regulatory trends that have supported sector growth and are projected to continue driving growth of the sector over the medium term. The market value of our current Addressable Markets for our existing HR solutions in the primary geographies and end-markets in which we currently operate are estimated at €35 billion in 2017, comprising €12 billion for the engineering and consulting market, €8 billion for the specialized staffing markets and €15 billion for the general staffing market. The market value of our Addressable Markets are expected to grow at an annual rate of approximately 6% from 2017 through 2023. As a result of our differentiated business model, we believe we are poised to continue growing at or above the industry average growth rate.

As at March 31, 2019 we had 548 branches, 2,926 full-time equivalent in-house employees and 43,583 job candidates at work.

Our Strengths

We believe we benefit from the following key strengths:

We operate exclusively in growing, attractive markets.

The staffing industry benefits from a number of long-term underlying trends that have supported our industry's historical and projected medium term growth. In addition to benefiting from the attractive long-term trends underlying the staffing market, we have strategically chosen geographic markets that provide strong fundamentals in order to take full advantage of favorable trends. With this double advantage, together with the success of our business model, we have been able to grow at a higher rate than our peers and we believe market conditions will continue to support our growth.

Demand for the types of solutions we provide has increased and is expected to continue growing due to a number of positive secular trends, including:

- Ageing populations in our target markets
- Technological changes affecting job candidates' search for employment opportunities
- Younger workers' prioritization of career mobility
- The need for workers to re-skill to adapt to changing work opportunities
- Companies' desire to address issues relating to diversity, inclusion and corporate social responsibility
- Workers' increased premium on quality of life
- Financial pressures resulting in increased outsourcing and offshoring.

For a detailed discussion of these and other trends affecting our industry and end-markets, see "*Industry and Market Overview*".

We have also sought out geographic markets in Europe where macroeconomic and other factors are particularly attractive for companies providing HR solutions. The countries in which we are principally active, namely Belgium, the Netherlands, Germany and France, each demonstrate favorable attributes. For example, each benefits from a stable and growing economy marked by relatively high staffing penetration, low unemployment and high salaries. Moreover, European Union and national regulations applicable in our key countries tend to reinforce protection of permanent workers, which can lead companies to favor temporary work and outsourcing. At the same time, legislation in the countries in which we principally operate allows for multiple temporary staffing solutions. Finally, Western Europe generally is experiencing a chronic and growing large skill supply and demand gap, obliging companies to look beyond traditional job candidate sourcing and seek the help of staffing solutions providers like us, with the ability to recruit job candidates with specific profiles for jobs that are particularly difficult to fill from a broad where needed, international, talent pool and provide required training where needed.

Due in part to the abovementioned factors, our various end-markets demonstrated organic revenue growth of between 4 and 10 percentage points above the industry average between

2014 and 2017. The market value of our Addressable Market, which reflects our focus on scarcity-driven roles and specialized end-markets, is expected to grow at an annual rate of approximately 6% from 2017 through 2023. This compares to expected growth of approximately 4% from 2017 through 2023 in the Total Market (as defined below), which reflects the larger staffing market. We believe we are poised to continue growing at or above the industry average growth rate due to our differentiated business model and focus on our Addressable Markets.

Our scale within a fragmented market has resulted in strong market positions in all our target markets.

We believe that the scale of our business constitutes a significant competitive advantage within the fragmented markets in which we operate. Our various operating companies have leading positions in their market segments, as noted in the below selection of our market positions by revenue in 2017 based on the Addressable Market (unless otherwise indicated) in which each operates.

(1) Redmore's Talent and Pro is the number one brand based on finance related revenue of its competitors and its brand Triple A is estimated to be the number one independent (i.e. not one of the "Big 4" accounting firms) company based on its Addressable Market. Market positions of Redmore's other two brands is not available.

(2) Market positions for the top six businesses are known and Abylsen's market share is based on management's estimate of its share in relation to the top six.

(3) Management estimates based on market research.

Many of our operating companies are reference players within their respective specialty, benefiting from the virtuous circle of competitive leadership, with their track record enabling them to capture a high percentage of their market growth and benefiting from brand loyalty and pricing power as a result. Clients make staffing decisions at a local level and our large footprint with high branch density allows us to be physically present in the communities where our clients operate, providing a key competitive advantage for us. We believe our current position is cemented by an impressive track record in placing job candidates and a top reputation within the market due to our local market knowledge, our large talent pool and talent acquisition capabilities and thought leadership within the field.

We have an outstanding record of both organic and external growth.

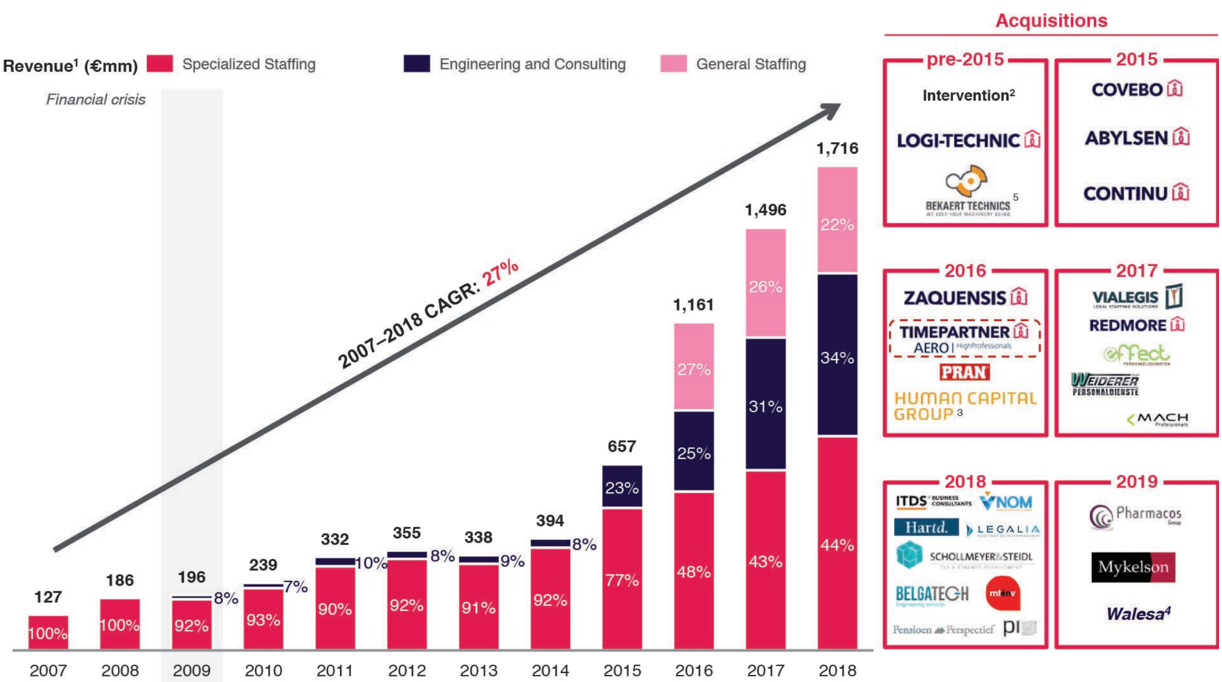
We have grown our business over recent years both organically and through targeted, strategic and value-accretive acquisitions.

We have achieved Organic Growth of 12.3% in 2018 and 15.2% in 2017. We believe that our largely consistent positive Organic Growth in each business segment and for the pro forma perimeter outperforms the market and evidences the success of our differentiated business model. See the chart below to see our revenue growth since 2007, which reflects both organic and inorganic growth.

We believe our Organic Growth is largely attributable to our "cell division" expansion strategy, in which we secure new sales before committing to additional costs. As commercial activity increases over time and reaches the point at which clear expansion opportunities are identified, we hire additional sales personnel at the existing branch to focus on developing these opportunities out of the existing office. A new, dedicated commercial manager is appointed and given an agreed period of time in order to acquire new clients or a new customer segment in a prospective area. Once these new clients have been secured and adequate revenue has been generated, the commercial manager opens a new office to handle such clients and becomes an office manager hiring their own staff. This strategy successfully expands sales revenues before any costs of an additional branch are incurred by providing incentives for current branch operators to identify and develop client relationships in their area with the prospect of managing a new branch justified by these increased sales. We see this as a key method by which we have been able to continually strengthen our geographic breadth and depth without pursuing acquisitions and with minimal risk, driving our organic growth. We also believe that our variable compensation model, which rewards recruiters, sales consultants and office managers at our branches for finding, matching and retaining job candidates, is also an important contributor to our organic growth, particularly within our engineering and consulting segment which does not use the "cell division" strategy.

When we have grown through acquisitions, we have done so with a rigorous discipline. We distinguish between low-risk transactions at lower multiples that enable growth at the local level (bolt on acquisitions), of which we have completed 13 since 2017, and platform acquisitions, where we expand our solutions, enter new specialities or markets, of which we have successfully completed and integrated eight since 2015. In 2019, we also took a minority stake with a step-up mechanism to acquire majority ownership and control over the coming years in a company that has developed a recruitment robot (using AI-enabled chatbot). When we evaluate a potential acquisition target, we review the opportunity through the rubric of a number of stringent requirements designed to ensure fit with our overall strategy and culture. First, the target must fit an identified strategic need to expand our geographic coverage, complement a specific specialty or fill a niche skill gap. We also seek out targets with like-minded management teams with an entrepreneurial spirit and long term commitment in order to ensure a strong overall cultural fit. We also evaluate the target's profitability, historic growth and other performance metrics, and assess whether it is a leader in its addressable markets. Once we have identified and then acquired a target, we have a well-defined and proven integration process that involves hooking the target into our Group reporting system and sharing best practices.

Our growth is represented below using the unaudited business unit accounts of Accent as well as those of our other business units on the basis as described in the note to the chart below.



Note: In preparing the above chart, we have included historical revenue information based on business unit accounts from various periods, past due diligence reports and management analysis. Although we believe the underlying materials used and the basis of preparation to be reasonable, actual results may vary from the indicative information presented above, in particular due to different accounting bases of preparation, and such variations could be material. As such, you should not place undue reliance on the inclusion of such information. Furthermore, the growth presented in the chart is prepared on a different basis than our Organic Growth presented elsewhere in this Offering Memorandum.

(1) Total revenue figures include intercompany eliminations.

(2) Intervention was formerly Accent NL.

(3) Human Capital Group is also known as TEC.

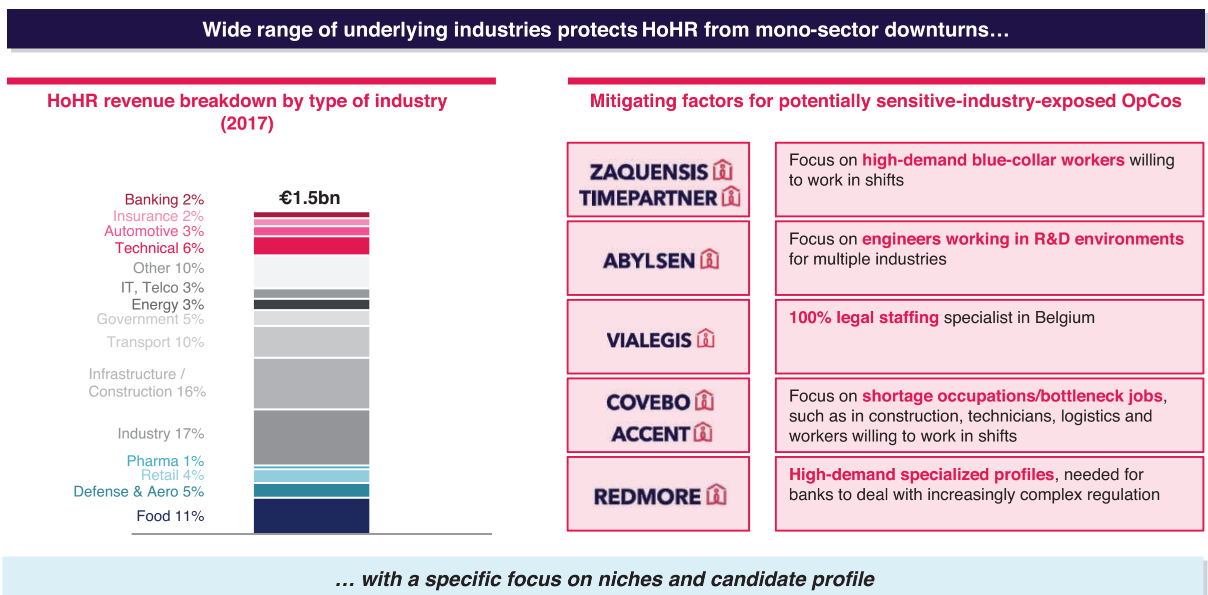
(4) Walesa is a contemplated transaction for which we signed a letter of intent on June 21, 2019. We currently expect the acquisition to be completed by August 2019. The Walesa Acquisition will be subject to standard closing conditions and due diligence and no assurances can be made that acquisition will actually close.

(5) Former Logi-Technic.

We benefit from a focus on specific end-markets and scarcity-driven job candidate profiles.

We believe that our particular focus on specialized and niche staffing and our scarcity driven job candidate profiles has yielded a unique model that is unmatched by any of our peers. We market our services under brands that relate to specific specialized services offered by our business units or subunits. Our multiple brand approach has proven effective in attracting and retaining clients. For example, our Facebook page of Accent had two times more likes than the Facebook pages of our competitors Randstad Belgium, USG People or Adecco Belgium as at June 2019. In addition to our unique brands, our business units are focused on particular end-markets and job candidate profiles. We believe this deepens our knowledge of our clients' needs and our job candidates' skills and qualifications, allowing us to more effectively match and place our job candidates.

As a result of our multiple segments and business units, focus on specific industries and customer segments and candidate profiles, we have a very diversified exposure to different end-markets. With respect to our end-market diversity, as illustrated in the chart below, no specific underlying industry represented more than approximately 17% of our consolidated revenue for the year ended December 31, 2017.



Note: In preparing the above chart, we have used our business unit accounts prepared on the basis described in "*Presentation of Financial and other Information—General—Other Financial Measures and Ratios*" for the year ended December 31, 2017. The results above will thus differ from the results of our Consolidated Financial Statements.

We also focus on end-markets that are resilient and less sensitive to economic cycles. Among our end-markets that are potentially vulnerable to market slowdowns, such as the banking, insurance and automotive, due our focus on resilient niches the nature of work performed by job candidates working in end-markets that are vulnerable to economic downturns are often related to less sensitive aspects of those end-markets. A good example of this is Redmore, a provider of HR solutions to the financial industry, which is generally considered sensitive to economic cycles. However, by focusing on high demand, specialized job candidates for complex regulatory driven projects, the sensitivity to macroeconomic cycles is significantly more limited compared to the overall financial industry. Through our business segments and brands in our core geographies, we provide HR solutions that meet most of the top critical job shortages in those markets. Our focus on niche and specialty staffing highlights the added value we can provide to companies looking for specific job candidate profiles, and in our experience, clients are willing to attach a premium to such services and conversely, it enables us to recruit and retain qualified job candidates. Even when we serve large corporate clients, we believe our provision of specialized staffing solutions enables us to maintain pricing power as a result of the quality and demand for our job candidates. Finally, our services are also utilized by our clients throughout economic cycles, with temporary staffing solutions being an attractive option to clients both in the early stages of an economic downturn as companies seek flexible solutions for staffing needs as well as during a recovery period when the economic cycle is on its way up.

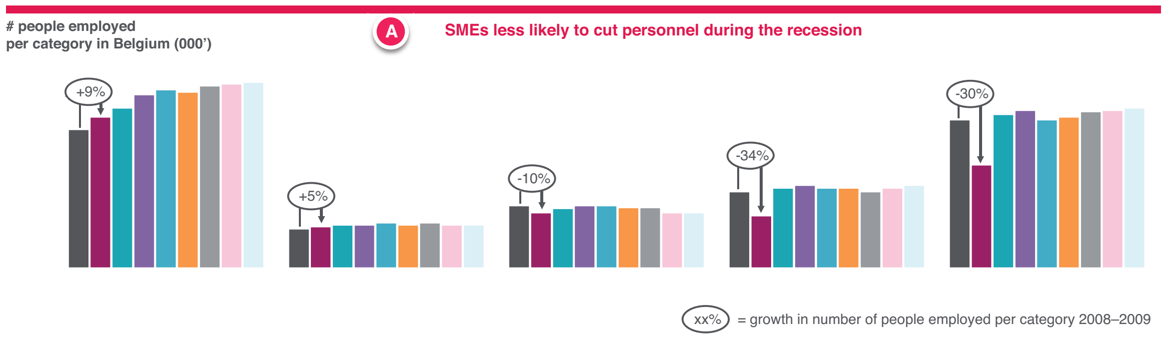
We target smaller companies with local decision-making power.

We believe that our client focus on SMEs and intermediate sized enterprises has in the past and will in the future benefit our financial performance. For the year ended December 31, 2017, approximately 77% of our sales were with SMEs or intermediate sized enterprises with approximately 32% of these being small enterprises, approximately 29% being medium enterprises and approximately 17% being intermediate sized enterprises.

We target SMEs and intermediate sized enterprises with local decision-making power. This means that we generally do not participate in large tenders for the provision of a larger number of job candidates nor do we deal and negotiate with central procurement teams or HR departments. We believe that SMEs and intermediate sized enterprises form a particularly attractive client base for a number of reasons. First, they tend to be highly reliant on each employee and have lower workforce anticipation capabilities than large corporates, meaning that when they need to hire someone, they need someone fairly quickly and place a premium on the ability to source job candidates to meet their time constraints. Second, such clients often have a faster decision-making process compared to large corporates and lack purchasing departments so we may face less pricing pressure from such companies. Additionally, they more often than not have neither the resources nor the knowledge to dedicate to HR and therefore are willing to outsource many of their staffing-related needs and expertise to providers such as us who can provide a full service offering at all stages of the recruitment lifecycle. SMEs often have limited employer branding and therefore may experience difficulty in reaching the best job candidates without access to the talent pool of a staffing solutions provider like us. Finally, we believe that the ability to find a very specific candidate with the right cultural fit is very important for SMEs since they typically have small teams and often seek a particular candidate who is not only qualified for the job but also matches the client's corporate culture. The ability to match such job candidates benefits from our blend of human and digital touchpoints, with regular interaction with clients and job candidates throughout the recruitment lifecycle (including our international recruiting capabilities). HR staffing solutions also operate in a complex regulatory environment, for which specific knowledge by sector, geography and even region is required. The ability to provide answers to this complexity on a larger scale, increases the barriers to entry for the sector and diminishes the risk for digital disruption or disintermediation.

We are able to meet SMEs' needs through our deep end-market knowledge, reactivity and proximity to our clients by providing both a full suite of end-to-end service and a large pool of resources for these clients. We believe that our unique positioning largely protects us from competition in the areas in which we operate, providing several barriers to entry. Our geographical footprint, branch density and our ability to recruit internationally would be quite challenging to replicate and is essential to fostering the client relationships and granular geographic reach necessary to reach our targeted SME clients. Furthermore, we maintain and have access to a large database of job candidates to enable short matching times and have acquired in-depth end-market experience through selective organic and external growth over many years which facilitates our ability to source, match and retain job candidates and clients. Strict quantitative and qualitative KPI monitoring on inflow and matching, further drive our operational excellence. These factors have fuelled our strong track record of successful employment relationships and our top tier reputation within our end-markets.

Our strategy of targeting SMEs as our primary client base also increases the resilience of our operations when presented with an economic downturn, as SMEs are less likely to lay off workers in a downturn and fare better at maintaining their level of employment than larger companies. For example, the chart below shows that SMEs continued to grow their size during the financial crisis reduced their number of employees far less, and in most cases, and in some cases even increased their number of employees as compared to larger companies whose number of employees declined during that time.



We are at the forefront of digital innovations.

The different steps of the value chain of our activities include a complex mix of tasks that have the potential for high automation (such as job sourcing and job candidate matching) and those that need to be more tailor-made for clients and job candidates and therefore require a human touch (such as interacting with clients to know precisely what their staffing needs are and negotiation of HR contracts). We believe we are a thought leader and ahead of our larger peers in many respects, by having already begun seizing digital opportunities in order to both address new markets with innovative business models and improve our own operations.

We recognize the importance of the digital marketplace to both businesses and job candidates, and we have developed a comprehensive digital marketing strategy. For example, to draw potential job candidates and clients to our websites, our marketing team uses search engine optimization to make our services easily findable for all. We also have an active social media presence, outpacing smaller competitors and opening new markets. Finally, to complement our physical network of branches and reach new markets, we have pioneered several successful disruptor technologies, including our SWOP application, which allows job seekers to match with job listings, and has enabled the placement of an average of 110 job candidates per month, and our NOWJOBS platform, which is primarily geared to students and other seekers of one-off temporary jobs and has more than 100,000 job candidates and more than 6,000 active companies participating. In June 2019 we launched our Hi Accent app, allowing potential job candidates to interact via the Google Home assistant with Accent's list of open positions. We also launched our GIGHOUSE app focused on a digital solution for freelancers/independent job candidates. We aim to leverage our experience as a disruptor in the market to expand successful initiatives to our broader Group.

We are also innovating in our existing processes, identifying areas within our business that could benefit from increased automation and zero-paper processes that are both job candidate- and client-facing, as well as internal processes such as finance, procurement and marketing and communications. We believe the efficiencies we can realize through this digitalization will produce cost savings while allowing us to meet the ever-increasing demands of clients and job candidates.

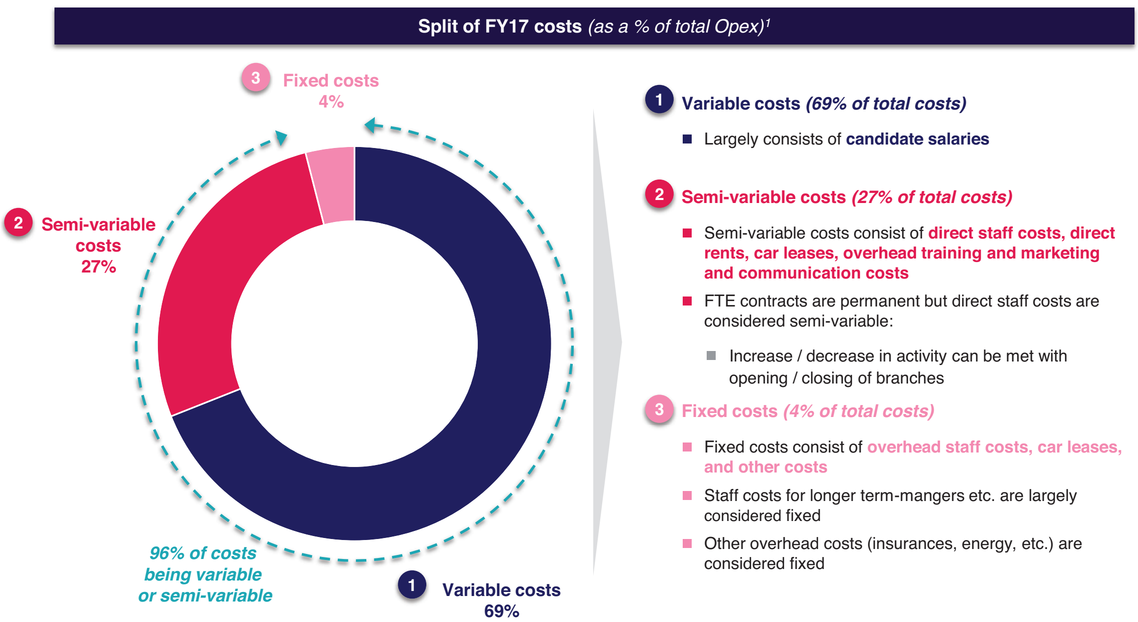
We have a highly diversified, resilient and cash-generative financial profile.

Our differentiated business model, specific end-market and job candidate profile focus drives our highly diversified revenue stream reflected by:

- four stable and attractive geographic markets;

- three different segments;
- nine business units with specialized brands;
- a network of 548 branches, which includes 18 branches dedicated to foreign recruitment;
- end-market diversity, with no end-market representing more than 17% of revenue;
- low client concentration with 15,200 unique clients for the three months ended March 31, 2019, with our top client representing 2.9% of our revenue and our top ten clients representing 8.8% of our revenue for the year ended December 31, 2018; and
- 43,583 job candidates at work as at March 31, 2019.

In addition to the diversification of our sources of revenue, our cost structure is largely variable with approximately 96% of our operating expenses being variable or semi-variable. Our cost of services, which represented 79.9% of our total operational expenses (costs of services and operating expenses together) for the year ended December 31, 2018, is comprised of mostly variable costs related to our people at work (mainly payroll, social security contributions, housing, car fleet and subcontracting costs). In many of our jurisdictions, we are able to match the duration of the employment of our job candidates and their placement, allowing us to be flexible in the deployment of our job candidate resources. TEC Alliance, Abylsen, Redmore, AERO and ibb (the last two being subunits of TimePartner) hire high-skilled specialists under indefinite contracts which have been considered as semi-variable, given our intention to retain the job candidates for as long as possible, except for the costs related to freelancers and subcontractors, which are variable. The figure below demonstrates our breakdown of our total operating expenses for 2017 between variable, semi-variable and fixed costs.

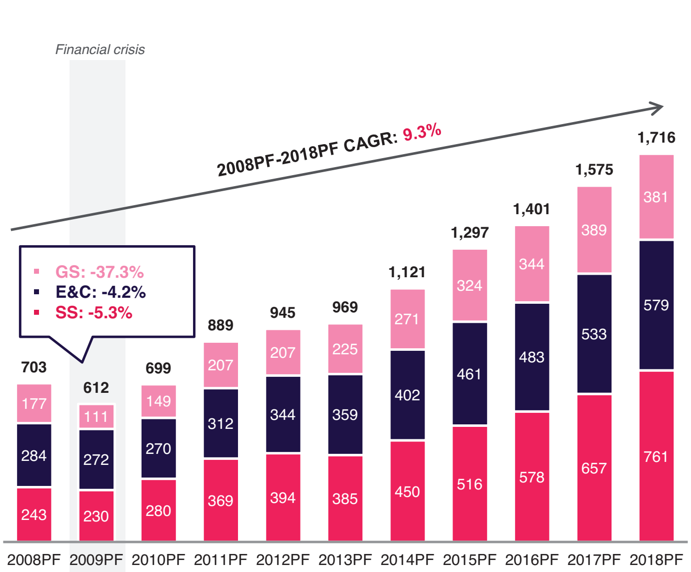


(1) In preparing the above chart, we have used our business unit accounts prepared on the basis described in "*Presentation of Financial and other Information—General—Other Financial Measures and Ratios*" for the year ended December 31, 2017. The results above will thus differ from the results of our Consolidated Financial Statements.

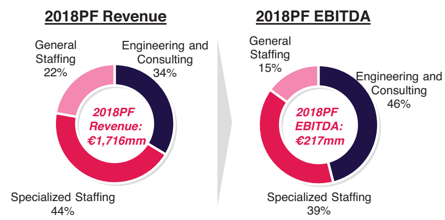
The assets in our company are "human capital" which means we have limited fixed assets or cash tied up in inventory. This results in limited capital expenditure requirements (approximately 1% of revenue) and high *Pro Forma* Cash Conversion (approximately 92% for 2018).

Our diversified revenues and variable cost base have resulted in revenue resilience throughout economic cycles. Using our business unit accounts and the unaudited statutory accounts of these entities prior to our acquisition of them, we have presented below a pro forma illustration of our Group's performance since 2008, assuming our consolidation perimeter existing as at December 31, 2018 existed as at January 1, 2008 (except as noted below). We believe this chart illustrates the benefit of our diversified, resilient and cash generative business model, including during periods of economic decline.

Pro forma net Revenue based on 2018PF perimeter[1] (€mm)



	CAGR 2008-2018PF	CAGR 2016-2018PF
Total Revenue[1]	+9.3%	+10.7%
Engineering & Consulting	+7.4%	+9.4%
Specialized Staffing	+12.1%	+14.7%
General Staffing	+8.0%	+5.3%



Note: In preparing the above chart, we have included historical revenue information that was prepared by prior management for the period from 2008 through the date of such acquisition. This chart includes historical revenue information for all business units that were within our consolidation perimeter as of December 31, 2018 except for PI, Hartd., and ITDS. For each business unit we acquired since 2016 through 2018 see "*Our Business—Recent Acquisitions*". Although we believe the assumptions used and the basis of preparation to be reasonable, actual results may vary from the indicative information presented above and such variations could be material. As such, you should not place undue reliance on the inclusion of such information and it should not be regarded as an indication that it will be an accurate prediction of future events or as an indication of what our historical results of operations would have actually been had our acquisitions actually taken place on January 1, 2008.

(1) The 2018 pro forma perimeter includes Belgatech, VNOM, MT&V, Schollmeyer, but excludes our latest bolt-on acquisitions in Engineering/Consulting (PI, Hartd. and ITDS) in 2018.

(2) Total sales includes intercompany eliminations.

(3) PF Revenue in the chart above is *Pro Forma* Adjusted Revenue as defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

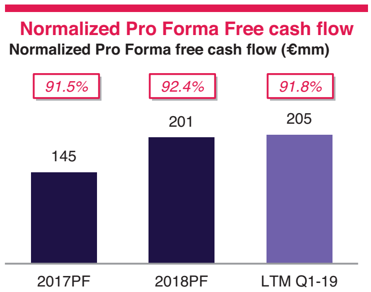
(4) PF EBITDA in the chart above is Pro Forma Adjusted EBITDA as defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

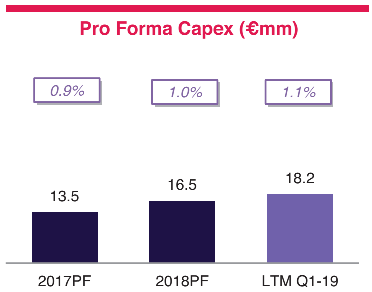
We believe that as we continue to diversify our geographic, end-market and segment profile, particularly as we grow our mix of services focused on engineering and consulting and specialized staffing, our revenues will also be increasingly less driven by market fluctuations, strengthening our cash generative profile that has a strong track record of through-the-market resilience and margin expansion.

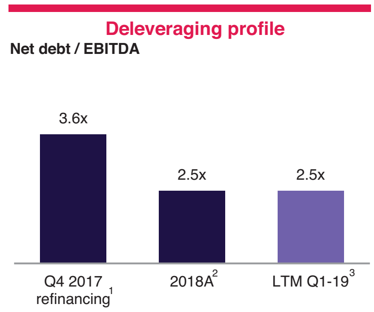
Our resilience is further supported by the "cash protective" nature of our working capital dynamics. Our working capital largely consists of receivables (client billings) and payables (job candidate wages, social security, etc.) tied to individual job candidate placements. For each job candidate placement, the receivable is higher than the payable with the difference roughly representing the bill-pay spread or gross margin embedded in the client service agreements and job candidate agreements. This means that (all else being equal) when we place less job candidates, our working capital declines, resulting in a positive cash balance offsetting the loss of post-tax cash profit.

The working capital dynamics and corresponding downside protection for our cash flows are also evident in the recent performance, which has been impacted by a change in legislation, of our general staffing segment in Germany. See "*Management Discussion and Analysis—Key factors affecting our results of operations—General Economic Conditions—Germany*".

Furthermore, our business also benefits from high cash generation as evident from our Normalized Pro Forma Free Cash Flow and *Pro Forma* Capital Expenditure illustrated below. Our high cash generation has allowed us to consistently deleverage our business since our refinancing in 2017.







Note: Normalized *Pro Forma* Free Cash Flow in the chart above is defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

Pro Forma Capex in the chart above is *Pro Forma* Capital Expenditure as defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

(1) The net debt/EBITDA ratio is in accordance with the terms as used in the 2017 refinancing.

(2) The net debt/EBITDA ratio is presented as net debt/*Pro Forma* Adjusted EBITDA, where net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position, plus operating leases of €62.9 million as per December 31, 2018 or €72.4 million as per the 12-month period ended March 31, 2019 (to align with Pro Forma Adjusted EBITDA which has been adjusted for IFRS 16)) less cash and cash equivalents.

Entrepreneurial management team with a long term incentive culture.

We benefit from a strong and committed management team that is highly motivated to deliver strong performance over the long term. Our management team and individual platform managers collectively own 15.3% of our equity as of the date hereof. Moreover, we have more than 300 managers with tracking shares that are linked to the performance of their business units or investments in our long-term incentive plan at our Group level.

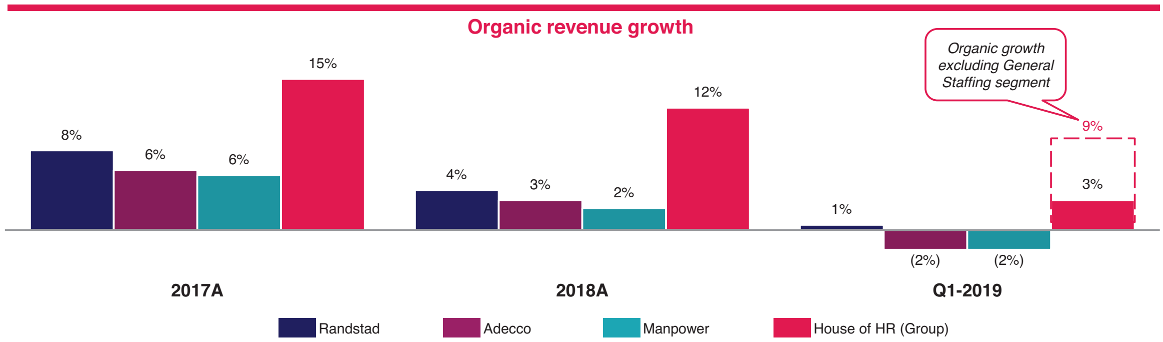
We believe our successful organic and external growth has been due in part to the way in which we have been able to incentivize our managers. For example, our organic "cell division" expansion strategy rewards our local managers with the opportunity to create and run individual branches, fostering loyalty and encouraging the entrepreneurial spirit that has delivered our success to date. For our engineering and consulting branches, our variable pay structure rewards management down to the sales and recruitment consultants with variable pay linked to key performance indicators such as attracting, matching and retaining job candidates and clients.

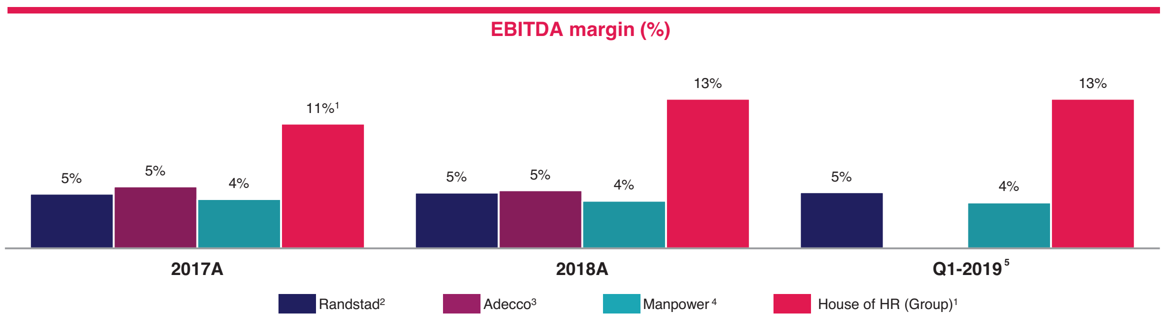
Our variable bonus systems are intended to encourage growth and bonuses. Variable pay, consisting of cash incentives and equity participation for our CEO and CFO, represents 50% to 60% of our CEO and CFO's salary package and is tied to performance targets at the Group level, such as sales revenue, EBITDA, EBITDA growth, and equity value of the Group. Furthermore, variable pay can represent up to 50% of the salary package for other employees in our Group, including the management of our business units, branch managers, sales consultants and recruitment consultants. See "*Our Business—Employees—Performance-Based Compensation*" for more information.

Furthermore, when we have grown by acquisition, we have offered an appealing value proposition to managers of the businesses we acquire by allowing these individuals to retain autonomy over their respective entities' operations, including brand and identity, while allowing them to benefit from central Group support on complex regulatory and compliance topics, access to our foreign sourcing network and digital platforms and the possibility to leverage credit lines at the Group level. We also offer such managers an incentive structure tied to the overall Group's results. Additionally, there is a long term incentive plan at our Group level. We believe that this streamlines the integration process and helps to align the management of our acquisition targets with our central management. We also believe that our long term incentive plan allows for succession planning for key roles by incentivizing key staff to remain with our Group and by enabling potential reinvestments in the equity of the Company going forward.

Conclusion

We believe we are unique among our peers as a result of our strengths outlined above and that this is reflected in our performance ahead of certain of our competitors. Based on information available, we believe that organic growth was 2% to 7% and EBITDA margin was 5% to 12% on average per annum from 2014 to 2017 among competitors in our Total Market. During this same period, our organic growth and EBITDA margin typically performed above the Total Market average. For an illustration of our Organic Growth and *Pro Forma* Adjusted EBITDA performance against our competitors, a comparison of our Organic Growth to the normalized revenue and EBITDA performance of Randstad, Adecco and Manpower for the periods indicated is presented below.





Note: In preparing the above chart, we have used our Organic Growth metric prepared on the basis described in "*Presentation of Financial and other Information—General—Other Financial Measures and Ratios*". This chart also includes the normalized growth of segments of Randstad, Adecco and Manpower. For each of these competitors the manner in which they define normalized growth differs. Furthermore, EBITDA is not an IFRS metric and may not be prepared on a comparable basis. Although we believe the illustration above to be reasonable, actual results of our competitors if they were in the exact same geographies as our relevant business units or if normalized growth were defined the same may vary from the indicative information presented above and such variations could be material. As such, you should not place undue reliance on the inclusion of such information and it should not be regarded as an indication of what our performance would have actually been compared to that our competitors.

(1) Our EBITDA margin within this chart is calculated as Pro Forma Adjusted EBITDA divided by Pro Forma Adjusted Revenue. The Pro Forma Adjusted EBITDA and Pro Forma Adjusted Revenue metrics are defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*". The 2017 EBITDA margin figure is presented on a Pre-IFRS 16 basis.

(2) Randstad's normalized growth is measured by excluding the impact of currency effects, acquisitions, disposals and reclassifications. Its EBITDA is calculated as operating profit plus amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs.

(3) For Adecco, growth is defined as its revenue figures that exclude the impact of foreign exchange rate fluctuations, acquisitions and divestitures. Its EBITDA is calculated as operating profit plus amortization and impairment of goodwill and intangible assets.

(4) Manpower's normalized growth is based on its "organic constant currency", which removes the impact of acquisitions in the current period and dispositions from the prior period from the constant currency calculation. Its EBITDA is calculated as operating profit plus depreciation and amortization.

(5) EBITDA margin figures for Q1-2019 are presented on an LTM Q1-19 basis. Adecco's EBITDA margin on an LTM Q1-19 basis was not available.

Our Strategies

Our aim is to become the number one European provider of specialized human resources solutions to SMEs. We intend to achieve this through pursuing the following strategies:

Continue to focus on organic growth and margin enhancement.

We intend to continue our track record of organic growth through our branch development model and through continuing to target growth markets. We have been highly successful in achieving incremental organic revenue growth under our "cell division" approach, particularly in our specialized staffing and general staffing segments, where our branch network is key, and through our ability to attract and retain job candidates for assignments in sectors where candidates are scarce. We intend to continue to benefit from this growth through expanding our branch network where needed and continuing to leverage our success in sourcing and retaining job candidates. In most of our markets we expect to continue our strategy of embedding ourselves in local communities through an extensive branch network, which places us in proximity to our primary stakeholders: our clients, our job candidates and our own employees. We also believe our extensive branch network approach leads to enhanced entrepreneurship and ownership due to the managerial responsibilities and opportunities allocated or available to branch managers, reinforcing a key part of our values. We further aim to deliver continued improvement in our EBITDA margin through a shift in our services mix (including through increasing the relative weight of the specialized staffing and engineering and consulting services we provide in our overall mix), as well as continued efficient cost control over operating expense and strong cash conversion with rigorous management of capital expenditures and working capital.

Focus on profitable specialized and niche end-markets.

Over time, we expect to gradually shift our focus toward the engineering and consulting and specialized staffing model from general staffing, leveraging our growing network in the transition to deliver higher margins. The specialized staffing and engineering and consulting segments tend to deliver higher margins than general staffing due to the premium clients place on successful placement of the specific job candidates that they seek, and we intend to leverage our positive track record in these segments to continue growing profitably. Moreover, specialization aims to target those segments and skills that are more difficult to find for our customers, which in the past has provided more stability to our revenue figures, including during economic downturns.

Enhance our reputation as the partner of choice for SMEs and locally managed clients.

We intend to continue providing critical end-to-end temporary recruiting and outsourcing services that are tailored to the needs of SMEs and other locally managed clients. We believe that these clients will continue to require the assistance of providers like us as they grapple with limited resources, lower visibility on staffing needs and greater need for outsourced HR functions, including as a result of the complexity of labor law and associated regulations. We aim to be a one-stop shop for such clients that can help at all stages of the recruiting process to relieve our clients' management from the burden of having to seek appropriate job candidates for available positions. In doing so, we plan on leveraging the large pool of potential job candidates at our disposal, the deep end-market knowledge we have gathered over the years through having boots on the ground in proximity to our clients.

Ensure the smooth and profitable placement of job candidates with a reliable sourcing and reskilling platform.

Mastering the "human" aspect of human resources is key to success in our industry and we intend to continue to be a leader through our focus being able to source the right job candidate for the right position, including through offering reskilling services. We believe that our network of international sourcing of job candidates is vital to our success, as we are better able to bridge the large gap between the demand for qualified job candidates and the supply of such candidates, especially as the labor market in our addressable markets has tightened over the past few years, through having access to a wider pool of quality job candidates than our peers. The location of our agencies (particularly in Poland, Romania, Spain and Portugal) and the support we offer to foreign job candidates (including housing, transport options, opening a bank account and other integration assistance) ensures that we are able to tap into workforces that are skilled but that are eager to seek out opportunities to earn higher wages than those that similar work would provide in their home countries. We intend to continue to develop our network in other countries that meet these criteria. We also plan to continue leveraging our large sourcing network to target the best job candidates and provide them with a wide array of positions and support, including training, administrative support, client knowledge and even transport and housing for foreign job candidates, in order to make their experience as smooth as possible. Finally, we plan to focus on preparing job candidates for what we see as the jobs of tomorrow, such as white-collar positions in big data and information technology, that are being driven by the digitalization of the economy or provide trainings in order to teach blue-collar job candidates how to use digital tools.

Utilize digital initiatives to reduce cost and drive revenue diversification.

Our digital strategy is focused on maximizing the impact of digital cost reduction initiatives, outpacing smaller competitors who have more limited investment capabilities and opening new market segments.

In the short run, we want to leverage digital tools to complement our physical networks to attract job candidates and clients while also spreading awareness of our brands and services. We also intend to continue digitalizing our processes to drive efficiency.

Over the longer term, we intend to pursue a four-pillared digital strategy. First, we aim to reposition the offices we have in urban areas into "JobShops" that are easy to reach, convenient, one-stop shops where job candidates can be tested, get certifications and be matched with potential positions. We also are continuing to develop niche, specialized platforms that are tailored to meet the specific demands of the various markets we address. Further, we intend to utilize the data that we have generated through our large network to deliver the best possible client and job candidate service. Finally, we plan to develop more automated processes to free up our recruiting consultants' time for them to focus on growing ever closer to our client and job candidate base.

Target accretive acquisition opportunities to achieve European leadership.

While our primary focus is to grow our earnings base organically and to improve both profitability and Normalized *Pro Forma* Free Cash Flow generation through our existing network and customer base, we will continue to consider accretive and strategic platform and bolt-on acquisitions in both new and existing markets to achieve our goal of European leadership. We do not consider acquisition opportunities aimed at turning around a business but only will consider opportunities that can reinforce our market positions or expand our footprint, either in new geographical regions or niche areas in which we currently are not present and that show the following attributes: stable economies with low unemployment, high salaries, high temporary staff penetration and supply and demand mismatch for skilled labor. We will also consider opportunities in digital tools that can improve the value chain or allow us to better serve job candidates as well as clients and to develop new and complementary segments that are also marked by labor market scarcity or that can demonstrate the prospect for high growth and superior margins. We will continue to use our M&A assessment criteria, which requires that any opportunity meets our own high quality standards, holds a leading position in its respective specialized end-market, reflects a strong financial profile and represents a good cultural fit with us.

Recent Developments

Acquisitions

On April 2, 2019, we acquired Pharmacos Belgium SPRL, Pharmacos SRL, Pharmacos Design SRL (collectively "**Pharmacos**") via a newco created named Newco Pharmacos SAS which provides consulting services to practitioners in the life science end-market. Pharmacos operates as part of our Abylsen business unit. This was followed by another acquisition on April 3, 2019, when we acquired Mykelson Holding SAS and its subsidiary undertakings including Eastelson SAS and Mykelson Consulting SAS ("**Mykelson**"). Mykelson provides support and management consulting services in France in four areas: strategy, digital transformation, project management and agile transformation. Mykelson operates as part of our Abylsen business unit. For the financial year ended August 31, 2018, Pharmacos' EBITDA was €0.7 million and revenue was €4.9 million. For the year ended December 31, 2018, Mykelson's EBITDA was €0.2 million and revenue was €1.9 million. On June 21, 2019, we signed a letter of intent to acquire a Dutch company specialized in staffing for the food retail, logistics and production sectors (the "**Walesa Acquisition**"). We currently expect the acquisition to be completed by August 2019. The Walesa Acquisition will be subject to standard closing conditions and due diligence and no assurances can be made that acquisition will actually close. For the year ended December 31, 2018, Walesa's EBITDA was €3.5 million and revenue was €42.2 million. We also have currently submitted non-binding initial offers or entered into negotiations under non-disclosure agreements with a number of potential targets located in France, the Netherlands, Belgium and Germany. These targets were identified and selected in line with our selection criteria and our M&A strategy.

Trading Update

Our EBITDA based on the business units' accounts for the five months ended May 31, 2019 has increased by double digit percentage points compared with the same period in 2018 and is ahead of budget for this year thus far. Our May 2019 monthly EBITDA based on the business units' accounts has confirmed the positive trend set in the first quarter of 2019 and the month of April for the overall Group. Most of our business units are contributing to this relative growth, except notably for Zaquensis and Timepartner in Germany where the AÜG regulatory reform has impacted the level of job candidates at work since September 2018. However, this is fully offset by over-performance at most of our other business units. Moreover, in Germany, the evolution of job candidates at work on a week-by-week basis has stabilized and has shown a similar trend to the comparable period last year.

The preliminary results and estimates presented above have not been audited, are derived from internal management accounts, are the responsibility of management and are subject to our financial closing procedures. These procedures have not yet been completed. While we believe these preliminary results and estimates 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. This information may not be indicative of the remainder of the quarter ended June 30, 2019 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.

Principal Shareholders

Naxicap

Naxicap Partners is a pan-European private equity investor, based in Paris, with a total of €3.1 billion assets under management at the end of 2018. The company comprises 34 professional investors, in five offices throughout France and Germany. The investment strategy focuses on transactions of capital expansion or buyouts through majority stakes, with a

5-to-7 year liquidity horizon. Naxicap Partners has implemented an active investment strategy focused on the European market.

As a concerned and responsible financial investor, Naxicap Partners builds alongside managers a strong and constructive partnership for the success of their projects. Naxicap concept of partnership consists in providing efficient support to our affiliated companies in both expansion and difficult periods by:

- Being involved, with the management, in the company's development strategy;
- Participating in the acquisition strategy and providing financing and expertise in local execution;
- Creating collaboration with throughout its large network of professionals, technical experts and portfolio companies.

As part of the second largest French banking group (Natixis—BPCE), Naxicap is able to support the companies by creating business relationships within a large network.

Conny Vandendriessche

Ms. Vandendriessche is a co-founder of our Company and is presently a member of the Board of Directors. See "*Management*".

Management

Certain members of our management hold 15.3% of the shares of the Company. As part of our legal reorganization, minority shareholders in our acquisitions, former option holders in an Accent Group option scheme and key management at the Group level, directly or indirectly were issued shares in the Company. See "*Consolidated Financial Statements—Note 4.5—Legal reorganization of the Group in 2018"* for further information.

Others

Certain co-investors of Naxicap Partners, founders of the Company who are no longer involved in the operations of the business and non-executive members of the Board of Directors hold 2.8% of the shares of the Company.

The Transactions

We intend to use the proceeds of this Offering, together with amounts drawn under the Term Loan B Facility and cash on balance sheet to, *inter alia*, (i) repay certain indebtedness made available to the Company under the Existing Senior Facilities Agreement and related transaction costs (the "**Refinancing**"), (ii) fund and credit the Distribution Escrow Account (as defined below), (iii) fund the Walesa Acquisition and (iv) to repay related fees and expenses (including the Initial Purchasers' fees, legal, accounting and other fees and expenses) in connection with the Transactions. We do not expect to draw the Revolving Credit Facility (other than the rolling-over of existing guarantees and letters of credit) on the Issue Date.

The "*The Transactions*" as used herein, shall comprise the following: (i) the Offering; (ii) the incurrence of indebtedness under the New Senior Facilities; (iii) the Refinancing; (iv) the Walesa Acquisition and (v) the Minimum Distribution Amount (as defined below). See "*Use of Proceeds*", "*Capitalization*", "*Description of Other Indebtedness*" and "*Description of the Notes*".

Distribution

The Company intends to make a distribution to shareholders in a maximum aggregate amount of €300 million through notably a return of capital via the repayment of paid in capital of the Company's ordinary shares and tracking shares and repayment of the nominal value of the

Company's preferred shares and accrued dividend, including the payment of any taxes due in respect of such payments (including any withholding taxes) (the "**Distribution**").

The aggregate amount of all payments (including the aggregate amount of any taxes to be paid or remaining to be paid (as applicable) by the Company (including any withholding taxes)), to be made in respect of the Distribution shall not exceed:

(1) for any such payments made by the Company on or before the Distribution Interim Date, the lesser of the two following amounts: (A) €300 million and (B) €233 million (the "**Minimum Distribution Amount**") plus an additional amount which does not cause the Consolidated Senior Secured Net Leverage Ratio to exceed 3.81 to 1.0 on a pro forma basis after giving effect to such payment; and

(2) for any such payments made by the Company after the Distribution Interim Date, the lesser of the two following amounts: (A) €300 million minus the aggregate amount of any payments already made under paragraph (1) above and (B) a maximum amount which does not cause the Consolidated Senior Secured Net Leverage Ratio to exceed 3.81 to 1.0 on a pro forma basis after giving effect to such payment.

"**Distribution Interim Date**" means the date which is the earlier of (i) November 15, 2019; and (ii) the date on which the Company remits its quarterly financial statements for the fiscal quarter ending September 30, 2019 under the New Senior Facilities Agreement.

The Distribution (other than the payment of taxes (including any withholding taxes)) shall be paid entirely by the Company on or before the date that is twelve months following the Issue Date.

This description of the Distribution is subject to the more detailed description under "*Description of Other Indebtedness*" and "*Description of Notes*".

Use of Proceeds

The following table sets forth our expected sources and uses of funds in connection with the Transactions (all amounts shown are principal amounts unless otherwise indicated).

Sources	(€ millions)	Uses	(€ millions)
Notes offered hereby[(1)]	320.0	Repayment of Existing Senior Facilities[(3)]	600.0
New Senior Facilities—Term Loan B Facility[(2)]	550.0	Minimum Distribution Amount[(4)]	233.0
Cash on balance sheet	7.5	Walesa Acquisition[(5)]	16.5
		Estimated fees and expense[(6)]	28.0
Total sources	**877.5**	**Total uses**	**877.5**

(1) Reflects the gross proceeds from the issuance of the Notes assuming an issuance at par.

(2) Represents the approximate aggregate proceeds of borrowings under our Term Loan B Facility. See "*Description of Other Indebtedness—New Senior Facilities*".

(3) Represents the repayment of €600.0 million in aggregate principal amount outstanding under the Existing Senior Facilities (excluding accrued interest and unpaid interest and fees).

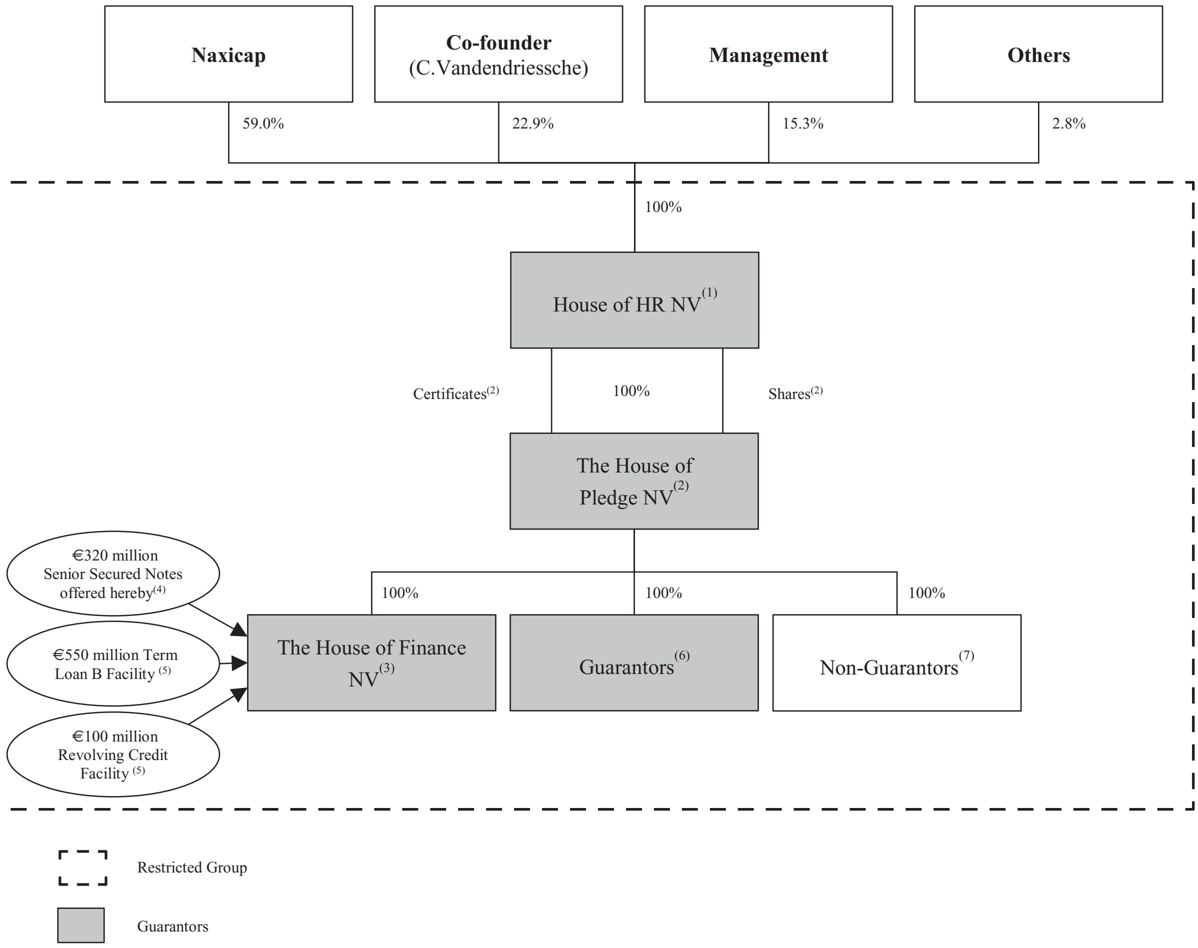
(4) See "*Summary—Distribution*".

(5) Represents the estimated purchase price of the Walesa Acquisition.

(6) Represents underwriting fees and commissions, accrued and unpaid interest and breakage costs related to the repayment of the Existing Senior Facilities, other estimated transaction costs and professional fees and expenses to be repaid in connection with the Transactions.

Summary Corporate Structure

The following diagram presents our simplified corporate structure, after giving effect to the Transactions. Percentages shown in the diagram below refer to percentage ownership. See "*Summary—The Transactions*", "*Principal Shareholders*", "*Description of Other Indebtedness*" and "*Description of the Notes*" for more information.



(1) The Company is a public limited company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium. Our principal shareholders are (i) Naxicap Partners, which holds 59.0% of the shares of the Company indirectly through different holding entities, (ii) C. Vandendriessche, our co-founder who holds 22.9% of the shares of the Company, and (iii) certain members of management who hold 15.3% of the shares of the Company. See "*Principal Shareholders*".

(2) The House of Pledge is a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, with its registered office at Beversesteenweg 576, 8800 Roeselare, and registered with the Crossroad Bank for Enterprises under number 0691.892.387. Its sole shareholder is the Company. The House of Pledge was established to create a single point of enforcement for the benefit of the lenders under the Existing Senior Facilities Agreement, and will provide a single point of enforcement for the benefit of the Noteholders and the lenders under the New Senior Facilities Agreement. Pursuant to the Certification Agreement, the Company has transferred and will transfer to the House of Pledge on or before the Issue Date (i) the Company's legal ownership of the shares and other securities it holds in its restricted subsidiaries, including the Issuer, in exchange for certificates which represents all economic rights to these shares and securities, and (ii) the Company's legal ownership of the intercompany loan receivables it owns in any restricted subsidiary of the Group in exchange for certificates which represents all economic rights to these intercompany loans. The ownership has been split between economic and legal interests for internal tax reasons. Both the certificates and the shares are part of the Collateral (see "*Description of the Notes—Security*"). The House of Pledge holds the shares and receivables on behalf of the Company and has the obligation to immediately transfer all proceeds and income from those shares and receivables to the Company (which therefore remains the economic owner of those shares and receivables).

(3) The Issuer, a public limited company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium, is an indirect wholly-owned subsidiary of the Company. The Issuer constitutes a "financial enterprise" as defined in Article 105, 1° c) of the Royal Decree implementing the Belgian Tax Code and does not have any material assets or liabilities or operating, investing or financing activities other than (i) being an intra-group bank for the Group, (ii) attracting external financing and on-lending the funds to the other companies of the Group, (iii) granting security to secure its obligations under external financing, (iv) intercompany payables and receivables

and (vi) cash pooling. The Issuer's ability to make payments on the Notes will depend entirely on the Group's ability to generate cash and make distributions to the Issuer.

(4) Represents the Notes offered hereby. On the Issue Date, the Notes will be secured by first-priority security interests over (i) material bank accounts of the Issuer, the Company and the House of Pledge in Belgium, including the Distribution Escrow Account for the Issuer only, (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Issuer, the Company and the House of Pledge (including as a result of the certification pursuant to the Certification Agreement) and (iii) the shares and other securities of the House of Pledge and the Issuer as well as the certificates issued by the House of Pledge pursuant to the Certification Agreement. Within 120 days following the Issue Date and subject to certain Agreed Security Principles, the Notes will be secured by first-priority security interests over (i) material bank accounts opened in the jurisdiction of incorporation of the relevant Post-Closing Guarantor, (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Post-Closing Guarantors, and (iii) the shares and other securities of certain of the Post-Closing Guarantors (to the extent directly owned by a Guarantor) and the direct restricted subsidiaries of the House of Pledge, see "*Description of the Notes—Security*". On the Issue Date the Notes will be guaranteed on a senior secured basis by the Company and the House of Pledge. Within 120 days following the Issue Date, the Post-Closing Guarantors will guarantee the Notes on a senior secured basis. See "*Description of the Notes—The Note Guarantees*". The Notes and the Note Guarantees will rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer and the Guarantors that is not expressly subordinated in right of payment to the Notes and the Note Guarantees, including the obligations under the New Senior Facilities. The Notes and the Note Guarantees will be structurally subordinated to all existing and future indebtedness and other liabilities of subsidiaries that do not provide Note Guarantees and will rank senior in right of payment to any existing and future debt of the Issuer or the Guarantors that is subordinated in right of payment. The validity and enforceability of the Note Guarantees and the security and the liability of the Guarantors will be subject to the limitations described in "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

(5) The New Senior Facilities, will as of the Issue Date consist of (a) the Term Loan B Facility of €550 million maturing in 2026 and (b) the Revolving Credit Facility of €100 million maturing in 2026. We do not expect to draw the Revolving Credit Facility (other than the rolling-over of existing guarantees and letters of credit) on the Issue Date. The New Senior Facilities will be secured by the Collateral on a *pari passu* basis with the Notes and will be guaranteed by the Guarantors, in each case, within the same timeframes as for the Notes described above and subject to the terms of the Intercreditor Agreement. For a description of the Collateral see "*Description of the Notes—Security*". See "*Description of Other Indebtedness—Intercreditor Agreement*" *and* "*Description of Other Indebtedness—New Senior Facilities*".

(6) Certain of the Company's restricted subsidiaries will guarantee the Notes within the timeframes described above subject to the limitations set out in the Note Guarantees and the Agreed Security Principles set out in the New Senior Facilities Agreement. For a list of these Guarantors see "*—The Offering—Guarantors*". For the 12-month period ended March 31, 2019, our restricted subsidiaries that will guarantee the Notes (each on an unconsolidated basis) in aggregate accounted for substantially all of our consolidated EBITDA. The Note Guarantees will be subject to certain limitations under applicable law, as described under "*Risks Relating to the Notes—Corporate benefit, financial assistance laws and other limitations on the Note Guarantees may adversely affect the validity and enforceability of the Note Guarantees of the Notes or security interests in the Collateral*", "*Risks Relating to the Notes—The Note Guarantees and the security interests over the Collateral may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability".* and "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

(7) As of March 31, 2019, the Company's restricted subsidiaries not guaranteeing the Notes had €7.2 million of borrowings outstanding.

The Offering

The following overview of the Offering contains basic information about the Notes, the Note Guarantees and the Collateral. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Notes, the Note Guarantees and the Collateral including certain definitions of terms used in this overview, see "*Description of the Notes*".

Issuer	The House of Finance NV, a public limited company (*Naamloze Vennootschap*).
Company	House of HR NV, a public limited company (*Naamloze Vennootschap*).
Guarantors	On the Issue Date, the Notes will be guaranteed (the "**Initial Note Guarantees**") on a senior secured basis by the Company and the House of Pledge. Within 120 days following the Issue Date, each of the Post-Closing Guarantors will guarantee (the "**Post-Closing Note Guarantees**" and together with the Initial Note Guarantees, the "**Note Guarantees**") the Notes on a senior secured basis. The Post-Closing Guarantors refer to Accent Construct NV, Accent Jobs for People NV, Continu BV, Covebo Food BV, Covebo Logistiek BV, Covebo Metaal en Techniek BV, TimePartner Personalmanagement GmbH and Talent & Pro Nederland BV.
Notes Offered	€320,000,000 aggregate principal amount of Senior Secured Notes due 2026 (the "**Notes**").
Issue Date	July , 2019 (the "**Issue Date**").
Issue Price	%.
Maturity Date	The Notes will mature on , 2026.
Interest Rate	%.
Interest Payment Dates	Interest will be payable semi-annually in arrear on and of each year, commencing on , 20 . Interest on the Notes will accrue from the Issue Date.
Denominations	The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Book-Entry and Form	The Notes will initially be represented by one or more Global Notes, which will be deposited and immobilized with, and held by, the NBB, as operator of the NBB-SSS, and its participants (including Euroclear Bank SA/NV and Clearstream Banking Frankfurt). Except in certain limited circumstances, definitive notes in registered form will not be issued in exchange for beneficial interests in the Global Notes.
Ranking of the Notes	The Notes will, subject to the terms of the Intercreditor Agreement: • be general senior obligations of the Issuer;

- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes, including indebtedness incurred under the New Senior Facilities Agreement 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 obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness or obligation;
- be guaranteed by the Guarantors as described under "*Description of the Notes—The Note Guarantees*"; and
- be structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that are not Guarantors, including obligations owed to trade creditors.

Note Guarantees . . . . For the 12-month period ended March 31, 2019, the Guarantors (each on an unconsolidated basis) in aggregate represented substantially all of our consolidated EBITDA.

The obligations of the Guarantors will be subject to significant contractual and legal limitations under the applicable Note Guarantees, including but not limited to, with respect to maintenance of share capital, financial assistance, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors, and their respective shareholders and directors. See "*Description of the Notes—Note Guarantees*", "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*" and "*Risks Relating to the Notes—Corporate benefit, financial assistance laws and other limitations on the Note Guarantees may adversely affect the validity and enforceability of the Note Guarantees of the Notes or security interests in the Collateral".* Each Note Guarantee will be subject to the terms of the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement".* There are circumstances other than repayment or discharge of the Notes under which the Note Guarantees will be released automatically, without your consent or the consent of the Trustee. See "*Description of the Notes—Note Guarantees—Note Guarantees Release*" and "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations".*

Ranking of the Note Guarantees . . . . Each Note Guarantee, subject to certain contractual and legal limitations and regulatory conditions, will:

- be a general senior obligation of the relevant Guarantor, secured as set forth under "*Description of the Notes—Security*";

- rank *pari passu* in right of payment with any existing and future indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Note Guarantee, including Indebtedness incurred under the New Senior Facilities and certain hedging obligations;
- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Note Guarantee;
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness or obligation; and
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of such Guarantor that are not Guarantors, including obligations owed to trade creditors.

Security . . . . On the Issue Date, the Notes will be secured by first-priority security interests (the "**Initial Collateral**"), over:

- material bank accounts of the Issuer, the Company and the House of Pledge in Belgium, including the Distribution Escrow Account for the Issuer only;
- intragroup receivables (other than receivables arising from cash pooling arrangements) of the Issuer, the Company and the House of Pledge (including as a result of the certification pursuant to the Certification Agreement); and
- the shares and other securities of the House of Pledge and the Issuer as well as the certificates issued by the House of Pledge pursuant to the Certification Agreement.

Within 120 days following the Issue Date and subject to certain Agreed Security Principles, the Notes will be secured by first-priority security interests (the "**Post-Closing Collateral**" and together with the Initial Collateral, the "**Collateral**") over:

- material bank accounts opened in the jurisdiction of incorporation of the relevant Post-Closing Guarantor;
- intragroup receivables (other than receivables arising from cash pooling arrangements) of the Post-Closing Guarantors; and
- the shares and other securities of certain of the Post-Closing Guarantors (to the extent directly owned by a Guarantor) and the direct restricted subsidiaries of the House of Pledge.

As of the Issue Date, the direct restricted subsidiaries of the House of Pledge are the Transferred Subsidiaries (as defined below).

On or about the Issue Date, an amendment to the Certification Agreement will be entered into between the Company and House of Pledge. Pursuant to the Certification Agreement, the Company has transferred and will transfer to House of Pledge on or before the Issue Date the Company's legal ownership in:

- the Capital Stock (as defined in the "*Description of the Notes*") and other securities (if applicable) (the "**Securities**") held by it in all of its restricted subsidiaries directly owned by it, being: the Issuer, Accent Jobs for People NV, Accent Construct NV, TEC Alliance NV, Vialegis International NV, Continu Group BV, Covebo Group BV, Redmore Holding BV, Zaquensis Holding GmbH, TP Group Service GmBH, Accent Group NV, Viapublic NV and Nowjobs BV and which will be part of the Collateral secured under the Security Documents (collectively, the "**Transferred Subsidiaries**"); and
- all intercompany loan receivables owed to the Company by any restricted subsidiary,

in exchange for certificates issued by House of Pledge which represent all economic rights to such Securities and intercompany loan receivables, as applicable. House of Pledge holds the legal ownership in the Securities and intercompany loan receivables for the account of the Company. The certification process will be repeated each time that the Company directly acquires additional or new Securities in any restricted subsidiary or any other person or an intercompany loan receivable is owed to the Company by a restricted subsidiary or any other person in the future in accordance with the terms of the Certification Agreement.

The Collateral that will secure the Notes and the Note Guarantees will also secure obligations under the New Senior Facilities within the same timeframes as for the Notes described above and may secure certain hedging obligations and, subject to the terms of the indenture governing the Notes, other future indebtedness, in each case on a *pari passu* basis in accordance with the terms of the Intercreditor Agreement. Any proceeds received upon any enforcement action over any Collateral will be applied *pro rata* in repayment of all obligations under the Notes and Note Guarantees, the New Senior Facilities and any other indebtedness permitted to be incurred and secured on a *pari passu* basis with the Notes and Note Guarantees pursuant to the Indenture and the Intercreditor Agreement. See "*Description of Other Indebtedness*".

The Collateral 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 "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*" and "*Risk Factors—Risks Relating to the Notes".*

	The security interests over the Collateral may be released under certain circumstances. See "*Risk Factors—Risks Relating to the Notes—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing such Notes and the related guarantees will be released automatically, without the consent of the holders of such Notes or the Trustee*", "*Description of Other Indebtedness—Intercreditor Agreement*", "*Description of the Notes—Security—Release of Liens*".
Intercreditor Agreement	Each Holder, by accepting or purchasing a Note, will be deemed to have agreed to and be bound by the terms of the Intercreditor Agreement. The Indenture will be subject to the terms of the Intercreditor Agreement, and the rights and benefits of the Holders will be limited accordingly and subject to the terms of the Intercreditor Agreement. In addition, the Issuer's obligations in respect of the Notes may be released in certain circumstances. See "*Description of Other Indebtedness*" and "*Description of the Notes—Security*".
Additional Amounts	All payments by or on behalf of the Issuer or any Guarantor (or any surviving entity) under or with respect to the Notes or any Note Guarantee will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, withholding or other governmental charges (including, without limitation, penalties, interest and other similar liabilities related thereto) of whatever nature, unless required by law. If any withholding or deduction for or on account of any taxes imposed by any relevant taxing jurisdiction is required, the Issuer, the Guarantor or surviving entity, as the case may be, will pay such additional amounts as may be necessary to ensure that the net amount received by each holder of the Notes after such withholding or deduction will be not less than the amount the holder would have received if such taxes had not been required to be withheld or deducted, subject to certain exceptions. See "*Description of the Notes—Withholding Taxes/Additional Amounts*".
Optional Redemption of Notes	Prior to , 2022, the Issuer may redeem all, or from time to time a portion of the Notes at a redemption price equal to 100% of the principal amount of such Notes plus the applicable "make-whole" premium set forth in this Offering Memorandum, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. Prior to , 2022, the Issuer may on any one or more occasions redeem up to 35% of the original principal amount of the Notes using the net proceeds from certain equity offerings at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption; **provided** that at least 55% of the original aggregate principal amount of the Notes remains outstanding after the redemption, and the redemption occurs within 180 days after the closing of such equity offering. Prior to , 2022, the Issuer may redeem up to 10% of the aggregate principal amount of the Notes outstanding during each 12-month period commencing with the Issue Date at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

On or after , 2022, the Issuer may redeem all or a portion of the Notes at the redemption prices set forth in this Offering Memorandum under the caption "*Description of the Notes—Optional Redemption*" plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date.

See "*Description of the Notes—Optional Redemption*".

Optional Redemption on Certain Tender Offers . . . . 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 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 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—Optional Redemption upon Certain Tender Offers*".

Optional Redemption for Taxation Reasons . . . . In the event of certain developments affecting taxation, the Issuer may redeem the Notes, in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "*Description of the Notes—Redemption for Taxation Reasons*".

Change of Control . . . . Upon the occurrence of certain events constituting a "change of control", the Issuer is required to offer to repurchase all outstanding Notes at a purchase price in cash of 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of purchase. However, a change of control with respect to the Notes will not be deemed to have occurred if a specified consolidated net leverage ratio is not exceeded in connection with such event. See "*Description of the Notes—Change of Control*".

Certain Covenants . . . . The Indenture will contain covenants that, among other things, limit the ability of the Company and the restricted subsidiaries to:

- incur or guarantee additional debt and issue certain preferred stock;
- make certain payments, including dividends and other distributions, with respect to outstanding share capital;
- make certain investments or loans, including participating in joint ventures;
- repay or redeem subordinated debt or share capital;
- create or incur or permit to exist certain liens;
- impose restrictions on the ability of subsidiaries to pay dividends or make other payments;
- sell, lease or transfer certain assets, including shares of any of our restricted subsidiaries;

- guarantee certain types of our other indebtedness without also guaranteeing the Notes;
- effect a merger or consolidation of, or sell, all or substantially all of our assets or all of the assets of certain subsidiaries within the Group;
- enter into certain transactions with affiliates; and
- impair the security interests for the benefit of the holders of the Notes.

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

Each of these covenants is subject to a number of important limitations and exceptions as described under "*Description of the Notes—Certain Covenants*".

Use of Proceeds . . . . We intend to use the proceeds of this Offering, together with amounts drawn under the Term Loan B Facility and cash on balance sheet to, *inter alia*, (i) repay certain indebtedness made available to the Company under the Existing Senior Facilities Agreement and related transaction costs, (ii) fund and credit the Distribution Escrow Account , (iii) fund the Walesa Acquisition and (iv) to repay related fees and expenses (including the Initial Purchasers' fees, legal, accounting and other fees and expenses) in connection with the Transactions. See "*Use of Proceeds*".

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 Considerations—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 Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, (i) the registration requirements of the U.S. Securities Act, and (ii) the prospectus obligation pursuant to the Prospectus Directive. See also "*Certain ERISA Considerations*".

No Established Market for the Notes . . . . The Notes will be new securities for which there is no existing market. Although the Initial Purchasers have informed 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, we cannot assure you that a liquid market for the Notes will develop or be maintained.

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.

Governing Law	The Indenture, the Note Guarantees therein and the Notes will be governed by the laws of the State of New York. The Intercreditor Agreement will be governed by English Law. The Security Documents will be governed by the laws applicable to the relevant asset.
Trustee	Citibank, N.A., London Branch.
Paying Agent	Citibank Europe plc.
Registrar	Citibank, N.A., London Branch.
Transfer Agent	Citibank Europe plc.
Security Agent	Citibank, N.A., London Branch.
Listing Agent	Carey Olsen Corporate Finance Limited.
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 of this Offering Memorandum before making a decision whether to invest in the Notes.

Summary Consolidated Financial Information and Other Data

The tables below set out the summary consolidated financial information for the Group as of and for the years ended December 31, 2016, 2017 and 2018, as of and for the three months ended March 31, 2019 and for the three months ended March 31, 2018 and for the twelve months ended March 31, 2019. The financial information as of and for the years ended December 31, 2016, 2017 and 2018 has been extracted or derived from the Annual Consolidated Financial Statements. The financial information as of and for the three months ended March 31, 2019 and for the three months ended March 31, 2018 has been extracted or derived from the Interim Consolidated Financial Statements. The financial information for the twelve months ended March 31, 2019 has been extracted or derived from the Annual Consolidated Financial Statements and the Interim Consolidated Financial Statements; for our computation thereof see "*Presentation of Financial and other Information*". The Consolidated Financial Statements are included elsewhere in this Offering Memorandum. The information presented below under the caption "*Key Performance Indicators*" has not been extracted or derived from the Consolidated Financial Statements, but from our management's accounts and/or accounting records.

We have also presented summary unaudited as adjusted consolidated financial and other information prepared to give effect to the Transactions as if they had occurred on April 1, 2018, in the case of the summary unaudited as adjusted consolidated income statement line items, and March 31, 2019, in the case of the summary unaudited as adjusted consolidated statement balance sheet line items. The as adjusted adjustments are based upon available information and certain assumptions that we believe are reasonable regarding the Transactions. The summary unaudited as adjusted consolidated financial and other information is for informational purposes only and does not purport to represent what our as adjusted interest expense actually would have been if the Transactions had occurred on April 1, 2018, or what our as adjusted senior secured net debt or as adjusted total net debt would have been had the Transactions occurred on March 31, 2019, or on any other date and such information does not purport to project our financial results for any future period.

The following tables also contain Non-IFRS Measures and ratios that are not presented in accordance with IFRS, are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. See "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

You should read the information set forth below in conjunction with the sections "*Presentation of Financial and other Information*", "*Use of Proceeds*", "*Capitalization*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum. Our historical results do not necessarily indicate results that may be expected for any future period.

Summary Income Statement Data

	Year ended December 31,			Three months ended March 31,	
	2016	2017	2018	2018	2019
					€ in millions
Revenue	744.6	1,116.6	1,623.7	360.6	416.9
Cost of services	(555.2)	(840.9)	(1,210.0)	(269.9)	(305.6)
Gross profit/(loss)	**189.4**	**275.7**	**413.7**	**90.6**	**111.3**
Selling expenses	(73.4)	(117.8)	(189.6)	(42.5)	(56.4)
Impairment of goodwill	—	—	—	—	—
Other general and administrative expenses	(57.5)	(131.4)	(115.5)	(22.2)	(27.8)
Total operating expenses	**(130.8)**	**(249.2)**	**(305.1)**	**(64.7)**	**(84.2)**
Other gains/(losses)—net	22.9	9.2	34.9	14.8	1.0
Operating profit/(loss)	**81.4**	**35.6**	**143.4**	**40.7**	**28.2**
Finance income	4.5	3.9	1.0	0.4	—
Finance expenses	(38.4)	(29.9)	(32.7)	(7.9)	(8.4)
Net finance income/(costs)	**(33.9)**	**(26.0)**	**(31.7)**	**(7.6)**	**(8.3)**
Share in profit/(loss) of equity accounted investments	(0.9)	1.9	—	0.1	—
Profit/(loss) before taxes	**46.6**	**11.6**	**111.7**	**33.3**	**19.8**
Income tax expenses	(12.8)	(46.3)	(31.6)	(8.5)	(8.5)
Net profit/(loss) of the period	**33.8**	**(34.7)**	**80.1**	**24.8**	**11.3**
Profit/(loss) attributable to:					
Owners of the entity holding ordinary shares	**28.2**	**(43.7)**	**75.1**	**20.7**	**10.8**
Non-controlling interests	**5.6**	**9.0**	**5.0**	**4.2**	**0.5**

Summary Balance Sheet Data

	As at December 31,			As at March 31,
	2016	2017	2018	2019
				€ in millions
Total non-current assets	731.0	946.2	1,084.9	1,148.0
Total current assets	232.8	334.7	382.1	392.9
Total assets	**963.7**	**1,280.9**	**1,467.0**	**1,540.9**
Capital and reserves attributable to owners of the company	236.4	366.6	503.2	533.3
Total equity	285.2	441.4	526.8	539.0
Total non-current liabilities	485.1	503.7	629.6	670.1
Total Current Liabilities	193.4	335.8	310.6	331.8
Total liabilities	**678.5**	**839.5**	**940.2**	**1,001.9**
Total equity and liabilities	**963.7**	**1,280.9**	**1,467.0**	**1,540.9**

Summary Cash Flow Statement Data

	Year ended December 31,			Three months ended March 31,	
	2016	2017	2018	2018	2019
	€ in millions				
Net cash flow from operating activities	55.1	29.1	107.1	(9.4)	7.2
Net cash flow from investing activities	(217.2)	(173.8)	(121.4)	(20.5)	(5.7)
Net cash flow from financing activities	178.9	173.7	36.5	123.8	(11.2)
Net cash flow	**16.9**	**29.0**	**22.3**	**93.9**	**(9.7)**
Cash at the start of the period	47.0	63.9	92.8	92.8	115.1
Cash at the end of the period	63.9	92.8	115.1	186.8	105.5

Other Financial and Pro Forma Information

	As of and for the twelve months ended March 31, 2019
	(€ in millions, except ratios)
Revenue	1,680.0
Pro Forma Adjusted Revenue(1)	1,773.5
Pro Forma Adjusted Revenue—Engineering and Consulting	589.4
Pro Forma Adjusted Revenue—Specialized Staffing	817.3
Pro Forma Adjusted Revenue—General Staffing	366.8
EBITDA(2)	184.5
As adjusted cash and cash equivalents	92.6
Pro Forma Adjusted EBITDA(2)	223.5
Pro Forma Adjusted EBITDA—Engineering and Consulting	108.2
Pro Forma Adjusted EBITDA—Specialized Staffing	91.1
Pro Forma Adjusted EBITDA—General Staffing	30.2
Pro Forma Adjusted *EBITDA*—Corporate and internal costs	(5.9)
As adjusted senior secured net debt(3)	849.8
As adjusted total net debt(4)	857.0
Lease Obligations(5)	72.4
As adjusted interest expense(6)	
Ratio of as adjusted senior secured net debt to *Pro forma* Adjusted EBITDA	3.80x
Ratio of as adjusted total net debt to *Pro Forma* Adjusted EBITDA	3.83x
Ratio of *Pro Forma* Adjusted EBITDA to as adjusted interest expense	x

(1) Represents revenue adjusted to reflect revenue generated by: (i) nine businesses that were acquired between April 1, 2018 and December 31, 2018 (namely Legalia, Hartd., PI, ITDS, Pensioenperspectief., VNOM, Schollmeyer, MT&V and Eurotech SA Group), (ii) Pharmacos and Mykelson which were acquired on April 2, 2019 and April 3, 2019, respectively, and (iii) Walesa for which we signed a letter of intent on June 21, 2019, as if each had been acquired on April 1, 2018. The Revenue impact in the last twelve months ended March 31, 2019 of Pharmacos is based on its revenue for the financial year ended August 31, 2018 and Mykelson and Walesa is based on their revenue for the year ended December 31, 2018.

(2) The following table is a reconciliation of our operating profit/(loss) to EBITDA and EBITDA to *Pro Forma* Adjusted EBITDA for the periods indicated:

	Pre-IFRS 16		Post-IFRS 16			
	Year ended December 31,		Year ended December 31,	Three months ended March 31,		As of and for the twelve months ended March 31,
	2016	2017	2018	2018	2019	2019
						(€ in millions)
Operating profit/(loss)[a]	**81.4**	**35.6**	**143.4[a]**	**40.7[a]**	**28.2**	**130.8[a]**
Depreciation and Amortization[b]	6.0	14.0	57.0[a]	13.6[a]	17.1	60.4[a]
Royalties and others	0.1	(0.1)	(0.2)	(0.3)	—	0.1
Extraordinary items:						
Other gains—Management fee[c]	(0.9)	(1.5)	(0.4)	(0.2)	—	(0.3)
Option plan[d]	4.1	41.2	—	—	—	—
Ratchet[e]	1.3	23.6	(6.6)	—	—	(6.6)
(Reversal) extraordinary provisions	—	0.4	—	—	—	—
(Gain)/loss on disposal of fixed assets	2.2	—	—	—	—	—
Other	(0.1)	0.2	—	—	—	—
EBITDA	**94.1**	**113.5**	**193.2**	**54.0**	**45.2**	**184.5**
Non-recurring items[f]	6.5	7.7	22.3	3.0	2.4	21.7
IFRS adjustments[g]	(22.0)	1.9	(10.4)	(14.0)	1.5	5.1
Different Consolidation Scope[h]	10.1	14.2	1.8		—	1.2
Full year impact of acquisitions[i]	21.5	24.7	10.1		—	6.4
Other	(0.2)	0.1	—	(0.4)	(0.1)	0.3
Impact of acquisitions made subsequent to January 1, 2019[j]	—	—	—	—	—	4.4
***Pro forma* Adjusted EBITDA**	**110.0**	**158.3**	**217.0**	**42.7**	**49.0**	**223.5**
Pro Forma Adjusted EBITDA—Engineering and Consulting	41.9	69.9	102.2	21.5	25.9	108.2
Pro Forma Adjusted EBITDA—Specialized Staffing	48.9	62.7	88.0	17.0	20.9	91.1
Pro Forma Adjusted EBITDA—General Staffing	21.3	32.1	33.0	6.5	4.2	30.2
Pro Forma Adjusted *EBITDA*—Corporate and internal costs	(2.0)	(6.4)	(6.2)	(2.3)	(2.0)	(5.9)

(a) The operating profit/(loss) and depreciation and amortization for the year ended December 31, 2018 have been adjusted to reflect the estimated impact of IFRS 16 (Leases) as if the Company began applying IFRS 16 (Leases) on January 1, 2018. The operating profit/(loss) and depreciation and amortization for the three months ended March 31, 2018 have been adjusted to reflect the estimated impact of IFRS 16 (Leases) by taking 25% of the operating profit/(loss) and depreciation and amortization shown above for the year ended December 31, 2018. The operating profit/(loss) and depreciation and amortization for the twelve months ended March 31, 2019 have been adjusted to reflect the estimated impact of IFRS 16 (Leases) by adding 75% of the operating profit/(loss) and depreciation and amortization shown above for the year ended December 31, 2018 to the operating profit/(loss) and depreciation and amortization, respectively, for the three months ended March 31, 2019 (which itself already reflects our adoption of IFRS 16 (Leases) as from January 1, 2019).

We do not purport that had we adopted IFRS 16 (Leases) as of January 1, 2018, our operating profit/(loss) and depreciation and amortization would have been the amounts shown. The effects of an actual adoption of IFRS 16 (Leases) at such earlier time may have differed from the estimates presented here. We did not restate the 2018 Consolidated Financial Statements order to give effect to the application of IFRS 16 (Leases), nor did we restate our results of operation for the three months ended March 31, 2018 in the comparable column to our Interim Consolidated Financial Statements. As a result, you are cautioned not to place undue reliance on these figures.

(b) Depreciation and amortization is mainly composed of amortization charges on property, plant and equipment and intangible assets (including brand name and customer relationship).

(c) Relates to management services provided to Zaquensis and TEC Alliance while they were accounted for as joint ventures and before they were integrated into the Group in the 2018 financial year.

(d) Relates to a provision in connection with the 2018 legal reorganization in anticipation of the settlement of a share-based compensation benefit option plan from 2015. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key factors affecting our results of operations—Cost of Services, Selling Expenses and Other Expenses—Other general and administrative expenses*".

(e) Relates to share-based payments made to the management of acquired businesses. In the year ended December 31, 2018 the amount represents a reversal of a ratchet provision for the managers of Abylsen. In the year ended December 31, 2017 the amount represent provision for settlement payments of the ratchets to TimePartner, Covebo, Continu and Abylsen which would become due in 2018 following the preparation for the 2018 legal reorganization. In the year ended December 31, 2016 the amount represents a provision related to ratchets as stipulated in the shareholder agreements. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key factors affecting our results of operations—Cost of Services, Selling Expenses and Other Expenses—Other general and administrative expenses*".

(f) In the last twelve months ended March 31, 2019 non-recurring items of €21.7 million mainly relate to (i) reorganization expenses of €4.8 million, (ii) expenses in connection with management exit costs of €3.5 million and (iii) expenses in relation to the Transactions of €3.4 million, (iv) acquisition costs of €2.3 million, (v) one-off tax compensation for management of €1.5 million and (vi) VAT adjustments of €1.2 million. In the year ended December 31, 2018 non-recurring items of €22.3 million mainly relate to (i) refinancing and reorganization expenses of €6.6 million, (ii) transaction costs of €3.3 million in connection with potential exit or divestment of certain shareholders, (iii) management exit costs of €3.0 million, (iv) acquisitions costs of €2.0 million, (v) one-off tax compensation for management of €1.5 million, (vi) VAT adjustments relating to the Issuer of €1.2 million, and (vii) advisors fees in connection with the conversion of our financial statements from Belgian GAAP to IFRS of €1.1 million. In the year ended December 31, 2017 non-recurring items of €7.7 million mainly relate to (i) a tax claim of €5.1 million, (ii) refinancing expenses of €2.8 million, (iii) acquisition costs of €1.2 million and (iv) the reversal of non-recurring income in Accent of €1.2 million in connection with social security reductions in prior periods. In the year ended December 31, 2016 non-recurring items of €6.5 million mainly relate to acquisition costs of €4.1 million and (iii) reversal of non-recurring income.

(g) Represents adjustments made when consolidating the financial statements of our subsidiaries, which are prepared under local GAAP, into the Company's Consolidated Financial Statement, which are prepared under IFRS. For the twelve months ended March 31, 2019, these adjustments principally consisted of (i) the negative €10.0 million impact of the revaluation of shares of Zaquensis over which full control was acquired in June 2018 and (ii) the positive €13.3 million impact from the booking of a provision relating to the long term incentive plan.

(h) In the year ended December 31, 2018 the amount relates to a change in the consolidation scope for Zaquensis since they were fully integrated into the Group in June 2018. In the year ended December 31, 2017, the amount relates to the integration of TEC Alliance and Zaquensis, in January 1, 2018 and June 20, 2018 respectively. In the year ended December 31, 2016 the amount relates to the *pro forma* effect of TEC Alliance and Zanquensis which were respectively acquired on August 31, 2016 and May 30, 2016. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions and the Comparability of our Consolidated Financial Statements*".

(i) In the last twelve months ended March 31, 2019, the amount represents the impact of nine businesses that were acquired between April 1, 2018 and December 31, 2018 (namely Legalia, Hartd., PI, ITDS, Pensioenperspectief., VNOM, Schollmeyer, MT&V and Eurotech SA Group) as if they had all been acquired on April 1, 2018. In the year ended December 31, 2018 the amount represents the impact of the nine businesses that were acquired between April 1, 2018 and December 31, 2018, as if they had all been acquired on January 1, 2018. In the year ended December 31, 2017 the amount represents the impact of five businesses that were acquired between January 1, 2017 and December 31, 2017 (namely Effect, Mach, Weiderer, Vialegis and Redmore), as if they had all been acquired on January 1, 2017. In the year ended December 31, 2016 the amount represents the impact of one business that was acquired between January 1, 2016 and December 31, 2016 (TimePartner) as if it had been acquired on January 1, 2016. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions and the Comparability of our Consolidated Financial Statements*" and "*Summary—Recent Developments—Recent Acquisition*".

(j) Represents the impact of (i) €0.9 million for the twelve months ended March 31, 2019 of Pharmacos and Mykelson which were acquired on April 2, 2019 and April 3, 2019, respectively, and (ii) €3.5 million for the twelve months ended March 31, 2019 of Walesa which we signed a letter of intent on June 21, 2019, as if they had all been acquired on April 1, 2018. The impact on EBITDA for the last twelve months ended March 31, 2019 relating to: (i) the acquisition of Pharmacos is based on its results for the financial year ended August 31, 2018 and (ii) the acquisition of Mykelson and the contemplated acquisition of Walesa is based on their results for the year ended December 31, 2018.

EBITDA and *Pro Forma* Adjusted EBITDA are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS. EBITDA and *Pro Forma* Adjusted EBITDA as presented in this Offering Memorandum may differ from and may not be comparable to similarly titled measures used by other companies and may differ from "Consolidated EBITDA" contained in the sections "*Description of the Notes*" of this Offering Memorandum and in the Indenture. We present EBITDA and *Pro Forma* Adjusted EBITDA for informational purposes only. This information does not represent the results we would have achieved had each of the acquisitions or other transactions for which an adjustment is made occurred at the dates indicated. There is no assurance that items we have identified for adjustment as nonrecurring will not recur in the future or that similar items will not be incurred in the future. We present EBITDA and *Pro Forma* Adjusted EBITDA because we believe they are helpful to investors as measures of our operating performance and ability to service our debt. EBITDA and *Pro Forma* Adjusted EBITDA 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 IFRS. See "*Presentation of Financial and other Information*".

(3) As adjusted senior secured net debt reflects the aggregate principal amount of borrowings under the New Senior Facilities Agreement, the Notes offered hereby and lease obligations under IFRS 16 (Leases) and IAS 17 less cash and cash equivalents, as adjusted to give *pro forma* effect to the Transactions as if they had occurred on April 1, 2018.

(4) As adjusted total net debt reflects the aggregate principal amount of total financial liabilities less cash and cash equivalents as adjusted to give *pro forma* effect to the Transactions as if they had occurred on April 1, 2018.

(5) Lease obligations under IFRS 16 (Leases) and IAS 17.

(6) As adjusted interest expense represents our interest expense as adjusted to give effect to the Transactions as if they had occurred on April 1, 2018 including the interest expense in connection with debt incurred under the New Senior Facilities and the Notes offered hereby. As adjusted interest expense also reflects an adjustment for IFRS 16 (Leases) and estimates the impact by adding 75% of the adjustment required for the twelve months ended December 31, 2018 had IFRS 16 (Leases) been applied for such period to the interest expense actually applied for the three month period ended

March 31, 2019. As adjusted interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest expense for any future period or our financial position at any future date.

Pro Forma Adjusted Revenue[(1)]

	Year ended December 31,		Year ended December 31,	Three months ended March 31,		As of and for the twelve months ended March 31,
	2016	2017	2018	2018	2019	2019
						(€ in millions)
***Pro Forma* Adjusted Revenue**	**1,160.9**	**1,496.3**	**1,715.8**	**380.9**	**411.5**	**1,773.5**
Pro Forma Adjusted Revenue—Engineering and Consulting	288.0	471.2	578.2	123.3	144.2	589.4
Pro Forma Adjusted Revenue—Specialized Staffing	560.0	635.9	756.4	164.9	189.0	817.3
Pro Forma Adjusted Revenue—General Staffing.	312.9	389.2	381.2	92.7	78.3	366.8

(1) Represents the revenue for the period presented adjusted to reflect revenue generated by businesses acquired during that period as if those acquisitions had occurred on the first day of the period. *Pro* Forma Adjusted Revenue for the last twelve months ended March 31, 2019 also includes the revenue impact from the acquisitions of Pharmacos and Mykelson and the contemplated acquisition of Walesa as if they had occurred on April 1, 2018.

Organic Growth

For further information on Organic Growth see, "Presentation of Financial and other Information—Other Financial Measures and Ratios" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key factors affecting our results of operations—Drivers of sales and pricing—Organic Growth".

	Year ended December 31,		Three months ended March 31,	
	2017	2018	2018	2019
				(€ in millions)
Revenue	**1,109.6**	**1,245.8**	**360.6**	**369.6**
Engineering and Consulting segment	212.5	253.1	117.7	126.6
Specialized Staffing segment	653.0	748.0	169.8	186.1
General Staffing segment	244.5	249.7	74.2	58.0

	Year ended December 31,	
	2016	2017
		(€ in millions)
Revenue	**704.4**	**811.3**
Engineering and Consulting segment	128.3	158.7
Specialized Staffing segment	576.8	653.0
General Staffing segment	—	—

Key Performance Indicators

	December 31, 2018	March 31, 2019
Number of branches[1]	535	548
Number of unique clients (year-to-date)[2]	24,447	15,200
Number of in-house full-time equivalent employees[3]	2,829	2,926
Job candidates at work[4]	43,927	43,583
Job candidates at work per in-house full-time equivalent employees[5]	15.5	14.9
Job candidates at work per client[6]	3.9	3.8

(1) The figures are presented as at the period indicated.

(2) The figures presented are year-to-date figures, with December figures representing the year ended December 31, 2018 and the March figures representing the three months ended March 31, 2019. They represent our clients for each of the operational entities that formed part of consolidation perimeter as at the period indicated in this Offering Memorandum. There may be duplication in the figures if certain operational entities serve the same client or if the client has multiple legal businesses under which it does business and which is served by us by different operational entities.

(3) Figures are presented as at the period indicated. Represent our employees that are not intended for client assignments, such as our sales and marketing in-house employees. Full-time equivalent measures the number of in-house employees as adjusted to reflect the portion of hours worked in a week. For example, if an in-house employee on a 38-hour work week would represent one in-house full-time equivalent employee for the period, then an in-house employee on a 19-hour work week would represent 0.5 full-time equivalent employee for the period.

(4) The figures are presented as at the period indicated. Include our individuals that we recruit for assignments with clients, whether they be for temporary staffing positions, secondments or consulting roles; job candidates also refers to our engineers and consultants, freelancers and subcontractors that are intended for assignments with clients.

(5) Represents our number of job candidates divided by our number of in-house full-time equivalent employees.

(6) Represents our number of job candidates divided by our number of unique clients for the month indicated.

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 have a material adverse effect on our business, financial position, results of operations and prospects, and accordingly the value of the Notes or on our ability to fulfill our obligations under the Notes and the Note Guarantees. 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 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 and thus on our ability to fulfill our obligations under the Notes and the Guarantees. 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.

Risks Relating to Our Business and Industry

Our results of operations could be materially adversely affected by volatile or uncertain economic conditions.

Demand for our staffing services is sensitive to changes in the level of economic activity and economic conditions in the countries, regions and sectors in which we operate. A global economic downturn that impacts a country or region in which we operate may adversely affect our staffing services in that country or region, as fewer clients may seek our job candidates for assignments. Moreover, our revenue and results of operations are dependent on a limited number of countries in Europe and we have material operations in Belgium, the Netherlands, Germany and France. For the year ended December 31, 2018, these countries accounted for 40.8%, 27.6%, 25.2%, and 6.0% respectively of the Group's revenue and as a result, we are particularly exposed to risks arising from economic conditions in these countries. For example, as the United Kingdom ("**U.K.**") represents a key export market for several of the countries in which we operate, particularly Belgium and the Netherlands, adverse trade terms between the U.K. and the countries in which we operate due to the U.K.'s decision to leave the EU or otherwise could have an adverse effect on the economies of these countries, which could by extension adversely affect demand for our services or our business. Furthermore, a downturn in the end-markets in which we target clients could have a negative impact on the demand for our services or the prices clients are willing to pay for our services. In addition, an economic downturn may impact us differently than it has in the past. Among our financial segments, general staffing has historically been most sensitive to economic fluctuations, which has led to decreases in demand for such services in connection with economic downturns.

Actions that we take to decrease our expenses during an economic downturn may not prevent a loss in operating profit and could have a longer term impact on our operations. When demand drops or remains low, we attempt to reduce the amount of our sales and marketing expenses and job candidates in order to reduce our cost of services and operating expenses but such reductions may not occur as quickly as, or be sufficient to offset the decrease in our revenue. If periods of decline are prolonged and result in a significant decrease in the size of our in-house employees or job candidates, we may not be able to reduce our expenses without negatively impacting the long-term potential of our business units, branches and brands. Furthermore, our decentralized structure, can lead to increased costs, which in times of economic downturn could lead to decreased profitability.

Any of the foregoing risks, if they were to occur, could have a material adverse effect on our business, financial condition and results of operations.

The employment services sector is highly competitive and we may be unable to compete successfully in our markets.

Our industry is highly competitive. This is driven by a variety of factors, including low barriers to entry especially in localized markets, the availability of qualified job candidates, the quality and speed of customer service, and brand loyalty. We must compete in a number of our markets not only with large, consolidated international staffing services providers but also with smaller, more localized companies.

Furthermore, many of our competitors are global full-service and specialized employment services providers with substantial marketing and financial resources, and may be better positioned in certain markets. For example, our Accent business unit which operates in the specialized staffing segment in Belgium, faces competition from global service providers, each of which compete mainly on volume-driven clients. We expect that we will continue to experience pressure on price from competitors and clients.

We may also face increased competition from smaller, more localized staffing solutions providers as well. Such firms would most likely cater to a smaller set of clients and as a result, may be able to provide more time and attention to their clients. In particular, SME and ISEs may prefer to work with more localized firms. Further, there is a risk that we may be unable to compete effectively on price with such firms as their cost base may be lower, including regarding technological capabilities.

In addition, new and existing competitors may be aided by technology that enables them to compete with our HR staffing services. The widespread adoption of sophisticated, automated job description and candidate screening tools could make many traditional functions of HR staffing companies obsolete. Specifically, the increased use of the internet may continue to attract technology-oriented companies to the HR staffing industry. Free social networking sites such as LinkedIn and Facebook and online job boards such as Google for Jobs are also becoming a common way for recruiters and employees to connect without the assistance of an HR staffing company. We believe that our future success will depend largely upon our ability to anticipate and keep pace with these technological and digital developments and advances. Current or future competitors could develop alternative capabilities and technologies that are more effective, easier to use or more economical than our services. In addition, with continuing development and increased availability of information technology, the end-markets in which we compete may attract new competitors. If our capabilities and technologies become obsolete or uncompetitive, our related sales and revenue would decrease.

Further, we may face competition from our clients themselves as they insource some of the services we provide. SMEs and ISEs accounted for approximately 77% of our sales for the year ended December 31, 2017. As such clients grow, they may increasingly take advantage of low-cost alternatives, including developing and using their own in-house resources rather than engaging a third party to support them in their HR staffing needs. As a result, there is a risk that we may not be able to maintain our existing client engagements and if we are not able to maintain or replace such clients, this could negatively impact our business. Due to competition, we may experience reduced margins on our services, loss of market share, and loss of clients. Our inability to compete effectively with current or future competitors as a result of any of the foregoing and other factors could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Our continued success depends upon our ability to attract and retain qualified job candidates and in-house employees.

Our business depends on our ability to attract and retain qualified job candidates who possess the skills and experience necessary to meet the requirements of our clients, particularly for our engineering and consulting and specialized staffing segments. In certain markets we may experience a tight labor market with historically low levels of unemployment, and there is a risk that we may be unable to meet our clients' requirements in identifying an adequate number of job candidates. We must continually evaluate and upgrade our base of available qualified job candidates to keep pace with changing client needs and emerging technologies. Competition for individuals with proven specialty skills is often intense, and we expect demand for such individuals could make it difficult to retain such job candidates. Qualified job candidates may not be available to us in sufficient numbers or on terms of employment acceptable to us. In addition, we may lose existing job candidates to clients, if such clients decide to permanently retain our job candidates sent on temporary assignment, including as a result of legislative or regulatory reform. Additionally, our clients may look to us for assistance in identifying and integrating into their organizations job candidates from diverse backgrounds, and who may represent different generations, geographical regions and skill sets. These needs may change due to business requirements, or in response to geopolitical and societal trends. There is a risk that we may not be able to identify job candidates with the required attributes, including as a result of expanding restrictions on immigration or that our training programs may not succeed in developing effective or adequate skills to meet the demand where needed. We may also face difficulties in recruiting job candidates through our international recruitment network if such job candidates are not incentivized to relocate and seek assignments with clients in the markets in which we operate as a result of increasing wages in their home countries.

Further, we are also dependent on our in-house employees to establish and maintain client relationships, to recruit job candidates, to run our day-to-day operations and to identify internal growth and external acquisition opportunities. A number of our business units rely on in-house employees who are specialists in the end-markets of the clients we serve with a deep understanding of the job requirements of our clients. Such qualified in-house employees may not continue to be available to us in sufficient numbers or on terms or in geographic locations which are economically and strategically advantageous to us. Moreover, we may be unable to continue to find, develop or retain suitable in-house employees who meet our performance standards.

If we fail to recruit, train or retain qualified job candidates who meet the needs of our clients or in-house employees who meet our performance standards, our reputation, business and financial results could be materially adversely affected. Similarly, increases in compensation or in benefits resulting from competition for such qualified job candidates or in-house employees may have a material adverse effect on our current business, future prospects, financial condition and results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Our results of operations or ability to grow could be materially negatively affected if we cannot successfully keep pace with technological changes in the development and implementation of our services and solutions, including that of our digital platform.

We believe our success depends on our ability to keep pace with technological changes in the development and implementation of our services and solutions. For example, rapid changes in the use of artificial intelligence and robotics are having a significant impact on some of the industries we serve, and could have significant and unforeseen consequences for the staffing industry and for our business. There is a risk that these, or other developments, could result in significant disruption to our business model, and that we will be unprepared to compete effectively.

Additionally, our business is reliant on a variety of technologies, including those which support applicant on-boarding and tracking systems, order management, billing, payroll and client data analytics. There is a risk we will not sufficiently invest in technology or industry developments, or evolve our business with the right strategic investments, or at sufficient speed and scale, to adapt to changes in our marketplace. Similarly, from time to time we make strategic commitments to invest in or develop particular technologies to recruit, manage or analyze our workforce or support our business, and there is a risk that they will be unsuccessful or not implemented effectively. Furthermore, we operate on a best practices basis, meaning that we implement digital initiatives more broadly among our Group once they have been tested by a business unit, which may lead to delayed implementation of, and as a result, delayed benefit from, such initiatives. These and similar risks could have a negative effect on the appeal of our services and solutions, or our ability to develop and maintain a competitive advantage in the marketplace and, as a result, on our business, financial condition or results of operations.

We rely on certain key personnel, the loss of whom could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We depend on our senior management at the Group level, as well as key personnel at each operating company, for the implementation of our business strategy and day-to-day operations. Our senior management's and key personnel's knowledge of the market, our business, our clients and our Group represents a key strength of our business model, and we believe that our experience and human capital serve as barriers to entry to potential competitors. Accordingly, we face risks relating to our ability to continue to attract, retain and incentivize senior management and other key personnel in our company. If any senior management or key personnel leave, it could take time to find appropriately qualified individuals to replace them. If we are unable to retain key members of our senior management team in particular and cannot hire new qualified personnel in a timely manner, this could negatively impact the management of our business units and have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Maintaining and protecting our reputation and the image of our brands is important to our ability to attract and retain clients and job candidates and any harm to our reputation and brands could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We rely on our reputation, as well as positive recognition of the brands used by our business units, among other factors, to attract and retain clients. We believe that maintaining, protecting and enhancing our brand will depend largely on our ability to continue to provide high-quality, useful and innovative services to our clients and our ability to successfully match job candidates with our clients' needs. If clients or job candidates do not perceive our HR staffing services to be of high quality, our reputation could be harmed and the value of our brands could diminish, thereby decreasing the attractiveness of our HR staffing services to existing and prospective clients as well as job candidates. We also believe that our reputation and brands may be harmed if we fail to maintain a consistently high level of customer service. Our reputation and brand could also be negatively affected by the actions of clients or job candidates that are inappropriate or illegal, regardless of whether such actions relate to services we provide to such clients or arise while a job candidate is on assignment with a client if we are publicly associated with such actions. In addition, clients or job candidates may become dissatisfied with our billing policies, our handling of personal data or other aspects of our HR staffing services. If we fail to adequately address these or other complaints, negative publicity about us or our services could diminish confidence in and the use of our HR staffing services. Our image or reputation can be severely damaged even by isolated incidents, particularly if an incident receives considerable negative publicity or results in litigation. Some of these incidents may include:

- disagreements or disputes with clients, job candidates or in-house employees;
- placing job candidates who do not, or alleged to not, have the requisite background or experience; or

- breaches or allegations of breaches of legal and regulatory obligations.

Other incidents that may generate negative publicity or harm our reputation or brands may arise from events that are or may be beyond our control, such as data security breaches or fraudulent activities associated with our records, work accidents relating to job candidates placed with our clients, litigation and legal claims or third-party misappropriation, dilution or infringement of our intellectual property. For example, adverse publicity relating to work place accidents, including serious injuries or fatal accidents, could have a negative impact on our business, including loss of existing job candidates or in-house employees, loss of clients or regulatory action. Furthermore, negative publicity relating to the temporary staffing industry, the use of foreign workers, the housing of foreign workers or immigration/worker mobility more generally or the HR staffing industry more generally, whether or not directly or indirectly related to any specific events arising from our own operations, could harm our reputation through association, particularly if such negative publicity references us as an operator in such industry or makes any of our clients or job candidates reluctant to use our services as a result. For example, in the past, we received negative publicity related to the failure of a third party to provide adequate housing arrangements for job candidates who were recruited through our international recruitment network. Failure to address, or appearing to fail to address, these and other issues could erode client confidence in our reputation or the brands of our business units. Restoring our reputation may be costly and difficult to achieve. Negative publicity or negative public opinion may adversely affect our ability to retain and attract clients or job candidates, or increase the costs of attracting and maintaining our client and job candidate base, the loss of which could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We may be unable to effectively implement our business strategy, and there can be no assurance that we will achieve our objectives.

An important element of our strategies is our effort to diversify our revenues beyond our core staffing and employment services through the utilization of digital initiatives and the introduction of new end-markets through acquisitions. The development of such solutions is often unique and presents costs, risks and complexity that may be difficult to calculate. These solutions may be unprofitable if we are not able to accurately anticipate these costs and risks in implementing these solutions. For example, we may fail to structure and utilize our solutions in a manner that properly compensates us for the IT development costs associated with such innovations.

With respect to acquisitions, we regularly review and pursue opportunities for strategic growth through acquisitions, including as a way to expand to new geographical areas. We may face difficulties in identifying suitable target businesses or consummating a transaction on terms that are favorable to the Group. In addition, we may be unable to realize expected strategic benefits, growth, diversification of our end-markets or other financial benefits from such acquisitions in the timeframe we anticipate or at all. In addition, we may be unable to identify, negotiate or finance future acquisitions or other strategic initiatives, successfully or at favorable terms. Any future joint ventures or acquisitions of businesses, technologies, services or products might require us to obtain additional equity or debt financing, which may not be available on favorable terms, or at all. For instance, in respect of the Walesa Acquisition, the signing of the final acquisition agreement and the subsequent consummation is subject to due diligence, negotiations, as well as the satisfaction of certain conditions and the performance of closing actions. The parties to the letter of intent will not consummate the Walesa Acquisition until the conditions are fulfilled, which could take several months and, in exceptional circumstances, significantly longer. Accordingly, the parties may not be able to complete the Walesa Acquisition in a timely fashion or at all.

Given the various risks to which we are exposed and the uncertainties inherent in our business, we cannot guarantee the successful implementation of our business strategies. Additionally, our strategies may put operational strain on our business and consume management time and focus to the detriment of our existing business operations. If we do not meet our strategic objectives or achieve the results initially expected, we may be unable to recover our investment or this may otherwise have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We have included certain historical financial information on entities that we acquired, which were not prepared by us or reviewed by our auditors and in some instances, which were not audited at all, or which were prepared on a different basis from our current IFRS financial statements, which may not be reflective of our past performance or representative of our future results.

Within this Offering Memorandum, we have presented certain historical financial metrics of our business unit accounts' revenues and EBITDA, including figures on a historical and *pro forma* basis from 2007 to 2018 in part to demonstrate the impact of the 2009 financial crisis on our historical results of operations and to adjust for the impact of acquisitions we have done in the past as well as certain non-recurring and extraordinary items. The *pro forma* historical figures set out in this Offering Memorandum have been computed by adding the revenues of all of our acquired entities to our historical statutory accounts (prepared from 2007 to 2015 on a Belgian GAAP basis), to present the total revenues of the Group, as if it had been operating as a consolidated group at the relevant date (See "*Our Business—Our Strengths—"We have an outstanding record of both organic and external growth" and "We have a resilient, highly cash-generative financial profile*"). The historical financial metrics for the acquired entities have been obtained from their individual accounts and are therefore not comparable to our historical financial information. Some of these accounts may not been prepared in accordance with statutory requirements or the accounting policies used by these acquired entities may differ in substantial respects from the manner in which we have prepared our accounts. This financial information may not reflect what our results of operations or financial condition would have been had the Group operated as a consolidated group or reporting segment during the periods presented. A number of estimates, judgments and assumptions were made for the purpose of allocating those items that were not directly attributable and/or separately identifiable. We have also included certain financial figures of certain of our competitors. The historical financial information of our historical statutory accounts, our business units' accounts and from the financial reporting of certain of our competitors, has been presented for illustrative purposes and those of our competitors are not necessarily comparable and are not prepared on the same basis. Furthermore, our historical financial information does not necessarily indicate what our results of operations, had they existed with our current consolidation perimeter, would have been had we been a consolidated entity in the past, how our financial condition will be in the future or how our operations might respond in the future to events similar to those experienced by us in the past.

We may not realize the expected benefit of our past or future acquisitions or we may face unforeseen costs or liabilities.

In the past, we have grown through a combination of organic development and significant platform acquisitions, and we intend to continue this combination in the future. Recent acquisitions during the periods presented in the Annual Consolidated Financial Statements include several bolt-on acquisitions in 2018 and the acquisitions of new business units at the Group, including Vialegis and Redmore in 2017 and TimePartner in 2016. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions and the Comparability of our Consolidated Financial Statements*".

Growth through acquisitions entails certain risks, including the risk of a failure to realize the expected benefits of the acquisitions and incurrence of unexpected risks and obligations. These risks include, but are not limited to:

- diversion of management's time and attention from daily operations to the integration of newly acquired operations;
- the possibility of not being able to retain key staff members and clients from the companies we acquire;
- difficulties in conforming the acquired company's accounting, books and records, internal controls, and procedures and policies to ours;
- retaining the loyalty and business of the clients of acquired businesses;
- challenges arising from a lack of familiarity with new markets with differing commercial and social norms and customs which may adversely impact our strategic goals or require us to adapt our business model for and other regulatory frameworks;
- compliance with foreign legal and regulatory systems;
- difficulties integrating technologies and maintaining uniform standards;
- unforeseen legal, regulatory, anti-trust, contractual or other issues;
- difficulties in maintaining timeliness and quality of service; and
- unanticipated costs and expenses associated with any undisclosed or potential liabilities.

Furthermore, we have in the past and expect in the future to operate and acquire businesses in countries where the Group is not currently present, with different regulatory systems and different operating cultures, which may exacerbate the risks identified above. In addition, acquisitions are also subject to the risk of overvaluation of the target and thus to the payment of consideration greater than the targets' actual value to our business. In addition, we may be unable to evaluate the scale of a potential acquisition, which may result in being unable to allocate proper resources to execute the acquisition, while our acquisition model expects we may acquire new business units which will have a great deal of autonomy. Moreover, even if we are able to successfully integrate the operations of acquired businesses, we may not be able to realize the potential cost savings, synergies and revenue enhancements that were anticipated from the acquisition, either in the amount or within the timeframe that we expect. Additionally, the costs of achieving these benefits may be higher than, and the timing may differ from, what we expect.

Our failure to realize the expected benefits or synergies of past or future acquisitions could result in the lack of implementation and achievement of our growth strategy may prevent us from obtaining the advantages that the acquisitions were intended to create, or could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Guarantees.

We rely on search engine optimization, undertake digital advertising campaigns and utilize social media and other online platforms to acquire new job candidates and clients, which may not be successful or cost-effective.

We rely on Internet search engines, such as Google, to direct traffic to our business units' websites, including our business units' mobile websites. Search engines frequently update and change the logic that determines the placement and display of results of a user's search, such that the purchased or algorithmic placement of links to our websites may be negatively affected. Moreover, a search or meta-search engine could, for competitive or other purposes, alter its search algorithms or results causing a website to place lower in search query results. If a major search engine changes its algorithms or results in a manner that negatively affects the search engine ranking, paid or unpaid, of our websites, or if competitive dynamics impact the costs or effectiveness of search engine optimization, search engine marketing or other traffic-generating arrangements in a negative manner, it may lead to the loss of existing job candidates or clients or hamper our ability to attract new job candidates or clients. In addition, certain meta-search companies have added or intend to add various forms of functionality to their sites. To the extent such functionality is promoted at the expense of traditional paid listings, this may reduce the amount of traffic to our websites.

Furthermore, we also attract job candidates as well as new clients through paid marketing channels. In order to maintain our current revenues and grow our business, we need to continually optimize advertising campaigns, and paid search engine optimization aimed at acquiring new job candidates and clients. Social media and online job boards have been an effective way for us to reach passive job seeker candidates and our success in these efforts depends, in part, upon our continued ability to promote our HR staffing services on third-party websites, such as Facebook, Google for Jobs and Indeed.com to whom we pay fees to advertise. If one of the advertisers or social media platforms to which we direct online advertising expenditures, use to promote our services or locate potential clients, were to increase their fees, change their interface or experience disruptions in service, we may be required to incur additional advertising expenses to acquire job candidates and clients. Furthermore, if any significant third-party websites or platforms on which we advertise, promote our services or locate potential clients were to lose their market position or otherwise fall out of favor with consumers or other factors cause their user bases to stop growing or shrink, we may need to identify alternative channels for advertising and promoting our HR staffing services, which could consume substantial resources and may not be effective, or available at all. Any of the foregoing may have a material adverse impact our business, financial condition or result of operations and thus our ability to fulfill our obligations under the Notes and the Note Guarantees.

Our interim results fluctuate as a result of seasonality in our business.

Our revenue is subject to seasonal fluctuations in many of the end-markets in which we operate. We have in the past experienced, and expect in the future to experience fluctuations in our results of operations due to seasonal demand in our current end-markets. Seasonality varies depending on a number of different factors and can impact our business units and our three segments differently. The underlying end-markets we serve are subject to various drivers that impact overall industry demand and therefore demand from our clients for staffing. For example, the construction industry may experience inclement weather or other causes on a worksite, which can impact demand for job candidates. As a result of the mix of services we provide, seasonal work can also cause a peak in demand during a specific period, such as the weeks leading up to Christmas and Easter, around harvest time in the food production sector or around holiday periods such as the Christmas holidays and summer holidays. Historically, as a general matter, our revenue fluctuates, with higher levels of revenue typically being received in the second half of the year just after the summer holidays, which is then sustained for a period before decreasing again in December due to Christmas holidays.

Moreover, we also experience seasonality with regards to our working capital requirements. We generally experience larger working capital requirements in the first half of the year due to increased holiday pay, bonus pay and tax payments. While our working capital requirements are generally lower in the second half of the year, our working capital requirements also experience an increase at the end of the year for end-of year bonuses and holiday pay, particularly as certain of our businesses institute mandatory holiday at the end of the year. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Comparability of Our Consolidated Financial Statements—Our Interim Results Fluctuate as a result of Seasonality in our Business*". Due to the aforementioned seasonality effects we do not expect our Interim Consolidated Financial Statements to be reflective of the results we anticipate for the year ended December 31, 2019.

Weaknesses and deficiencies in our internal controls generally and over financial reporting may prevent us from managing our growth effectively, reporting our financial results accurately or result in a material misstatement of such results.

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, a lack of requisite personnel or fraud. Because of these inherent limitations, internal control over financial reporting may not prevent or detect all misstatements or fraud. In addition, our organizational structure may make it difficult to implement changes across business units in a consistent manner, including those required for internal control and compliance. We could also face difficulties in bringing the internal controls, accounting procedures and policies of the companies that we acquire up to the standard of our internal controls and procedures in time for the reporting cycle following an acquisition, which could lead to inaccuracies or misstatements in our financial reporting. If we cannot maintain or execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, fail to meet our reporting requirements on a timely basis, be unable to properly report on our business or our results of operations, or be required to restate our financial statements. Any of the foregoing could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We face risks associated with the collection of trade receivables and certain counterparty risk.

Trade receivables constitute a significant portion of our assets and are therefore a major business investment. As at December 31, 2018, trade receivables constituted 16.0% of our total assets. Successful control of the trade receivables process demands the development of appropriate credit, collection, and financing policies. In addition, we are exposed to credit risk, meaning the risk that our clients and other counter-parties may be unable to fulfill their payment obligations. Macroeconomic conditions have a significant influence on credit risk, as in an economic downturn more clients tend to fall into default, which could be magnified for us as a result of our exposure to SME and ISE clients, which may have less ability to raise capital from other sources during a downturn. If our clients become unable to pay amounts owed to us, or pay us more slowly, then our cash flow and profitability may suffer.

We are also exposed to counterparty risk with respect, certain credit insurance maintained by certain of our business units, swap agreements we have entered into in respect of interest payments as well as factoring agreements (for which our Group retains a credit risk and late payments risk). Financial services institutions and other counterparties are inter-related because of trading, funding, clearing or other relationships. As a result, defaults by, or even rumors or questions about the financial stability of one or more financial services institutions, or the financial services industry generally, could lead to market-wide liquidity disruptions, losses and defaults. Many of these transactions expose us to credit risk in the event of a default by one or more of our counterparties. If we fail to maintain a solid collections policy or to manage our credit risk or if there were such an economic downturn in the markets in which we operated or an impact on the financial services markets including our counterparties, such a failure or event could have a negative effect on our business, financial condition or results of operations.

We include an implied equity value range in this Offering Memorandum which is based on current market conditions and recent related transactions. This implied equity value is an estimate and may be different, or could change in the future, and such change could be significant.

The implied equity range presented in this Offering Memorandum is based on current market conditions and recent related transactions, including the multiple used for minority roll-up transactions on June 21, 2018 in connection with our 2018 legal reorganization. Such implied equity value is not an accounting measure under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. Our estimated range of our implied equity value at the time of the Offering is an internal assessment and not subject to the same procedures undertaken in a fair value assessment. As a result, we can offer no assurance to investors that our implied equity range in this Offering Memorandum is reflective of the implied equity value that would be determined if a fair value assessment were undertaken now or in the future, and investors should not place undue reliance on the implied equity value shared in this Offering Memorandum.

Our insurance policies may not be adequate to cover all the risks we face and, if we are no longer covered by our existing insurance, it may be difficult to obtain replacement insurance on acceptable terms or at all.

Our policy is to maintain occupational accident, credit, general professional liability, employers' liability, workers' compensation, motor third party liability, property damage and business interruption and additional insurance covering our main insurable risks to the extent such insurance coverage is available for reasonable premiums. However, we may become subject to liability against which we have not been insured, cannot insure or are insufficiently insured, which could have a material adverse impact on our business, financial condition or results of operations. For example, to the extent any claims arise during a job candidate's assignment with a client which we expected the clients' insurance to cover and it does not, we may face uninsured losses in connection with any such events. In addition, we may not be able to enter into new insurance agreements on commercially acceptable terms and conditions in the future. For example, our business units in Belgium are required to insure occupational accidents through specifically licensed private insurance companies, as a consequence of the Law of April 10, 1971 and subsequent Royal Decrees. Given the nature of our operations, which typically results in us placing our job candidates on our payroll while they are on assignment, we are required to insure a significant number of persons. As temporary staffing often runs at a poor loss ratio for insurers, including ours in the recent past, this could result in a significant premium increase in the future unless we can find a suitable alternative or unless we experience a decline in insurable events. The materialization of any of these risks may materially adversely affect our business, financial condition or results of operations.

Given that engineering and consulting and general staffing job candidates are typically employees on indefinite term contracts, an underutilization of such job candidates or any significant increase in staff costs or other direct costs may have a material adverse effect on our business, financial condition and results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Our business units in the engineering and consulting segment typically places medium to highly skilled job candidates who are engineers, technicians or other white collar consultants with clients on a medium-term to long-term basis. The job candidates in most of our engineering and consulting business units are employees with indefinite term contracts on our payroll whether or not they are on assignment with a client. In addition, due to regulatory requirements, job candidates in our general staffing segment in Germany, which operate predominantly in the general staffing segment, are also our employees with indefinite term contracts and on our payroll whether or not they are on assignment with a client. In the above instances, generation of revenue through this segment is primarily driven by the utilization of such job candidates (i.e. the time that can be billed to a client assignment). As a result, if such job candidates are underutilized, we will not be generating revenue, but we will be incurring costs for these job candidates. Accordingly, the time for which job candidates are paid but cannot be billed to a client assignment, or "bench time", has an impact on the profitability of the Group.

The degree to which we are able to utilize and manage our job candidates is affected by a number of factors, including:

- our ability to forecast demand for our services and to recruit, maintain and deploy job candidates in alignment with demand, including job candidates with the right mix of skills and experience to support client demand;
- our ability to transition job candidates from completed client engagements to new assignments and to hire, assimilate and deploy new job candidates;
- our ability to manage retention;
- our ability to engage and motivate our job candidates and their level of productivity; and
- performance, including through seeking out new clients engagements or extending existing clients engagements.

Increased direct costs (resulting from salary inflation for existing or new job candidates or an increase in headcount for our job candidates as part of our growth strategy or otherwise) without a corresponding increase in revenue could have a material adverse effect on our gross profit. While it is important for us to manage our additional client assignments or higher priced job candidate costs to maintain our gross margin, a failure to increase pay in line with our competitors could restrict our ability to attract new job candidates and retain existing job candidates, which could impact the quality of the services we provide to clients and our ability to win new or to maintain existing client relationships.

If our costs increase at a higher rate than our revenue, whether due to factors that lead to less revenue (including as a result of our job candidates being underutilized) or factors that lead to increased costs, we may not be as competitive and profitability will be impacted. As a result, a material underutilization of our job candidates or an increase in costs could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Changes in sentiment toward the staffing industry could affect demand for our services.

From time to time, the staffing industry has come under criticism from unions, works councils, regulatory agencies, governments and other constituents that maintain that labor and employment protections, such as wage and benefits regulations, are subverted by staffing services, particularly temporary staffing services. Our business is dependent on the continued acceptance of staffing arrangements as a source of flexible labor for our clients. If attitudes or business practices in some locations change due to pressure from organized labor, political groups, or regulatory agencies, or alternatively due to increased use of and preference for online job platforms and other digital intermediaries which results in decreased demand for our services from clients, we could experience a decline in revenue. In addition, the use of foreign workers by the staffing industry is also criticized and may receive significant political, media or other attention from time to time. To the extent that this decreases demand for our staffing requires, this could also result in a decline in revenue for the Group. Any of the foregoing could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We could incur liabilities or our reputation could be damaged from improper disclosure or loss of sensitive or confidential company, employee, associate, job candidate or client data, including personal data, or from other difficulties faced in the operation of technical infrastructure.

In connection with the operation of our business, we store, process and transmit certain personal data, including personnel and payment information, about our in-house employees, clients, associates and job candidates, a portion of which is confidential and/or personally identifiable and sensitive. In engaging in these data-related activities, we rely on our own technology and systems and those of third-party vendors we use for a variety of processes, including cloud-based technology and systems, mobile technologies and social media. Unauthorized disclosure, modification or loss of confidential, personally identifiable or sensitive data or other operational failures may occur through a variety of methods. These include, but are not limited to, systems failures, in-house employee negligence, fraud or misappropriation, or unauthorized access to or through our information systems, whether by our in-house employees, vendors or third parties, or a cyber-attack by hackers, members of organized crime and/or state-sponsored organizations.

Computer malware, viruses, social engineering (predominantly spear phishing attacks), and general hacking have become more prevalent, have occurred on out systems in the past, and could occur on our systems in the future. We also regularly encounter attempts by third parties to fraudulently induce our in-house employees or job candidates to disclose information in order to gain access to our data or systems.

An incident involving disclosure, data modification, loss or security breach or a significant technical failure could subject us to significant monetary damages or losses, litigation, negative publicity, regulatory enforcement actions, and liability under our contracts, resulting in increased costs or loss of revenue. In the past, we have experienced data security breaches resulting from unauthorized access to our systems, which to date have not had a material impact on our operations or financial results; however, there is no assurance that such impacts will not be material in the future.

Further, we are subject to specific regulations regarding the use of personal data. Those regulations generally impose certain requirements on the Group in respect of the collection, retention, use and processing of such personal information. Specifically in the EU, the GDPR came into force and has applied directly to the legislation of all EU Member States from May 25, 2018, replacing historical EU data privacy laws, and implements more stringent operational requirements for processors and controllers of personal data. Moreover, there are a large amount of so-called opening clauses, which could lead to differences between implementations of the GDPR in European Union Member States. The implementation of these requirements of the GDPR is a burden on the Group's legal and compliance functions, in particular for international data transfers as they occur in our business. The task to meet all the GDPR requirements is relatively complex. Therefore, it is possible that we may be found to fail to meet certain requirements of the GDPR and its implementations by the Member States. In case we are found to infringe provisions set out in the GDPR, sanctions may be imposed. Our failure to implement the GDPR (including the implementing rules of the EU Member States) could affect our reputation and relationships with our clients, or result in regulatory action against us for the infringement of data protection rules, any of the foregoing could have a material adverse impact on our business, financial position or results of operations. The GDPR imposes administrative fines for data protection compliance violations of up to a maximum of €20 million or 4% of the company's global annual turnover.

If the third parties we work with violate applicable laws or contractual obligations, or suffer a security breach, such violations may also put us in breach of our obligations under privacy laws and regulations and this could in turn have a material adverse effect on our business. Although we seek to ensure that procedures are in place to ensure compliance with the relevant data protection regulations by our in-house employees and job candidates and any third-party service providers, and also implement security measures to help prevent cyber theft, we nonetheless are exposed to the risk that this data could be wrongfully appropriated, lost, disclosed, stolen or processed in breach of data protection legislation. In addition, concerns regarding our practices with regard to the collection, use, disclosure or security of personal information or other privacy-related matters could result in negative publicity and have a material adverse effect on our reputation and business and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Changes in our financial reporting standards, accounting policies and accounting adjustments, in particular the implementation of IFRS 16, could affect our reported results and impact the comparability of our three year historical results ending December 31, 2018 as compared to our results after IFRS 16 becomes effective, including our interim results.

Our consolidated financial statements are prepared in accordance with IFRS as adopted by the EU. Our historic consolidated financial statements have been prepared in accordance with Belgian GAAP. The Annual Consolidated Financial Statements are the first that we have prepared in accordance with IFRS. We are required to adopt new or revised IFRS or International Financial Reporting Interpretations Committee interpretations issued by the International Accounting Standards Board ("**IASB**") as adopted by the EU. We cannot predict what future changes will be adopted or how they will affect us. New accounting pronouncements, as well as new interpretations of existing accounting pronouncements, can have material adverse effects on our reported results of operations, financial condition and prospects. In addition, we can provide no assurance that any regulatory authorities that oversee our businesses or our creditors judging compliance with our debt covenants will not take issue with conclusions that we may reach with respect to accounting matters.

In relation to recent changes in accounting standards, IFRS 16 (leases) was published on January 13, 2016 and became effective beginning on January 1, 2019. It has resulted in almost all leases being recognized on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use asset) and a financial liability, measured as the net present value of future lease payments, are recognized. Our main leased items consist of company cars, regional headquarters, branches and parking places as well as housing accommodation for some of our temporary job candidates. We also lease printing and information technology ("**IT**") equipment which are classified as low value assets and thus exempt. As a result of the adoption of IFRS 16, a total right-of-use asset of €72.4 million was recognized on the balance sheet (including the finance leases classified as a finance lease under IAS 17) as of March 31, 2019. We applied the simplified transition approach and therefore did not restate comparative amounts for the year prior to first adoption. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Consolidated Financial Information—Note 2.2—Changes in accounting policies and disclosures*". These and further changes in financial accounting standards or policies which we are required to adopt may have a material effect on the presentation of our financial condition or results of operations.

We may have to incur significant charges for impairment of goodwill.

As at March 31, 2019, goodwill represented €845.2 million or 54.9% of our total assets. As required by IFRS, we test goodwill annually for impairment. As our business units have been growing, we have not experienced any impairments of goodwill during the three years ended December 31, 2018. However, if there were an economic downturn or the value of our acquisitions decline, or if any other factor causes our goodwill value to decline, this could result in impairments of goodwill on our income statement, and if any such impairments were substantial, this would negatively impact our operating profit. Any significant charge for impairment of goodwill in the future could materially and adversely affect our business, financial condition or result of operations and thus our ability to fulfill our obligations under the Notes and the Note Guarantees.

Risks relating to template contracts and forms may have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We maintain contractual relationships with a large number of clients across the jurisdictions in which our business units operate. In order to efficiently manage these contractual relationships at each of our business units, we employ general terms and conditions and standard templates in our contracts and forms. Further, certain of our business units work with a number of large corporate clients and are sometimes, required to adhere to their standard terms and conditions. As a result of the foregoing, we are exposed to legal risks whenever such contracts contain drafting errors, lack sufficient detail on the nature of our liability to the client, require customized terms and conditions, or require additional analysis as to legal sufficiency. Such general terms and conditions, standard contracts and forms used and signed by us may not comply with all the applicable legal requirements at all times. Furthermore, as our in-house employees receive incentive-linked pay, they could agree to non-standard terms in a bid to sign on new clients which may expose us to additional liabilities. In addition, certain agreements with our clients contain indemnifications and hold harmless obligations in favor of our clients. We are not always able to contractually exclude or limit such potential claims and certain of our contracts therefore bear the risk of uncapped liability, including certain agreements with our large corporate clients. There can be no assurance that we will not experience these problems in the future, that the insurance will cover all claims that may be asserted against us or that we may not incur fines or other losses if any such problems should arise. Any of the foregoing may result in claims for compensation, unexpected liabilities for the Group or other legal consequences that may have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

A significant portion of our revenue is derived from SME and ISE clients and we could be negatively impacted by the costs associated by providing such service or adverse market conditions or other factors that affect our SME and ISE clients.

Our client portfolio is mainly composed of SMEs and ISEs accounting for approximately 77% of our sales for the year ended December 31, 2017. Key challenges we face in providing services to the SME and ISE market include:

- serving as the expert in HR staffing needs to organizations that often lack internal HR resources and ensuring our services meet their needs in terms of support, flexible decision making and excellence in customer service;
- devoting resources to advise our SME and ISE clients on compliance with applicable labor regulations, including health and safety requirements;
- investing in client relationships takes time and staffing assignments with SMEs and ISEs may require more of such investment since typical average staffing needs may be for only one to two job candidates at a time; and
- devoting significant resources to developing services tailored to their needs, standards and specific requirements.

Furthermore, an economic downturn in the end-markets in which our SME and ISE clients operate could have a negative impact on the demand for our services or the prices such clients are willing to pay for our services. As a result, our focus on SMEs and ISEs could result in additional costs to the Group as compared to our peers that are less focused on the SME and ISE market. In addition, conditions or developments that affect SMEs and ISEs in particular, which may be related to macroeconomic factors, regulatory developments, consumer trends or other factors leading to a material decline in SMEs' and ISEs' demand for staffing services could have a material adverse effect on the Group's business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

The structuring of our contractual relationships may prevent us from passing along increases in our operating costs which could adversely affect our profitability.

Our contracts with clients may provide for fixed pricing rates for the services to be provided, a cap on pricing or other terms which we negotiate based on our assumptions regarding our clients' required scope of services, costs that will be incurred to fulfill the scope and operational efficiencies we expect to achieve and other estimates. In this context, we seek to pass on our costs to our clients, but this may not be feasible in all situations. These assumptions and estimates may prove to be inaccurate as a result of increases in our costs driven by changes in regulation, increased competition in the labor market, changes to economic conditions, other costs beyond our control or other developments, and as a result, our margins under these contracts may be materially adversely affected. In particular, we may be unable to pass on increases in costs due to a change in regulation governing minimum wage requirements, payments required to be made under social security and other benefits which could affect our profitability. For the year ended December 31, 2018, wages and salaries and social security, in aggregate, constituted 90% of our cost of services. See "*We are subject to extensive laws and regulations which may adversely affect our ability to conduct our business and may reduce our future earnings*". Although we seek to structure our arrangements with third parties on a back-to-back basis with the related customer arrangements—for example, by entering into agreements with job candidates with durations and termination rights that are coterminous with the duration of our contracts with the relevant clients, there may be instances where we are not able to offset or transfer such costs to our clients. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Risks Relating to Legal Matters and the Regulatory Environment

We are subject to extensive laws and regulations which may adversely affect our ability to conduct our business and may reduce our future earnings.

In many jurisdictions in which we operate, such as Belgium and Germany, the employment services industry is heavily regulated. These laws and regulations sometimes limit the size and growth of employment services industries in these countries. For example, Germany prohibits the use of staffing services by staffing solutions providers in the local construction end-market. Furthermore, in April 2017, Germany enacted legislation introducing equal pay for temporary workers as well as restricting the length of temporary employment to 18 months, which led to a temporary downturn in our business and an adverse impact to our operating results due to the overtaking of temporary workers by clients. In the three months ended March 31, 2019, our general staffing segment, which is almost entirely in Germany, experienced a decline in Organic Growth of 21.8% as a result of changes in regulation as well as macro-economic conditions. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key factors affecting our results of operations*".

In addition, substantial changes to Dutch law governing temporary staffing will come into effect from January 1, 2020. The impact of these changes to regulation on our business cannot be fully determined at this time. To the extent that we are unable to suitably respond to and comply with such changes in applicable law, our business, financial conditions or results of operations may be adversely affected. For example, there will be increased social security charges for temporary staffing agencies in their capacity as employer. Furthermore, payroll employees will be entitled to all terms and conditions as the client's employees in similar positions. If these regulations come into effect in 2020 as currently drafted, we expect there would be an increase in our cost of services. However, we currently anticipate that we could pass on any increases in costs to our clients through higher fees charged for our services. Nevertheless, to the extent we are not able to do so, either due to existing service agreement terms, market conditions, or otherwise the implementation of WAB may also result in decreases to our Gross Margin.

In some countries, special taxes, fees or costs are imposed in connection with the use of our job candidates. For example, as a consequence of certain legal restrictions, certain deductions are not allowed if the net salary paid to job candidates falls below minimum wage as a result. For these non-deductible costs, we send invoices to the workers. If workers do not pay their invoices and return to their country of origin, we are left with the costs. Furthermore, changes in zoning regulations or their interpretation could result in increased costs in order to house our job candidates. Additionally, trade unions may use the political process to target our industry in an effort to increase the regulatory burden and expenses associated with offering or utilizing temporary staffing workforce solutions. How employment-related laws are interpreted and applied to our practices may result in increased operating costs and less flexibility in our business. Furthermore, many countries are also expanding restrictions on immigration and have introduced substantial penalties that may be imposed on staffing solutions providers and their client for employing foreign workers without necessary work and residence permits. As a result, there is a risk that we may incur greater expense in connection with restrictions imposed on recruiting foreign workers.

In addition, the countries and territories in which we operate may, among other things:

- create additional regulations that prohibit or restrict the types of employment services that we currently provide;
- require that new or additional benefits be paid to our job candidates;
- increase payroll related costs such as general and medical insurance, workers' compensation;
- require us to comply with additional social laws, including in relation to collective bargaining procedures;
- require us to obtain additional licensing to provide employment services;
- limit the circumstances under which temporary staff may be employed;
- reclassify the status or categorization of our job candidates under applicable social laws which would require us to comply with additional requirements, including payment of additional welfare benefits; or
- increase taxes such as sales or value-added taxes.

Any future regulations may have a material adverse effect on our business, financial condition or results of operations because they may make it more difficult or expensive for us to continue to provide employment services, particularly if we cannot pass on increases in costs to our clients. This could, in turn, impact our ability to fulfill our obligations under the Notes and the Note Guarantees.

Our staffing business is required to maintain and comply with a number of permits, licenses or certifications, and our failure to maintain or comply with such authorizations may result in the loss of our licenses, our existing clients or may hamper our ability to attract new clients.

In some of the jurisdictions in which we operate, including Belgium and Germany, our temporary staffing business requires a variety of permits and licenses. Our business may be adversely affected if we are unable to comply with existing regulations or requirements or if changes in applicable regulations or requirements occur. In the event of non-compliance, our existing permits and licenses may be revoked or we may be subject to a fine, and re-application for such permits and licenses may be prohibited or may require the Group to incur significant cost and expense. Certain of our licenses are also subject to periodic renewal. If the regulatory approvals required for such transfers are not obtained, are delayed or are economically prevented, this could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We also maintain various client quality certifications which authorize certain of our business units, such as Abylsen and Redmore, to supply services to our clients. A failure to renew these quality certifications in future audits may cause us to lose existing clients and threaten our ability to attract new clients, which could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Breaches of the health and safety laws may adversely affect the Group's business, financial condition and results of operations.

Our clients operate in a variety of end-markets in which our clients and our business units are often subject to a number of increasingly stringent health and safety laws and regulations. As a result, our job candidates working in these end-markets, including, in particular the construction, infrastructure and defense sectors, may be subject to accidents at work, some of which have in the past and could in the future, result in injuries, including severe ones causing disability or even death. In certain of the jurisdictions in which we operate, we may be liable to our job candidates for damages or subject to regulatory action as a result of unsafe working conditions at the client's premises. We could also be liable toward our job candidates or subject to regulatory action or loss of our license to the extent we do not meet legal requirements with respect to such placement, for example submitting job candidates to a medical examination for applicable placements in advance of the job candidate beginning work. For a description of the regulatory regime affecting our business, see "*Regulation*". Furthermore, any failures of such standards by our clients or ourselves that generate adverse publicity could have a negative impact on our reputation and our ability to attract future business, result in the loss of existing job candidates affected by any such behavior or otherwise harm our business or operations. In circumstances where a liability arises as a result of the actions of a client, we may be unable to recuperate or bring a claim in respect of any sums that we have paid in connection with the relevant claim. As a result, any failure to comply with the existing, or any future, protection standards by our clients may also result in civil claims, regulatory action and penalties against us as well. Any failure to prevent a health or safety risk from occurring and causing damage or loss may materially adversely affect our reputation, business, financial condition and results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Legal, regulatory or other adversarial action, including employment-related claims, could have a material adverse effect on our business.

At any given time, we may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of our business. These may include possible claims by clients or regulatory bodies against us relating to:

- classification of temporary workers;
- employment of undocumented workers;
- failing to verify job candidates' backgrounds and qualifications;
- job candidates' misconduct or negligence; or
- fraudulent or criminal job candidate activities or misuse of client proprietary information.

We may also be subject to claims by job candidates or regulatory bodies (including in relation to actions of our clients or any third parties that we hire). Some of these may include claims relating to:

- violations of labor laws such as minimum wage requirements:
- discrimination and harassment;
- wrongful termination or denial of employment;
- violations of employment rights related to employment screening or privacy issues;
- violation of social laws, such as provision of adequate housing for foreign workers; or
- payment of workers' compensation claims or other health and safety related claims.

In addition, in the ordinary course of business, we bring claims or may be pursuing other legal or regulatory remedies. We are involved in contractual relationships with our clients and other third parties that may cause us from time to time, by court order or by unilateral action, to enforce our contractual rights against these parties. These claims may seek, among other things, compensation for alleged losses, civil penalties or injunctive or declaratory relief. If any such claim is ultimately resolved unfavorably, and we are required to bear all or a portion of the costs arising from such proceedings, we may not receive compensation we were expecting, be required to incur additional expenses may be less effective at enforcing our agreements in the future.

Although we are not currently subject to any material litigation and do not expect any liability arising from any of the existing legal proceedings to have a material impact on our results of operations, liquidity, capital resources or financial position, we may be subject to such litigation in the future. In addition, we may be subject to other disputes, claims and complaints, including adversarial actions, by clients, in-house employees, suppliers, insurers and others in the ordinary course of business.

Significant claims or a substantial number of small claims may be expensive to defend, may divert the time and focus of management away from our operations and may result in our having to pay monetary damages, any of which could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees. In addition, adverse legal publicity or substantial litigation against us could negatively impact our reputation, even if we are not found liable, which could also have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Our business may suffer if we cannot continue to license or enforce the intellectual property rights on which our business depends or if we are subject to claims of intellectual property infringement.

Our ability to compete effectively with other companies depends, in part, upon our ability to protect our proprietary methodologies and other intellectual property, including the value of our brands. We rely upon a combination of trade secrets, confidentiality, license and other contractual agreements and patent, copyright, and trademark laws to protect our intellectual property rights. For example, certain of our business units rely on proprietary software that we have developed internally or acquired, such as our MyTools application or mobile apps developed as part of digital initiatives strategy. Our intellectual property rights may not prevent competitors from independently developing services and solutions similar to ours. Further, the steps we take may not be adequate to prevent or deter infringement or other misappropriation of our intellectual property by competitors, former in-house employees or other third parties, which could have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

In addition, we cannot be sure that our services and solutions do not infringe on the intellectual property rights of third parties. Third parties, including competitors, may assert intellectual property infringement, misappropriation or invalidity claims against us that could be upheld.

Intellectual property litigation, which could result in substantial cost to and diversion of effort by us, may be necessary to protect our intellectual property rights, including trade secrets or proprietary technology or for us to defend against claimed infringement or misappropriation of the rights of others and to determine the scope and validity of our or others' intellectual property or proprietary rights. We may not prevail in any such litigation, and if we are unsuccessful, we may be subject to monetary liability and injunctive or equitable relief, which may prevent our use of others' intellectual property or proprietary rights if we are not be able to obtain the necessary licenses on reasonable terms or at all. Any failure by us to protect our trademarks and other intellectual property rights may have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

Changes in the interpretation of tax laws, changes to tax rates or the introduction of new tax legislation may have a material adverse effect on our business, financial condition or results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We are subject to income and other taxes in the jurisdictions where we have operations. The tax bases and rates of these respective tax jurisdictions change from time to time due to economic and political conditions. Revisions to tax legislation or to its interpretation (whether with prospective or retrospective effect) may also affect our results, and significant judgment is required in determining our provision for income taxes. Furthermore, political, media or other attention may result in increased examination of our tax structures by tax or other authorities. Our effective income tax rate is affected by changes in earnings in countries with differing tax rates, changes in the valuation of deferred tax assets and liabilities or changes in the respective tax laws. Our other taxes are impacted by changes in local tax laws or to changes in our business.

In addition, tax accounting involves complex matters and requires our judgment to determine our provision for income and other taxes and tax assets and liabilities. These complex matters include transfer pricing and reporting relating to intercompany transactions. We are routinely subject to tax examinations by the tax authorities and in the past have been required to pay adjustments as a result of the findings of such examinations, including for additional social security payments for job candidates. In such audits, our interpretation of tax legislation may be challenged and tax authorities in various jurisdictions may disagree with, and subsequently challenge, the amount of profits taxed in such jurisdictions. In certain of our jurisdictions, we may also be subject to criminal penalties if the tax authorities find us to be in contravention of the applicable legislation. Although we believe our estimates are reasonable, the ultimate outcome of any such audits and related litigation could be different from our provision for taxes and may have a material adverse effect on our financial statements.

Risks Relating to Our Indebtedness

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

The Issuer is a finance subsidiary and conducts no business operations of its own, and has no significant assets other than cash pooling and bank accounts. Payment of interest and repayment of our indebtedness, including under the Notes, will be wholly dependent on the ability of our subsidiaries to make such cash available to the Issuer, through a combination of dividend distributions and interest payments under intercompany loans. Our subsidiaries may not be able to, or may be restricted by the terms of their existing or future indebtedness or by law, in their ability to make such dividend distributions or fulfill their obligations under intercompany loans to enable the Issuer to make payments in respect of our indebtedness, including the Notes. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

While the Indenture and the New Senior Facilities Agreement limit the ability of our subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain significant qualifications and exceptions. We cannot assure you that arrangements with our subsidiaries, the funding permitted by the agreements governing existing and future indebtedness of our subsidiaries and our results of operations and cash flow generally will provide us with sufficient dividends, distributions or payments under intercompany loans to fund payments on the Notes. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on the Notes. We do not expect to have any other sources of funds that would allow us to make payments to holders of the Notes.

Our substantial indebtedness and debt service obligations could materially adversely affect our business, financial condition and results of operations and prevent us from fulfilling our obligations with respect to the Notes and the Note Guarantees.

We currently have, and after the issuance of the Notes will continue to have, a significant amount of outstanding debt with substantial debt service requirements. As of March 31, 2019, on an unaudited as adjusted basis to give effect to the Transactions, we would have had €949.6 million of outstanding total indebtedness, including €320.0 million in aggregate principal amount of Notes offered hereby and €550.0 million in aggregate principal amount of borrowings under the New Senior Facilities Agreement. See "*Capitalization*". In addition, our Revolving Credit Facility (which we do not expect to be drawn (other than the rolling-over of existing guarantees and letters of credit) on the Issue Date) provides for borrowings up to an aggregate of €100.0 million, subject to certain conditions. We anticipate that our high leverage will continue to exist for the foreseeable future and the covenants under the New Senior Facilities Agreement and the Indenture provide us with significant flexibility to incur additional debt and make distributions. Our significant leverage could have important consequences for our business and operations and for holders of the Notes, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debts and liabilities, including the New Senior Facilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund working capital, acquisitions, organic growth projects and for other general corporate purposes;
- increasing our vulnerability to, and reducing our flexibility to respond to, a downturn in our business or general economic or industry conditions;
- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- requiring the dedication of a substantial portion of our cash flow from operations to the repayment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow, and limiting the ability to obtain additional financing to fund acquisitions, joint ventures, working capital, capital expenditures or other general corporate purposes;
- increasing our exposure to interest rate increases because some of our indebtedness bears a floating rate of interest; and
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our business, financial condition, results of operations, prospects and ability to satisfy our debt obligations, including the Notes. Our ability to make payments on and refinance our debt will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations or obtain enough capital to service our debt or to fund our future acquisitions or other working capital expenditures.

In addition, we may be able to incur substantial additional debt in the future, including debt in connection with future acquisitions. The terms of the New Senior Facilities Agreement and the Indenture will permit our subsidiaries to incur additional debt as well, in each case, subject to certain limitations. See "*—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 business*". If new debt is added to our current debt levels, the risks that we now face could increase. For a discussion of our cash flows and liquidity, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*".

For further information regarding our substantial leverage and for more information about our outstanding indebtedness, see also "*Description of the Notes*" and "*Description of Other Indebtedness*".

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 business.

We may incur substantial additional debt in the future. Although the Indenture and the New Senior Facilities Agreement will contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial. Under the Indenture, in addition to specified permitted debt, we are, or will be, able to incur additional debt so long as, on a *pro forma* basis, our Fixed Charge Coverage Ratio (as defined in the Indenture) is at least 2.00 to 1.00. In addition, in order to incur Senior Secured Indebtedness (as defined in the Indenture) under the Indenture and the New Senior Facilities Agreement, our Consolidated Senior Secured Net Leverage Ratio (as defined in the Indenture) may not exceed, on a *pro forma* basis, 3.81 to 1.00, and in order to incur Junior Secured Indebtedness (as defined in the Indenture), our Consolidated Net Leverage Ratio (as defined in the Indenture) may not exceed, on a *pro forma* basis, 4.75 to 1.00. The terms of the Indenture will permit us to incur future debt that may have substantially the same covenants as, or covenants that are more restrictive than, those of the Indenture.

Moreover, some of the debt we may incur in the future could be structurally senior to the Notes (such as at the level of our subsidiaries that do not guarantee the Notes). We may incur debt that shares in the Collateral, that may be secured by collateral that does not secure the Notes and the Note Guarantees or could mature prior to the Notes. In addition, the Indenture and the New Senior Facilities Agreement do not prevent us from incurring obligations that do not constitute debt under those agreements. The incurrence of additional debt would increase the leverage-related risks described in this Offering Memorandum. An inability to service our debt could have a material adverse effect on our business, financial position, results of operations and thus on our ability to fulfill our obligations under the Notes and the Note Guarantees.

We are subject to restrictive covenants which limit our operating, strategic and financial flexibility.

The Indenture and the New Senior Facilities Agreement will contain covenants that impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity or quasi equity;
- make certain investments or acquisitions, including participating in joint ventures;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the Issuer or any restricted subsidiary;

- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- consolidate or merge with or into other entities or carry out corporate reorganization;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- make loans or otherwise extend credit to others; and
- impair security interests for the benefit of the holders of the Notes.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*" and "*Description of Other Indebtedness—New Senior Facilities—Covenants*". These covenants could affect our ability to operate our business and may limit our ability to react to market conditions or regulatory developments or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, pursue acquisitions, investments or alliances, restructure our organization or finance our capital needs or such acquisitions.

Our failure to comply with the covenants under the New Senior Facilities Agreement or the Indenture, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our financial condition and results of operations.

The New Senior Facilities Agreement and the Indenture will require us to comply with various covenants, including a springing financial covenant in respect of the Revolving Credit Facility requiring us to maintain a specified leverage ratio and which is tested when loans under the Revolving Credit Facility aggregate 40% of the total commitments under the Revolving Credit Facility on the last day of a financial quarter. See "*Description of Other Indebtedness—New Senior Facilities*". Our ability to meet this financial ratio could be affected by a deterioration in our operating results, as well as by events beyond our control, including, without limitation and unfavorable economic conditions, and we cannot assure you that we will be able to meet this ratio. Moreover, the New Senior Facilities Agreement includes certain events of default (including, among other things, events of default for breaches of representations and warranties, an event of default for our failure to make principal payments when due on certain other debt and financial covenants breach) that are in addition to the events of default set forth in the Indenture. If an event of default occurs and is continuing under the New Senior Facilities Agreement, the agent under the New Senior Facilities (if directed by the majority lenders thereunder (or majority lenders under the Revolving Credit Facility in the case of a financial covenant default)) could amongst other things, terminate any available facilities, cancel any undrawn commitments and declare all amounts borrowed, together with accrued and unpaid interest and any other sums then payable, to be immediately due and payable. Borrowings under other debt instruments, including the Notes, that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand in the event that acceleration occurs under the New Senior Facilities Agreement. In these circumstances, our assets and cash flow may not be sufficient to repay in full that debt and our other debt, including the Notes then outstanding, if some or all of these instruments were accelerated, which could force us into bankruptcy or liquidation, and we might not be able to repay our obligations under the Notes in such an event.

We may not be able to generate sufficient cash to service our debt or sustain our operations, including due to factors outside our control, and may be forced to take other actions to satisfy our debt obligations, which may not be successful.

Our ability to make payments on or to refinance the Notes or our other debt obligations, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in these "*Risk Factors*" and elsewhere in this Offering Memorandum.

Our businesses may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity and quasi equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debt, including the Notes, or to fund our liquidity needs, including the repayment at maturity of the then outstanding amount under the New Senior Facilities. The Revolving Credit Facility will mature on the date falling six months prior to the maturity date of the Notes and the Term Loan B Facility. 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 obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities, planned acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time and on market conditions. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture may restrict us from adopting some of these alternatives. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Notes. In that event, borrowings under other debt agreement or instruments that contain cross-default or cross-acceleration provisions may become payable on demand or immediately due and payable upon acceleration, and we may not have sufficient funds to repay all our debts, including the Notes.

In addition, any failure to make payments of interest or principal on our outstanding debt on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional debt. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our debt, including under the Indenture, restrict our ability to transfer or sell assets. We may not be able to consummate certain dispositions or obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet our debt service obligations then due. In addition, the terms of our debt, including the Indenture and the New Senior Facilities Agreement, will limit, and any future debt may limit, our ability to pursue any of these alternatives.

We are exposed to interest rate risks, and such rates may adversely affect our debt service obligations.

A substantial portion of our debt bears interest at a variable rate, and we will be exposed to the risk of fluctuations in interest rates, primarily under the Term Loan B Facility and the Revolving Credit Facility, which are based on, in respect of the Term Loan B Facility, the Euro Interbank Offered Rate ("**EURIBOR**") and, in respect of the Revolving Credit Facility, either

EURIBOR in respect of utilizations in Euro or the London Interbank Offered Rate ("**LIBOR**") for all other utilizations (in each case, subject to a 0% per annum floor) and in each case 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 our New Senior Facilities Agreement nor the Indenture contain a covenant requiring us to hedge all or any portion of our floating rate debt.

Risks Relating to the Notes

Security over the Collateral will be shared with other indebtedness, including indebtedness under the New Senior Facilities Agreement. The ability of the Security Agent to enforce the Collateral may be restricted by local law.

You may not be able to recover on the shares and other collateral that are pledged or assigned because any enforcement sale with respect to such Collateral and the Notes will need to share any proceeds from such enforcement with the creditors under the New Senior Facilities Agreement and certain secured hedging counterparties as well as any other secured creditors permitted to share in such Collateral. If the proceeds realized from the enforcement of such pledges or such sale or sales do not exceed the amount owed under the New Senior Facilities Agreement, the secured hedging obligations, the Notes, and such other secured debt, the creditors under such secured obligations will all share ratably with respect to such amount and the holders of the Notes may not fully recover (if at all) under such Collateral.

Furthermore, the security documents generally allow us and our subsidiaries to remain in possession of, to freely operate, and to collect, invest and dispose of any income from, the Collateral securing the Notes. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the Guarantors, may, among other things, subject to the terms of the Security Documents, without any release or consent by the applicable Trustee or the Security Agent, conduct ordinary course activities with respect to the Collateral such as selling, modifying, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral. For example, to the extent we sell any assets that constitute Collateral, or constitutes all or substantially all of the assets of a restricted subsidiary whose capital stock has been pledged as Collateral, the Company shall pledge or shall cause the applicable restricted subsidiary to pledge any capital stock or assets (to the extent such assets were of a category of assets included in the Collateral as of the Issue Date) acquired with the net available cash from such disposition in favor of the Notes on a first-priority basis, subject to the agreed security principles. To the extent such capital stock or assets so acquired are not pledged, the pool of assets securing the obligations under the Indenture would be reduced.

In addition, the ability of the Security Agent to enforce the security interests is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the 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. See "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

The Notes will be secured only to the extent of the value of the Collateral that has been 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*". The Collateral will also secure the New Senior Facilities on a *pari passu* basis, and may secure additional debt ranking *pari passu* with the Notes and the related Note Guarantees (which may be structurally senior to the Notes and the related Note Guarantees) 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 Collateral securing the Notes. 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 unsecured debt ranking *pari passu* with the Notes and the related Note Guarantees.

As a result, if the value of the assets pledged as Collateral for the Notes 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 we, the Security Agent and the Trustee will not be obligated to take action to perfect all liens on assets that do secure the Notes. The Indenture allows the Company and the restricted subsidiaries to secure certain types of debt permitted to be incurred under the Indenture 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 related Note Guarantees will not benefit from the assets securing such secured debt and will rank equally with the holders of other unsecured debt of the Company and its restricted subsidiaries with respect to any property or assets that is excluded from the Collateral securing the Notes or such secured debt.

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

In the event of an enforcement of the Security Documents, the proceeds from the sale of the assets underlying the Security Documents may not be sufficient to satisfy the obligations of the Issuer and Guarantors with respect to the Notes.

The shares and other Collateral that are 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 these shares and intercompany loan receivables may not be liquid and their 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 subject to the terms of the Intercreditor Agreement.

It is possible that the value of the Collateral will not be sufficient to cover the amount of debt secured by such Collateral. With respect to any shares pledged to secure the Notes and the related Note Guarantees, such shares may also have limited value in the event of a 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, leaving 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 or private foreclosure. 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 also permits 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 secured debt 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 that, if exercised, could reduce the proceeds available to satisfy our obligations under the Notes. Moreover, if we issue additional notes under Indenture, holders of such additional 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.

No appraisals have been prepared by or on behalf of the Issuer or the Guarantors in connection with the issue of the Notes. The value of the Collateral may be subject to fluctuations based on factors that include, among others, general economic conditions, industry conditions and similar factors. The amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the availability of buyers, whether or not our business is sold as a going concern, the jurisdiction in which the enforcement action or sale is completed, the ability to readily liquidate the Collateral, regulatory restrictions that could affect such sale and the condition of the Collateral. Further, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of our assets in the event of an enforcement action. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in our liquidation.

Holders of the Notes do not control certain decisions regarding the Collateral

The Notes will be secured by the same Collateral securing our obligations under our New Senior Facilities Agreement and certain hedging obligations.

The holders of the Notes do not have separate rights to enforce the Collateral. Pursuant to the Intercreditor Agreement, and the Indenture a common security agent will serve as the Security Agent for the secured parties under the New Senior Facilities, the Notes and the hedging arrangements (if any) with regard to the shared Collateral (as applicable). The Intercreditor Agreement will provide that the Security Agent will, subject to certain limited exceptions, act to enforce the security interests in the Collateral and take instructions from the relevant secured creditors in respect of the Collateral only at the direction of an "instructing group". In addition, the holders of the Notes are not able to instruct the Security Agent, force a sale of Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant security documents unless it comprises an instructing group, which, in turn, will depend on the quantum of the creditors in respect of the drawn and undrawn uncanceled commitments under the New Senior Facilities Agreement, the creditors in respect of certain hedging obligations and the creditors in respect of other future senior secured obligations incurred. The Intercreditor Agreement provides that an "instructing group" is certain classes of creditors which will vote together as part of an instructing group in relation to any consent or instructions relating to the enforcement of Collateral or where any matter requires the consent of or instruction from a certain class of creditors.

Disputes may occur between the holders of the Notes and creditors under New Senior Facilities Agreement, counterparties to certain hedging arrangements, if any, and/or holders of any permitted *pari passu* secured indebtedness as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Collateral. In such an event, the holders of the Notes would be bound by any decisions of the relevant instructing group, which may result in enforcement action in respect of the Collateral, whether or not such action is approved by the holders of the Notes or may be adverse to such holders of the Notes. The creditors under the New Senior Facilities Agreement and the hedge counterparties and holders of any other senior secured debt entitled to provide instructions regarding enforcement may have interests that are different from the interests of holders of the Notes and such creditors may elect to pursue their remedies under the security documents at a time when it would otherwise be disadvantageous for the holders of the Notes to do so.

Investors' 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 and/or the grantor of the security. The security interests in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these security interests. Any failure to perfect any security interest in the Collateral may result in the invalidity of the relevant security interest or the holder of the security interest having difficulty enforcing such holder's rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property and equipment, only be perfected at or promptly following the time such property and rights are acquired and identified. None of the Trustee or the Security Agent has any obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of, or to take steps to perfect, any security interest in the Notes against third parties. We may not comply with our obligations to inform the Trustee or Security Agent of any future acquisition of property and rights by us, and the necessary action may not be taken to properly perfect the security interest in such after acquired property or rights. Such failure may result in the invalidity of the relevant security interest in the Collateral 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.

Certain Collateral will not initially secure the Notes and certain Guarantors will not initially guarantee the Notes.

As of the Issue Date, the Notes will not initially be secured by all of the Collateral. As further described in "*Description of the Notes—Security*", the Notes will be secured on a first ranking basis by the Initial Collateral as of the Issue Date, and the Post-Closing Collateral will be granted within 120 days following the Issue Date. As of the Issue date, the Notes will not be initially guaranteed by all of the Guarantors. As further described in "*Description of the Notes—The Note Guarantees*", the Notes will be guaranteed on a senior secured basis by the Initial Guarantors as of the Issue Date, and the Post-Closing Guarantors will guarantee the Notes within 120 days following the Issue Date. In addition, the obligation to provide guarantees and grant security is subject to certain limitations and agreed security principles as well as local law considerations and which may also effect the scope, validity and enforceability of the guarantees and security provided. See "*Description of the Notes—Security*", "*Description of the Notes—The Note Guarantees*" and "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

Security over the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.

The Security Agent for the holders of the Notes is a party to the Intercreditor Agreement. The Indenture and the Intercreditor Agreement will provide that, to the extent permitted by applicable law, only the Security Agent has the right to enforce the security documents relating to the Collateral on behalf of the Trustee and the holders of the Notes. As a consequence of such contractual provisions, holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture and the provisions of the Security Documents) provide instructions to the Security Agent in respect of the Collateral and in accordance with the Intercreditor Agreement. As the holders of the Notes share in the Collateral ratably with the creditors under the New Senior Facilities Agreement, a majority of creditors by value with respect to outstanding senior secured debt of the Group will control enforcement actions with respect to the Collateral through the Security Agent, whether or not the holders of the Notes agree or disagree with those actions.

You may not be able to recover on the shares and other collateral that are pledged or assigned because any enforcement sale with respect to such Collateral and the Notes will need to share any proceeds from such enforcement with the creditors under the New Senior Facilities Agreement and certain secured hedging counterparties as well as any other secured creditors permitted to share in such Collateral. If the proceeds realized from the enforcement of such pledges or such sale or sales do not exceed the amount owed under the New Senior Facilities Agreement, the secured hedging obligations, the Notes, and such other secured debt, the creditors under such secured obligations will all share ratably with respect to such amount and the holders of the Notes may not fully recover (if at all) under such Collateral.

Furthermore, the security documents generally allow us and our subsidiaries to remain in possession of, to freely operate, and to collect, invest and dispose of any income from, the Collateral securing the Notes. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the Guarantors, may, among other things, subject to the terms of the Security Documents, without any release or consent by the applicable Trustee or the Security Agent, conduct ordinary course activities with respect to the Collateral such as selling, modifying, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral. For example, to the extent we sell any assets that constitute Collateral, or constitutes all or substantially all of the assets of a restricted subsidiary whose capital stock has been pledged as Collateral, the Company shall pledge or shall cause the applicable restricted subsidiary to pledge any capital stock or assets (to the extent such assets were of a category of assets included in the Collateral as of the Issue Date) acquired with the net available cash from such disposition in favor of the Notes on a first-priority basis, subject to the agreed security principles. To the extent such capital stock or assets so acquired are not pledged, the pool of assets securing the obligations under the Indenture would be reduced.

In addition, in accordance with the terms of the Intercreditor Agreement, the Collateral will be taken in the name of the Security Agent for the benefit of, amongst others, the holders of the Notes, the Trustee, certain hedging obligations and the creditors under the New Senior Facilities Agreement. As a result, the Security Agent or representative of the Security Agent may effectively control actions with respect to Collateral, which may impair the rights that a holder of the Notes would otherwise have as a secured creditor. The Security Agent or representative, as applicable, may take actions that a holder of the Notes disagrees with or fail to take actions that a holder of the Notes wishes to pursue. Furthermore, the Security Agent or representative under the Intercreditor Agreement may fail to act in a timely manner which could impair the recovery of holders of the Notes.

In addition, the ability of the Security Agent to enforce the security interests is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the 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. See "*Limitations on Validity and Enforceability of the Security and the Notes Guarantees and Certain Insolvency Law Considerations*".

The Note Guarantees and the security interests over the Collateral may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability.

The obligations of the Guarantors and grantors of security interests incorporated in Belgium, Germany, and the Netherlands and the enforcement of each such Note Guarantee and the security interests granted by such Guarantor, grantors of security interests in the Collateral or the Issuer will be limited to the maximum amount that can be guaranteed by such Guarantor, or that can be secured over such Collateral, as applicable, under the applicable laws of each jurisdiction, to the extent that the granting of such Note Guarantee or security interest is not in the relevant Guarantor's or grantor's corporate interests, or the burden of such guarantee or security interest exceeds the benefit to the relevant Guarantor or grantor, or such guarantee or security interest would be in breach of capital maintenance or thin capitalization rules, financial assistance rules, fraudulent conveyance rules, law, rules or regulations affecting the rights of creditors generally or any other general statutory laws and would cause the directors of such subsidiary Guarantor, in certain jurisdictions, to contravene their fiduciary duties and incur civil or criminal liability. The grant of Collateral in favor of the Security Agent may also be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified "claw back" period following the grant.

Accordingly, enforcement of any such Note Guarantee and/or security interest against the relevant Guarantor/grantor would be subject to certain defenses available to guarantors/ grantor of security interests generally and to limitations contained in the terms of the relevant Indenture and/or the documents governing the Collateral designed to ensure compliance with statutory requirements applicable to the relevant Guarantors or grantors, as applicable. As a result, a Guarantor's and a grantor's liability under its Note Guarantee and in respect of the security interests granted by it, respectively, could be materially reduced or eliminated altogether, or its Note Guarantee may be unenforceable depending upon the law applicable to it and facts and circumstances at the time of enforcement.

It is possible that a Guarantor, or a creditor of a Guarantor, the grantor of security interests, or the creditor thereof, or the bankruptcy trustee in the case of a bankruptcy of a Guarantor or grantor of such security interests, may contest the validity and enforceability of the Guarantor's Note Guarantee on any of the above grounds and that the applicable court may determine that the Note Guarantee or the security interests should be limited or voided. To the extent that agreed limitations on the guarantee obligation apply, the Notes would be to that extent effectively subordinated to all liabilities of the applicable Guarantor and/or grantor, including trade payables of such Guarantor and/or grantor, as applicable. Future Note Guarantees and/or security interests may be subject to similar limitations. See "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

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 new security interests in connection with the issuance of the Notes may create or restart hardening periods, i.e. the periods of time following the granting of security interests during which such security interests may be challenged in accordance with the laws applicable in certain jurisdictions. In addition, the Indenture will permit the release and retaking of security that constitutes Collateral in connection with the incurrence of permitted Indebtedness if certain conditions are satisfied. The granting of shared security interests to secure future indebtedness permitted to be secured on the Collateral may restart or reopen such hardening periods. The applicable hardening 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 period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. See "*Limitations on Validity and*

Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations".

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.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing such Notes and the related guarantees will be released automatically, without the consent of the holders of such Notes or the Trustee.

There are circumstances other than repayment or discharge of the Notes under which the applicable Collateral or Note Guarantees will be released automatically without your consent or the consent of the Security Agent or the Trustee. Under various circumstances, all or a portion of the Collateral may be released automatically, including:

(1) in connection with any sale or other disposition of Collateral to a person that is not the Company or a restricted subsidiary (but excluding any transaction subject to the covenant described under "*Description of the Notes—Certain Covenants—Merger and Consolidation*"), if such sale or other disposition does not violate the covenant described under "*Description of the Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" or is otherwise permitted in accordance with the Indenture;

(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 "*Description of the Notes—Amendments and Waivers*";

(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 "*Description of the Notes—Defeasance*" and "*Description of the Notes—Satisfaction and Discharge*";

(5) if the Company designates any restricted subsidiary (other than the House of Pledge and the Issuer) to be an unrestricted subsidiary in accordance with the Indenture, the release of the property and assets, and capital stock, of such unrestricted subsidiary;

(6) in connection with the implementation of a Permitted Reorganization (as defined in the Indenture);

(7) in connection with the granting of liens on such property or assets, which may include Collateral, or the sale or transfer of such property or assets, which may include Collateral, in each case pursuant to a Qualified Securitization Financing (as defined in the Indenture) or Receivables Facility (as defined in the Indenture);

(8) in connection with any disposal of Collateral to the Company or a restricted subsidiary; provided that such release is followed by an immediate retaking of a lien of at least equivalent ranking over the same assets in a manner consistent with, and pursuant to applicable formalities under, the covenant described under "*Description of the Notes—Certain Covenants—Impairment of Security Interest*"; or

(9) as otherwise permitted in accordance with the Indenture.

However, the provisions described in paragraphs (1) (with respect to the capital stock of the House of Pledge only), (5), (6), (7), (8) and (9) above shall not apply with respect to any Collateral directly owned by the Company.

In addition, the Note Guarantee of a Guarantor (other than the Company and the House of Pledge) will be released:

(1) upon a sale or other disposition (including by way of consolidation or merger) of the capital stock of the relevant Guarantor (whether by direct sale or sale of a holding company of such Guarantor), if the sale or other disposition does not violate the Indenture and the Guarantor ceases to be a restricted subsidiary as a result of the sale or other disposition;

(2) upon the sale or disposition (including by way of consolidation or merger) of all or substantially all the assets of the Guarantor (other than to the Company or any restricted subsidiary), if the sale or other disposition does not violate the Indenture;

(3) upon the designation in accordance with the Indenture of the Guarantor as an unrestricted subsidiary;

(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 "*Description of the Notes—Defeasance*" and "*Description of the Notes—Satisfaction and Discharge*";

(5) upon the release of the Guarantor's Note Guarantee under any Indebtedness that triggered such Guarantor's obligation to guarantee the Notes under the covenant described in "*Description of the Notes—Certain Covenants—Limitation on Additional Guarantees*";

(6) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Indenture);

(7) as described under "*Description of the Notes—Amendments and Waivers*";

(8) in connection with the implementation of a Permitted Reorganization (as defined in the Indenture); or

(9) with respect to an entity that is not the successor Guarantor, as a result of a transaction permitted by "*Description of the Notes—Certain Covenants—Merger and Consolidation*".

The Note Guarantee of the Company and the House of Pledge will be released upon the occurrence of an event described in paragraphs (4), (6), (7) and (9) above. See "*Description of the Notes*".

Due to German mandatory law, security grantors may have a right to claim the release of certain collateral in case of a subsequent over-collateralization (where the realizable value of security interest granted significantly and not only temporarily exceeds the amount of the secured obligations), or security interest can even be deemed void in case of an initial excessive over-collateralization. While the German Federal High Court has decided this question on a case by case basis legal authors estimate that an initial over-collateralization is given if the realizable value of the security exceeds the aggregate amount of secured claims by more than 100%. It is a factual question whether the Collateral granted exceeds this limit.

The Notes will be structurally subordinated to the liabilities of non-Guarantor subsidiaries and effectively subordinated to liabilities that are secured on assets that do not secure the Notes.

Certain of our subsidiaries will not guarantee the Notes. Our subsidiaries will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose unless they guarantee the Notes or grant security interests in this respect. Generally, claims of creditors, including depositors, trade creditors and any preferred stockholders of non-Guarantor subsidiaries, 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 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 respective 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 any preferred stockholders 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 each related Note Guarantee will be structurally subordinated to the creditors, including depositors, trade creditors and any preferred stockholders of our non-Guarantor subsidiaries. For the 12-month period ended March 31, 2019, our restricted subsidiaries that will guarantee the Notes (each on an unconsolidated basis) in aggregate accounted for substantially all of our consolidated EBITDA. As of March 31, 2019, the Company's restricted subsidiaries not guaranteeing the Notes had €7.2 million of borrowings outstanding. The Indenture, subject to certain limitations, will permit these non-Guarantors to incur additional indebtedness, which may also be secured.

Any of the debt that our non-Guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the related Note Guarantees and any debt we incur that is secured on property or assets that do not form part of the Collateral securing the Notes will be effectively senior to the Notes to the extent of the value of the property or assets securing such indebtedness.

Corporate benefit, financial assistance laws and other limitations on the Note Guarantees may adversely affect the validity and enforceability of the Note Guarantees of the Notes or security interests in the Collateral.

The Guarantors' obligations and the security interests granted in respect of the Notes are subject to certain restrictions to comply with laws of Belgium, Germany and the Netherlands and the laws of the jurisdiction of any additional entity which becomes a guarantor and provides security interests in respect of the Notes. Enforcement of the obligations under a Note Guarantee against the Guarantors or the enforcement of a security interest in the Collateral against a grantor of security interests will be subject to certain defenses available to the Guarantors or grantors of security interests in the relevant jurisdiction, as the case may be.

Although laws differ in these jurisdictions, these laws and defenses may include those that relate to fraudulent conveyance or transfer, financial assistance, corporate purpose or benefit, voidable preference, insolvency or bankruptcy challenges, preservation of share capital, thin capitalization, capital maintenance or similar laws and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Guarantors may have no liability or decreased liability under its Note Guarantee or the security interest in the Collateral may be void or may not be enforceable depending on the amounts of its other obligations, applicable law and facts and circumstances at the time of enforcement. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of the Note Guarantees against the Guarantors or security interest in the Collateral against any Guarantor.

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

The insolvency and administrative laws of Belgium 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 Guarantees and the Security, including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

Our obligations under the Notes will be guaranteed by the Guarantors and secured by security interests over the relevant Collateral. The Issuer is organized under the laws of Belgium, the Guarantors and grantors of security interests are organized under the laws of Belgium, Germany, and the Netherlands. In addition, the Collateral will include a pledge over shares in certain of the Company's subsidiaries incorporated under the laws of Belgium, Germany, and the Netherlands and first-ranking pledges of certain bank accounts and future intercompany loan receivables held by certain Guarantors incorporated under the laws of Belgium, Germany, and the Netherlands.

The insolvency, administration and other laws of foreign jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. See "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*". In the event of a bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any of these jurisdictions. Proceedings could also be initiated in Belgium to enforce your rights against Collateral located in those jurisdictions. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. There can also be no assurance that you will be able to enforce your rights effectively in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of a Guarantor's, a grantor of security interest's or the Issuer's jurisdiction of organization may be materially different from, or in conflict with, those of the United States or other jurisdictions with which you are familiar, including in the areas of rights of creditors, priority of governmental and other creditors, the ability to obtain post-petition interest and duration of the proceedings. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' 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/or security interests in the Collateral.

Moreover, in certain jurisdictions, it is unclear whether all security interests in the Collateral give the Security Agent a right to prevent other creditors from foreclosing on and realizing the Collateral or whether certain security interests only give the Security Agent and the holders of the Notes priority (according to their respective rank) in the distribution of any proceeds of such realization. Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by other creditors (including unsecured creditors) on the relevant Collateral. See "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Notes. The rights of holders of the Notes under the relevant Guarantees or under security interests in the relevant Collateral will thus be subject to the laws of a number of jurisdictions, and it may be difficult to enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors. In addition, the bankruptcy, insolvency, administration and other laws of Belgium may be materially different from, or in conflict with, one another, including creditors' rights, the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings. The application of these various laws in these jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect the ability to realize any recovery under the Notes and the Guarantees or under security interests in the Collateral.

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 Guarantee against a Guarantor and the enforceability of the security interests. The court may also in certain circumstances avoid the security interest or the Guarantee where the company is close to or near insolvency.

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

We may not be able to finance a change of control offer. In addition, under certain circumstances, we 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.

The Indenture requires us to make an offer to purchase the Notes at 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to, but not including, the date of purchase if we experience certain specified change of control events. The New Senior Facilities Agreement also provides for a mandatory prepayment to lenders thereunder to repay them at par if we experience certain specified change of control events. The source of funds for any offer to purchase Notes, or repay lenders under the New Senior Facilities, required as a result of any such event would be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by our subsidiaries. Sufficient funds may not be available at the time of any such events to make any required purchases of the Notes tendered and we may not be able to secure access to enough cash to finance the required purchases of the Notes tendered. Our failure to effect a change of control offer when required would constitute an event of default under the Indenture, which would, in turn, constitute a default under the New Senior Facilities Agreement. A change of control may result in an event of default and/or mandatory prepayment obligation under, or acceleration of, our other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under our other indebtedness, even if the change of control itself does not. In addition, certain events that may constitute a change of control under the New Senior Facilities may not constitute a change of control under the Indenture. The future indebtedness of the Company and its restricted subsidiaries may also contain prohibitions on certain events that would constitute a change of control.

Further, if pursuant to a change of control offer, holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not withdraw such Notes, the Indenture will permit the Issuer, at its option, to redeem the remaining outstanding Notes at a price of 101% of the principal amount of such Notes plus accrued and unpaid interest and additional amounts, if any. As a consequence, holders of the Notes may be required to surrender the Notes against their will at a price equivalent to that paid to tendering holders and may not receive the return expected.

Under the definition contained in the Indenture governing the Notes, a change of control may include a disposition of all or substantially all of the assets of the Company 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", 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 Company and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes. Furthermore, certain important corporate events that might adversely affect the value of the Notes (including certain reorganizations, restructurings and mergers) would not constitute a "change of control" under the Indenture. Furthermore, the occurrence of certain events that might otherwise constitute a change of control under the Indenture will not be deemed to be a change of control if at the time our consolidated net leverage ratio is less than certain specified levels. For a complete description of the events that would constitute a "change of control" under the Notes, see the section entitled "*Description of the Notes—Change of Control*".

Transfer of the Notes will be restricted, which may adversely affect their liquidity and the price at which they may be sold.

Because the Notes and the Note Guarantees have not been, or 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, outside the United States 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 within the United States and other countries comply with applicable securities laws. See "*Transfer Restrictions*".

The interests of our principal shareholders may be inconsistent with the interests of holders of the Notes.

The interests of our principal shareholders, in certain circumstances, may conflict with your interests as holders of Notes. Our principal shareholders have, and will continue to have, directly or indirectly, the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve any other changes to our operations. For example, our principal shareholders could vote to cause us to incur additional indebtedness, to sell certain material assets or make dividends distributions, in each case, so long as the Indenture, the New Senior Facilities Agreement and the Intercreditor Agreement so permit. The interests of our principal shareholders could conflict with interests of holders of Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. Our principal shareholders could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments although such transactions might involve risks to the holders of Notes. In addition, our principal shareholders may come to own businesses that directly compete with our business.

The proposed Financial Transactions Tax (FTT) may apply and impact dealings in the Notes.

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution established in a Participating Member State, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Interest payments on the Notes may be subject to Belgian withholding tax.

Payments of interest on the Notes made by the Issuer will be subject to Belgian withholding tax, currently 30% of the gross amount of the interest on the Notes, unless certain exemptions apply. One such exemption provides for payments of interest by the Issuer on the Notes without deduction or withholding tax in the event that the Notes are held by certain Eligible Investors (as defined in the "*Description of the Notes*") in an exempt security account that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS operated by the NBB. As a result, if a holder of the Notes is not an Eligible Investor or holds a Definitive Registered Note (as defined in the "*Description of the Notes*") that can no longer be cleared through the NBB-SSS, such holder may be subject to Belgian withholding tax. Additionally, in case the holder of the Notes is not an Eligible Investor such holder will be unable to avail themselves to the withholding tax gross-up provisions under the Indenture. On the other hand, holders of a Definitive Registered Note that can no longer be cleared through the NBB-SSS will continue to be able to avail themselves to the withholding tax gross-up provisions under the Indenture See "*Description of the Notes—Withholding Taxes/Additional Amounts*" *and* "*Certain Tax Considerations—Certain Belgian tax considerations*".

The Notes are initially held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies. The Issuer shall pay principal, premium, if any, and interest due and payable on the Notes represented by the global notes directly, or indirectly through direct participants in the NBB-SSS, if applicable, to the holders of such global notes, and in the event that the Paying Agent recovers any amounts in respect of the Notes from the Issuer, the Paying Agent will not be required to segregate the amounts received by it (if any) from the Issuer.

The Notes are represented by one or more global notes and held through financial intermediaries authorized to hold dematerialized securities on behalf of third parties in the records of the NBB-SSS (including Euroclear and Clearstream). For a full list of participating central securities depositories as at the date of this Offering Memorandum, see https://www.nbb.be/en/list-nbb-investor-icsds. Interests in the global notes trade in book-entry form only, and the Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests held in Euroclear and/or Clearstream (as a direct participant in the NBB-SSS) only in very limited circumstances. Owners of book-entry interests will not be considered owners of the Notes. NBB or its nominee will be the sole registered holder of the global notes representing the Notes.

The Issuer shall make all payments of principal and interest due and payable on the Notes represented by global notes via the Paying Agent directly, or indirectly through direct participants in the NBB-SSS, if applicable, to the holders of such global notes (as shown on the record of the NBB). The Paying Agent will not be required to segregate or hold in trust such amounts received by it (if any) from the Issuer or any other person, including the Trustee. In the event that the Paying Agent were subject to insolvency proceedings at any time when it held such amounts, owners of the book-entry interests would not have any further claim against the Issuer or the Trustee in respect of such amounts, and would be required to claim such amounts from the Paying Agent in accordance with applicable Belgian insolvency laws.

Owners of book-entry interests do not have the direct right to act upon any solicitation by the Issuer of consents or any request by the Issuer for waivers or other actions from holders of the Notes, including enforcement of security for the Notes. Instead, each owner of a book-entry interest is reliant on the NBB-SSS, Euroclear and/or Clearstream, to act on its instructions and/or is permitted to act directly only to the extent that such owner has received appropriate proxies to do so from the NBB-SSS, or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable owners of book-entry interests to vote on any requested actions or to take any other action on a timely basis. See "*Book-Entry; Delivery and Form*".

None of the Issuer, the Paying Agent or any of its agents, or the Trustee or any of its agents has any responsibility, or is liable, for the proper performance by the NBB-SSS or its participants of their obligations under their respective rules and operating procedures. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the NBB-SSS. The Issuer's obligations under the Notes are discharged once it has paid the NBB-SSS or the participants in the NBB-SSS, as applicable, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Notes of the NBB-SSS and custodians or intermediaries.

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

The Notes are new issues of securities for which there is currently no established market. We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell the Notes; or
- the prices at which you would be able to sell the 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 the 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 the Notes at a fair value, if at all.

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

The Issuer and the Guarantors are organized outside the United States, and their business is conducted entirely outside the United States. The directors and executive officers of the Issuer and the Guarantors are non-residents of the United States, and substantially all of their assets are located outside the United States. Although the Issuer and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws or under the applicable Indenture, you may be unable to effect service of process within the United States on the directors and executive officers of the Issuer and the Guarantors. In addition, because a majority of the assets of the Issuer and the Guarantors and their respective subsidiaries (to the extent applicable) and all or a majority of the assets of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, actions of the Issuer and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States. See "*Service of Process and Enforcement of Judgments*".

Additionally, there is uncertainty as to whether the courts of foreign jurisdictions would enforce (i) judgments of U.S. courts obtained against the Issuer, the Guarantors and the directors and executive officers who are not residents of the United States predicated upon the civil liability provisions of U.S. federal and state securities laws or (ii) in original actions brought in such foreign jurisdictions against us or such persons predicated upon U.S. 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 any non-US jurisdictions. There is therefore doubt as to the enforceability of civil liabilities based upon U.S. federal securities laws in an action to enforce a U.S. judgment in Belgium, Germany and the Netherlands. For further information see "*Service of Process and Enforcement of Judgments*".

If the Notes are redeemed early, an investor may not be able to reinvest such proceeds in a comparable security.

In the event that the Notes are redeemed early in accordance with "*Description of the Notes—Optional Redemption*" and depending on prevailing market conditions at the time, an investor who receives proceeds due to such an early redemption may not be able to reinvest such proceeds in a comparable security at an effective interest rate as high as that carried by the Notes.

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 have assigned and may in the future assign credit ratings to 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 assurance 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 the Indenture receive an investment-grade rating of Baa3 or better by Moody's, and BBB- or better by S&P or Fitch, and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time as the Notes are no longer rated investment grade by either ratings agency, certain covenants will cease to be applicable to the 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.

Although an application will be made for the Notes to be listed on the Official List of the Exchange and admitted to trading thereon, we cannot assure you that the Notes will become or remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Exchange, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes, as applicable, from the Official List of the Exchange may have a material effect on a holder's ability to resell the Notes, as applicable, in the secondary market.

Investors may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in euros. If investors measure their investment returns by reference to a currency other than euros ("**reference currency**"), an investment in the Notes will entail foreign exchange related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which such investors measure the return on their investments. These changes may be due to economic, political and other factors over which we have no control. Depreciation of the euro against an investor's reference currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into their reference currency. Investments in the Notes denominated in a currency other than U.S. dollars by U.S. investors may also have important tax consequences as a result of foreign exchange gains or losses, if any. See "*Tax Considerations—Certain U.S. Federal Income Tax Considerations*".

The disposal of pledged assets under German law will be subject to statutory restrictions and may be delayed.

Since German law does not generally permit for an appropriation of pledged assets by the pledgee upon the occurrence of an enforcement event, an enforcement of a share pledge governed by German law usually requires the sale of the relevant Collateral through a formal disposal process involving a public auction. Certain waiting periods and notice requirements may apply to such disposal process.

Use of Proceeds

We estimate that the gross proceeds from the issuance of the Notes will be €320.0 million assuming issuance at par.

The following table sets forth our expected sources and uses of funds in connection with the Transactions assuming that the Notes are issued at par (all amounts shown are principal amounts unless otherwise indicated).

Amounts included in the table below are based on estimated data as of the Issue Date. Actual amounts will vary from estimated amounts depending on several factors, including differences from the estimates of outstanding amounts of existing debt to be repaid on the Issue Date and differences between estimated and actual fees and expenses. Any increase in these amounts will be funded with cash on the balance sheet. This table should be read in conjunction with "*Capitalization*".

Sources		**Uses**	
	(€ millions)		**(€ millions)**
Notes offered hereby(1)	320.0	Repayment of Existing Senior Facilities(3)	600.0
New Senior Facilities—Term Loan B Facility(2)	550.0	Minimum Distribution Amount(4)	233.0
Cash	7.5	Walesa Acquisition(5)	16.5
		Estimated fees and expense(6)	28.0
Total sources	**877.5**	**Total uses**	**877.5**

(1) Reflects the gross proceeds from the issuance of the Notes assuming an issuance at par.

(2) Represents the approximate aggregate proceeds of borrowings under our Term Loan B Facility. See "*Description of Other Indebtedness—New Senior Facilities*".

(3) Represents the repayment of €600.0 million in aggregate principal amount outstanding under the Existing Senior Facilities (excluding accrued interest and unpaid interest and fees).

(4) See "*Summary—Distribution*".

(5) Represents the estimated purchase price of the Walesa Acquisition.

(6) Represents underwriting fees and commissions, accrued and unpaid interest and breakage costs related to the repayment of the Existing Senior Facilities, other estimated transaction costs and professional fees and expenses to be repaid in connection with the Transactions.

Capitalization

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2019 (i) on an actual basis and (ii) as adjusted to give effect to the Transactions and the acquisitions of Pharmacos and Mykelson, including the Offering of the Notes and the use of proceeds therefrom, as if the Transactions and the acquisitions of Pharmacos and Mykelson had been completed on March 31, 2019.

This table should be read in conjunction with "*Use of Proceeds*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Description of Other Indebtedness*", "*Selected Consolidated Financial Information*" and the Consolidated Financial Statements appearing elsewhere in this Offering Memorandum. Except as set forth below, there have been no other material changes to our capitalization since March 31, 2019.

	As of March 31, 2019	
(€ in millions)	**Actual**	**As adjusted**
Cash and cash equivalents[(1)]	105.5	92.6
Existing Senior Facilities[(2)]	600.0	—
New Senior Facilities—Revolving Credit Facility[(3)]	—	—
New Senior Facilities—Term Loan B Facility[(4)]	—	550.0
Notes offered hereby[(5)]	—	320.0
Leases[(6)]	72.4	72.4
Other debt[(7)]	7.2	7.2
Total Debt	**679.6**	**949.6**
Total Equity[(8)]	539.0	290.3
Total Capitalization	**1,218.6**	**1,239.9**

(1) Cash at bank and cash in hand as of March 31, 2019 has been adjusted to give effect to the Transactions and the acquisitions of Pharmacos and Mykelson. See "*Use of Proceeds*".

(2) As of March 31, 2019, we had €600 million in principal amount outstanding under the Existing Senior Facilities.

(3) The Revolving Credit Facility will provide for aggregate borrowings up to €100 million. We do not expect to draw the Revolving Credit Facility (other than the rolling-over of existing guarantees and letters of credit) on the Issue Date. See "*Description of Other Indebtedness—New Senior Facilities*".

(4) The Term Loan B Facility will be drawn in full on the Issue Date in an aggregate principal amount of €550 million in connection with the Transactions. The proceeds from the New Senior Facilities will be used as set forth under "*Use of Proceeds*".

(5) Represents the aggregate principal amount of the Notes offered hereby, without giving effect to unamortized issuance costs.

(6) Reflects IFRS 16 (Leases) and IAS 17.

(7) Other debt includes vendor loans and shareholder loans. See "*Description of Other Indebtedness—Other Existing Indebtedness*".

(8) The implied equity is in the range of €931.2 million and €1,378.2 million and is based on current market conditions and recent related transactions, including the multiple used for the minority roll-up transactions on June 21, 2018. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions and the Comparability of our Consolidated Financial Statements*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations—The 2018 Legal Reorganization and Refinancings during the Historical Period*" and "*Risk Factors—We include an implied equity value range in this Offering Memorandum which is based on current market conditions and recent related transactions. This implied equity value is an estimate and may be different, or could change in the future, and such change could be significant*".

Selected Consolidated Financial Information

The tables below set out selected consolidated financial information for the Group as of and for the years ended December 31, 2016, 2017 and 2018 and as of and for the three months ended March 31, 2019 and for the three months ended March 31, 2018. The financial information as of and for the years ended December 31, 2016, 2017 and 2018 has been extracted or derived from the Annual Consolidated Financial Statements. The financial information as of and for the three months ended March 31, 2019 and for the three months ended March 31, 2018 has been extracted or derived from the Interim Consolidated Financial Statements. The Consolidated Financial Statements are included elsewhere in this Offering Memorandum.

You should read the information set forth below in conjunction with the sections "*Presentation of Financial and other Information*" "*Use of Proceeds*", "*Capitalization*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum. Our historical results do not necessarily indicate results that may be expected for any future period.

Selected Income Statement Data

	Year ended December 31,			Three months ended March 31,	
	2016	2017	2018	2018	2019
					€ in millions
Revenue	744.6	1,116.6	1,623.7	360.6	416.9
Cost of services	(555.2)	(840.9)	(1,210.0)	(269.9)	(305.6)
Gross profit/(loss)	**189.4**	**275.7**	**413.7**	**90.6**	**111.3**
Selling expenses	(73.4)	(117.8)	(189.6)	(42.5)	(56.4)
Impairment of goodwill	—	—	—	—	—
Other general and administrative expenses	(57.5)	(131.4)	(115.5)	(22.2)	(27.8)
Total operating expenses	**(130.8)**	**(249.2)**	**(305.1)**	**(64.7)**	**(84.2)**
Other gains/(losses)—net	22.9	9.2	34.9	14.8	1.0
Operating profit/(loss)	**81.4**	**35.6**	**143.4**	**40.7**	**28.2**
Finance income	4.5	3.9	1.0	0.4	—
Finance expenses	(38.4)	(29.9)	(32.7)	(7.9)	(8.4)
Net finance income/(costs)	**(33.9)**	**(26.0)**	**(31.7)**	**(7.6)**	**(8.3)**
Share in profit/(loss) of equity accounted investments	(0.9)	1.9	—	0.1	—
Profit/(loss) before taxes	**46.6**	**11.6**	**111.7**	**33.3**	**19.8**
Income tax expenses	(12.8)	(46.3)	(31.6)	(8.5)	(8.5)
Net profit/(loss) of the period	**33.8**	**(34.7)**	**80.1**	**24.8**	**11.3**
Profit/(loss) attributable to:					
Owners of the entity holding ordinary shares	**28.2**	**(43.7)**	**75.1**	**20.7**	**10.8**
Non-controlling interests	**5.6**	**9.0**	**5.0**	**4.2**	**0.5**

Selected Balance Sheet Data

	As at December 31,			As at March 31,
	2016	2017	2018	2019
				€ in millions
Non-current assets				
Property, plant and equipment	16.0	18.9	25.3	19.6
Right of use asset	—	—	—	72.4
Intangible assets	67.1	133.9	208.3	202.4
Goodwill	560.4	706.3	844.2	845.2
Deferred income tax assets	1.1	0.2	2.8	2.7
Investments accounted for using the equity method and associates	32.0	34.2	1.2	1.9
Other non-current assets	1.4	2.7	3.2	3.8
Derivative financial assets	—	—	—	—
Loans to related parties	53.0	50.1	—	—
Total non-current assets	**731.0**	**946.2**	**1,084.9**	**1,148.0**
Current assets				
Trade receivables	152.9	215.2	234.2	247.7
Inventory	—	0.0	—	—
Current income tax receivables	0.0	1.2	2.5	2.4
Other receivables	16.0	25.4	28.9	33.6
Other assets	—	—	1.4	3.8
Derivative financial assets	0.0	—	—	—
Cash and cash equivalents	63.9	92.8	115.1	105.5
Total current assets	**232.8**	**334.7**	**382.1**	**392.9**
Total assets	**963.7**	**1,280.9**	**1,467.0**	**1,540.9**
Equity				
Share capital and share premium	186.3	373.6	543.7	568.6
Value of conversion rights—convertible notes	4.8	—	—	—
Other reserves	0.4	(7.3)	(125.3)	(129.6)
Retained earnings	44.9	0.3	84.8	94.3
Capital and reserves attributable to owners of the company	**236.4**	**366.6**	**503.2**	**533.3**
Non-controlling interests	48.8	74.9	23.6	5.7
Total equity	**285.2**	**441.4**	**526.8**	**539.0**
Non-current liabilities				
Borrowings	439.6	455.5	569.4	568.7
Deferred income tax liabilities	27.2	39.8	53.3	51.1
Employee benefit obligations	0.5	1.0	2.4	2.6
Provisions for other liabilities and charges	0.7	0.8	0.3	0.9
Derivative financial liabilities	—	—	—	—
Other non-current liabilities	17.1	6.7	4.3	46.8
Total non-current liabilities	**485.1**	**503.7**	**629.6**	**670.1**
Current Liabilities				
Trade and other payables	19.6	25.0	47.5	32.8
Income tax liabilities	21.1	32.3	54.6	40.6
Borrowings	45.8	44.2	22.6	22.9
Employee benefit obligations	80.9	120.2	129.2	152.1
Provisions for other liabilities and charges	0.1	0.9	0.8	—
Other current liabilities	25.8	113.2	56.0	83.3
Derivative financial liabilities	—	—	—	—
Total Current Liabilities	**193.4**	**335.8**	**310.6**	**331.8**
Total liabilities	**678.5**	**839.5**	**940.2**	**1,001.9**
Total equity and liabilities	**963.7**	**1,280.9**	**1,467.0**	**1,540.9**

Selected Cash Flow Statement Data

	Year ended December 31,			Three months ended March 31,	
	2016	2017	2018	2018	2019
				€ in millions	
Profit/loss of the period	**33.8**	**(34.7)**	**80.1**	**24.8**	**11.3**
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation on property, plant and equipment	3.9	5.4	7.4	1.7	9.2
Amortization and impairment of intangible assets	2.1	8.6	21.4	4.9	7.9
Share in profit/loss of equity accounted investments	0.9	(2.2)	—	(0.1)	—
Finance income/cost	33.9	26.0	31.7	7.6	8.3
Increase/decrease in employee benefit provisions (share-based payments)	5.4	64.7	7.3	—	0.8
Gain/loss on disposal of LT	(17.6)	—	—	—	—
Corporate income taxes(1)	12.8	46.3	31.6	8.5	8.5
Surplus value revaluation shares TEC/Zaquensis	—	—	(24.3)	(14.3)	—
Cash flow from operations before working capital and income taxes(1)	**75.1**	**114.1**	**155.3**	**33.0**	**46.0**
Change in Account Receivable	(7.6)	(32.7)	61.0	—	—
Change in Account Payable	3.6	(35.7)	(9.8)	—	—
Change in Other Assets	1.4	(8.7)	(8.3)	—	—
Change in Prepaid Expenses	0.0	(0.0)	0.1	—	—
Change in Other Provisions	(0.6)	(4.3)	(0.7)	—	—
Change in Payroll & Social Debt	11.4	26.7	(13.5)	—	—
Change in Fiscal Debt & Receivables	(8.4)	11.8	3.5	—	—
Change in Other Debt	(12.3)	(6.2)	(51.2)	—	—
Change in Deferred Expenses	0.2	0.8	1.4	—	—
Change in Working Capital	(12.2)	(48.4)	(17.5)	(30.1)	(16.4)
CIT(1)	(7.7)	(36.6)	(30.6)	(12.3)	(22.4)
Net cash flow from operating activities	**55.1**	**29.1**	**107.1**	**(9.4)**	**7.2**
Purchases of PPE	(6.5)	(8.6)	(11.1)	(2.1)	(3.2)
Proceeds from PPE	2.7	1.6	2.3	0.3	0.5
Purchases of intangible assets	(5.0)	(5.1)	(6.8)	(1.4)	(2.7)
Proceeds from intangible assets	—	0.1	—	—	0.2
Acquisition of subsidiaries, net of cash acquired	(139.0)	(172.6)	(105.2)	(20.2)	—
Acquisition of equity investments, JV and associates, net of cash acquired	(5.2)	—	(1.2)	—	—
Disposal of subsidiaries, net of cash acquired	(3.8)	—	—	—	—
Loans provided to related parties	(61.9)	9.0	—	—	(0.5)
Interest paid/received from/to related parties	1.6	1.7	0.6	3.0	—
Net cash flow from investing activities	**(217.2)**	**(173.8)**	**(121.4)**	**(20.5)**	**(5.7)**
Additional shares purchased/sold from/to minority shareholders	(2.7)	1.6	(58.0)	(1.6)	(3.1)
Contributions by minority shareholders	12.1	17.8	4.7	—	—
Contributions in equity	—	—	12.7	—	—
Interest paid/received (external; including refinancing expenses)	(17.0)	(27.8)	(26.9)	(6.0)	(7.8)
Proceeds from borrowings	363.1	500.0	131.4	131.4	—
Repayment of borrowings	(224.5)	(320.5)	(25.0)	—	—
Other increase/decrease in debts	—	3.3	(1.2)	—	0.1
Other increase/decrease in receivables	—	(0.8)	0.5	—	0.2
Issuance of new shares	47.6	—	—	—	0.3
Dividend	0.5	—	(1.7)	—	(0.9)
Net cash flow from financing activities	**178.9**	**173.7**	**36.5**	**123.8**	**(11.2)**
Net cash flow	**16.9**	**29.0**	**22.3**	**93.9**	**(9.7)**
Cash at the start of the period	47.0	63.9	92.8	92.8	115.1
Cash at the end of the period	63.9	92.8	115.1	186.8	105.5

(1) Based on a change in presentation in the period beginning the months ended March 31, 2019.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of our financial condition and results of operations as at and for the years ended December 31, 2016, 2017 and 2018. This discussion and analysis should be read in conjunction with the Annual Consolidated Financial Statements, including the notes thereto, contained in this Offering Memorandum. The Annual Consolidated Financial Statements have been prepared and presented in accordance with IFRS. The Annual Consolidated Financial Statements have been audited by PricewaterhouseCoopers, as stated in their reports appearing elsewhere in this Offering Memorandum.

Our summary unaudited interim consolidated financial information as at and for the three months ended March 31, 2019 and for the three months ended March 31, 2018, has been derived from the Interim Consolidated Financial Statements as at and for the three months ended March 31, 2019, which are included elsewhere in this Offering Memorandum.

The following discussion contains forward looking statements that are based on assumptions, estimates and beliefs and are subject to risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed in this Offering Memorandum, particularly in the sections entitled "Risk Factors" and the information under "Forward-Looking Statements". Investors should read these sections for a discussion of the risks and uncertainties related to forward looking statements and a discussion of certain factors that may affect our business, results of operations or financial condition.

Our Consolidated Financial Statements are presented in Euro.

Overview

We are a leading provider of HR solutions in key European staffing markets, offering complementary HR staffing solutions and services through three segments and a well-developed portfolio of specialized business units across various geographies. We also offer digital recruiting through dedicated platforms. Our engineering and consulting segment is focused on supplying clients with highly skilled white-collar and mid- to highly skilled construction professionals to meet clients' specialized needs in a variety of end-markets including financial, industrial and construction end-markets. Our specialized staffing segment typically supplies a small number of high demand mid-skilled blue-collar and white-collar workers (sourced increasingly from outside our primary markets) to clients for specialized positions. Finally, our general staffing segment focuses on a wide range of end-markets in Germany by typically providing clients with high numbers of lower-skilled blue collar workers, and to a lesser extent white-collar workers, in certain categories of employment that are experiencing significant labor shortages.

Each of our segments is comprised of business units that have leading positions in their respective markets and their own brand(s) which are used to market their HR solutions. Our engineering and consulting segment is comprised of our Abylsen, Continu, Vialegis, Redmore and TEC Alliance business units, as well as ibb and AERO, which are sub-business units of TimePartner. This segment has the broadest geographic footprint, though its operations are concentrated in France, Belgium and the Netherlands. Our specialized staffing segment is comprised of our Accent and Covebo business units, with their primary operations in Belgium and the Netherlands, respectively, as well as branches in countries that form part of their international recruiting networks. Our general staffing segment is comprised of our TimePartner and Zaquensis business units which provide staffing solutions in Germany. Our engineering and consulting, specialized staffing and generalized staffing segments represented 50.7%, 41.9% and 7.3%, respectively, of our Group's EBITDA (excluding corporate costs and intragroup eliminations) for the three months ended March 31, 2019.

As at March 31, 2019 we had 548 branches, 2,926 full-time equivalent in-house employees and 43,583 job candidates at work.

Comparability of Our Consolidated Financial Statements

Acquisitions and the comparability of our consolidated financial statements

In the past several years, our growth and expansion has accelerated through platform acquisitions, such as those of Abylsen, Covebo, Continu in 2015, Zaquensis, TEC Alliance, Vialegis, TimePartner in 2016 and Redmore in 2017, which became new business units of our Group, as well as bolt-on acquisitions that strengthen or complement the position of our existing and new business units and contribute to our international recruiting network.

Below is a timetable of the acquisition activity undertaken by our Group which has impacted the Group's consolidation perimeter since January 1, 2016 and through March 31, 2019:

- On May 30, 2016, we acquired a majority stake in Zaquensis, which provides low- and semi-skilled temporary job candidates to a wide range of end-markets with a focus on clients in the food and automotive end-markets. We acquired the remaining shares of Zaquensis in our 2018 legal reorganization. Zaquensis is currently one of our business units in the general staffing segment.
- On August 31, 2016, we acquired a majority stake in the TEC Alliance Group ("**TEC Alliance**"), which provides integrated solutions in engineering, field technician services and turn-key infrastructure projects in Belgium and Luxembourg. For part of the year ended 2016 and all of 2017 TEC Alliance had been formed by a merger between Human Capital Group SA and Logi-technic (previously a part of the Accent business unit), and it is currently one of our business units in the engineering and consulting segment.
- On August 26, 2016, we acquired Professional Recruitment Agency Netherlands BV ("**Pran**") which provides sourcing partners for foreign job candidate recruiting. Pran operates as part of our Covebo business unit in the specialized staffing segment.
- On November 30, 2016, we acquired a majority stake in TimePartner, which provides blue-collar and technical white-collar staffing solutions for SMEs as well as blue-chip companies in Germany. TimePartner is currently one of our business units in the general staffing segment.
- On June 30, 2017, we acquired a majority stake in Vialegis, which provides legal staffing solutions with a focus on highly skilled white-collar job candidates in Belgium, Luxembourg, Spain and Germany. We acquired the remaining shares of Vialegis in our 2018 legal reorganization. Vialegis is currently one of our business units in the engineering and consulting segment.
- On July 4, 2017, we acquired Effect Uitzendbureau BV ("**Effect**"), which specializes in recruiting skilled job candidates, with a focus on the construction and engineering end-markets. Effect operates as part of our Covebo business unit in the specialized staffing segment.
- On November 23, 2017, we acquired Mach Professionals GmbH ("**Mach**"), which provides temporary employment and staff recruiting services for the aerospace end-market in Germany. Mach operates as part of our AERO sub-unit, which is part of our TimePartner business unit.
- On December 31, 2017, we acquired a majority stake in Redmore, which provides secondment and consulting services for the financial and public end-markets in the Netherlands. Redmore is currently one of our business units in the engineering and consulting segment.
- On January 15, 2018, we acquired at 95.5% stake in Weiderer Personaldienste GmbH and its subsidiary undertakings ("**Weiderer**"), which provides temporary employment and staff

recruiting services in Germany, with the remaining shares acquired on August 1, 2018. Weiderer operates as part of our TimePartner business unit.

- On April 20, 2018, we acquired a majority stake in Eurotech SA Group, which wholly owned the Belgatech Engineering Services SPRL ("**Belgatech**") and Fratech RP SAS ("**Fratech**") subsidiaries. Belgatech and Fratech provide consulting services to the transport, telecoms, industry, energy and life sciences end-markets in Belgium and France, respectively, and both operate as part of our Abylsen business unit in the engineering and consulting segment.
- On June 15, 2018, we acquired mténv Professionals Group BV ("**MT&V**"), a Dutch company providing white-collar technical secondments. MT&V operates as part of our Continu business unit in the engineering and consulting segment.
- On June 27, 2018, we acquired a majority stake in Schollmeyer & Steidl GmbH ("**Schollmeyer**"), a German company providing search and selection services for the legal, tax and finance end-markets. Schollmeyer operates as part of our Vialegis business unit.
- On July 11, 2018, we acquired a majority stake in V-NOM Project & Interim management B.V. ("**VNOM**"), a Dutch company specializing in the temporary placement of skilled blue-collar job candidates in the construction, mechanical, electrical and installation end-markets. VNOM operates as part of our Covebo business unit.
- On August 30, 2018, we acquired Pensioen Perspectief B.V. ("**Pensioenperspectief**"), an independent pension consulting firm providing pension advice to employers, workers' councils and tax and legal service providers in various end-markets. Pensioenperspectief operates as part of our Redmore business unit.
- On December 18, 2018, we acquired ITDS Group ("**ITDS**"), which provides consulting services for financial services providers, and operates in the Netherlands and Poland. ITDS operates independently under the Redmore business unit.
- On December 19, 2018, we acquired Pharma Insight BVBA ("**PI**"), which provides support systems, professional training, and management to practitioners in the life science end-market. PI operates as part of our Abylsen business unit.
- On December 21, 2018, we acquired Hartd. BV ("**Hartd.**"), a Dutch company specializing in electrical and mechanical engineering staffing. Hartd. operates as part of our Continu business unit.
- On December 27, 2018, we acquired Legalia SPRL ("**Legalia**"), a specialized recruiting and interim management agency with a focus on the legal end-market. Legalia operates as part of our Vialegis business unit.

See "*Annual Consolidated Financial Statements—Note 4.1—Business Combinations*" for further information.

Our acquisitions have resulted in increased revenue and increased geographical coverage, as well as improved diversification of our services and the number of clients and end-markets that we serve. On account of the number of acquisitions that we have undertaken and intend to continue to undertake, our results of operations from period to period may not be comparable.

Acquisitions, which include the acquisition of majority stakes in equity investments or joint ventures that were previously not accounted for as part of our consolidation perimeter, affect our results of operations in a couple of ways. First, our results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired business in our consolidated results. Organic Growth accounted for 15.2%, 12.3%, and 2.5% of the revenue for the years ended December 31, 2017 and December 31, 2018, and the three months ended March 31, 2019, respectively, with the remainder of our growth resulting from acquisitions not included in our method for calculating Organic Growth. Some acquisitions, such as those of Zaquensis and TEC Alliance, which were acquired in 2016, started as joint-ventures with our Group and were eventually moved into our consolidation perimeter. During the years ended December 31, 2016 and 2017, we accounted for Zaquensis and TEC Alliance as joint ventures. In the year ended December 31, 2018, as a result of the buy-out of one of the main minority shareholders of TEC Alliance in January 2018 and acquiring the remaining shares of Zaquensis in June 2018, a full consolidation has been recorded for these entities. Furthermore, in 2016 we contributed our shares in Logi-Technic to TEC, which was a joint-venture at the time, moving Logi-Technic outside of our consolidation perimeter until we acquired control over TEC Alliance in 2018 bringing both entities into our consolidation perimeter. See *"Business—Recent Acquisitions"*.

In addition, as acquired businesses are consolidated from the date of their acquisition, the full impact of an acquisition is only reflected in our consolidated financial statements in the subsequent financial year.

Our cost of services, selling expenses and other general and administrative expenses have typically increased in proportion to the size of the acquisitions we have undertaken. However, certain acquisitions have created opportunities for margin improvements, particularly where such acquisitions have shifted the services mix we offer from more general to more specialized, or where such acquisitions have been in our engineering and consulting services segment, since more specialized job candidates are typically in greater demand and can thus result in our Group having greater pricing power when placing job candidates.

Because of the number of acquisitions we have undertaken and the nature of the businesses we acquire, we carry a significant amount of goodwill on our balance sheet. As at March 31, 2019, goodwill represented €845.2 million or 54.9% of our total assets. Our goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If an impairment charge were made, we may record significant charges in our income statement under IFRS. While the AÜG reform in Germany may result in some impairment for our Zaquensis and TimePartner business units (see *"—Key factors affecting our results of operations—Changes in regulation"*), our margin based on current goodwill impairment tests appears to be sufficient to avoid any material impairment risk in the near future. We have historically financed acquisitions through a combination of borrowings, equity and excess cash generated within the Group. We structure our acquisitions to include contingent and deferred consideration that is included in the cost of the business combination at the fair value on the date of the acquisitions. We do not have any material claims under the stock purchase agreements for the acquisitions during the period under review.

We expect to continue to pursue smaller, margin-accretive, complementary bolt-on acquisitions, mainly in our existing markets, while also targeting certain new end-markets such as healthcare and pharmaceuticals and new geographic markets such as the Nordic countries.

Our interim results fluctuate as a result of seasonality in our business

Our revenue is subject to seasonal fluctuations in many of the end-markets in which we operate. We have in the past experienced, and expect in the future to experience, fluctuations in our results of operations due to seasonal demand in our current end-markets. Seasonality means that our results vary from quarter to quarter, and therefore the results of one quarter may not be indicative of results for the full year. Seasonality varies depending on a number of different factors and can impact our business units and our three staffing segments differently. The underlying end-markets we serve are subject to various drivers that impact overall end-market demand and therefore demand from our clients for staffing. For example, the construction end-market may experience inclement weather on a worksite, which can decrease demand for our job candidates. As a result of the mix of services we provide, seasonal work can also cause peaks in demand during a specific period, such as the weeks leading up to Christmas and Easter, around harvest time in the food production sector or around holiday periods, such as the Christmas holidays and summer holidays. Historically as a general matter, our revenue fluctuates, with higher levels of revenue typically being received in the second half of the year beginning just after the summer holidays, which then lasts for a sustained period before decreasing again in December due to Christmas holidays. Due to this seasonality effect, we do not expect our Interim Consolidated Financial Statements to be reflective of the results we anticipate for the year ended December 31, 2019.

Moreover, we also experience seasonality with regards to our working capital requirements. We generally experience larger working capital requirements in the first half of the year due to increased holiday pay, bonus pay and tax payments. While our working capital requirements are generally lower in the second half of the year, our working capital requirements also experience an increase at the end of the year for end-of year bonuses and holiday pay, particularly as certain of our businesses institute mandatory holiday at the end of the year.

For additional information see "*Risk Factors—Risks Relating to Our Business and Industry—Our Interim Results Fluctuate as a result of Seasonality in our Business*".

IFRS 16 has been adopted from January 1, 2019 and impacts the comparability of periods within our consolidated financial statements

IFRS 16 (Leases), which the IASB published in January 2016 and which became mandatory for companies reporting in IFRS from January 1, 2019, eliminates the distinction between operating and finance leases, and requires almost all leases to be recognized on the balance sheet. Under this new standard, an asset (the right to use the leased asset) and a financial liability, measured as the net present value of future lease payments, are recognized. Short-term leases and low-value leases are exempted. The new standard affects certain commonly used financial ratios and performance metrics because of its impact on the balance sheet and on the nature of the expenses related to leases, as rent expenses are substantially replaced with depreciation and financial expense.

The new lease accounting rules under IFRS 16 primarily affect the accounting for our operating leases. The Group's main leased items are company cars, its regional headquarters and branches, and housing for some of its temporary staff. We also lease printing and IT equipment which are classified as low-value assets and thus exempted from the scope of this new standard.

We have applied the IFRS 16 standard from its mandatory adoption date of January 1, 2019. Furthermore, we have applied the simplified transition approach and therefore we have not restated comparative amounts for the year prior to its first adoption. As a result of the application of IFRS 16, we recognized right-of-use assets of €72.4 million (including contracts that were classified as a finance lease under IAS 17) as at March 31, 2019. Furthermore, our profit for the period increased by €159,743 for the three months ended March 31, 2019 due to the application of IFRS 16. With respect to the consolidated statement of cash flows, operating cash flows increased as a result of the application of IFRS 16, and financing cash flows decreased as repayment of the principal portion of the lease liabilities are now classified as cash flows from financing activities. See "*Annual Consolidated Financial Statements—Note 2.2—Changes in accounting policies and disclosures*" and "*Interim Consolidated Financial Statements—Note 2—New standards, interpretations and amendments adopted by the Group*" for additional information.

As a result of these changes in connection with the application of IFRS 16, the unaudited interim consolidated financial statements of the Group as at and for the three months ended March 31, 2019, particularly line items such as other current and non-current liabilities, selling expenses and other general and administrative expenses, reflect the application depreciation and rent expense of IFRS 16, which impacts their comparability to prior periods including the comparative figures as at and for the three months ended March 31, 2018.

The 2018 legal reorganization and refinancings during the historical period

The 2018 legal reorganization

In 2018, we undertook a legal reorganization whereby a number of internal transfers of legal entities within the Group as well as a number of legal mergers, de-mergers and partial de-mergers of various entities were undertaken to simplify the legal structure of our Group. The Group was restructured such that all of the top equity holdings for each of our business units and certain of such business units' sub-holdings were centralized under House of HR NV. As part of our legal reorganization, the shares held by minority shareholders in our companies we had recently acquired were transferred to House of HR in exchange for both cash and House of HR shares. The House of HR shares received by such minority shareholders consisted of Ordinary C Shares, Class C convertible tracking shares (the "**tracking shares**") and Preference Shares, with the tracking shares entitling their holders to dividend rights linked to the performance of their respective operating company. This share roll-over with our former minority shareholders aligns their interests with the economic performance of their applicable operating company and the Group, and aims to foster local entrepreneurship and managerial ownership of operations for the long term. See "*Annual Consolidated Financial Statements—Note 4.4—Legal reorganization of the Group in 2018*" for further information. In connection with this reorganization, we incurred €5.5 million and €0.5 million in other general and administrative expenses for the year ended December 31, 2018 and the three months ended March 31, 2019, respectively. The legal reorganization costs were paid in cash. See "*Annual Consolidated Financial Statements—Note 4.5—Legal reorganization of the Group in 2018*" for additional information.

Non-current and current borrowings

The Group's finance expenses have varied over the period under review largely in relation to new bank borrowings or the refinancing of bank borrowings undertaken and related fees associated with the same. Our bank borrowings as at January 1, 2016 related to various bank loans obtained locally by our business units from local banks. In July 2016, these loans were repaid and replaced when we entered into a senior facilities agreement at the Group level. The nominal amount of the amounts drawn under that senior facility as at December 31, 2016, net of transaction costs, was €307.7 million. The drawings had a maturity of five years and a variable interest rate based on Euribor plus a fixed margin. During December 2017, these bank loans were refinanced with the Existing Senior Facilities at the Group level, also with variable interest rates. The carrying amount of the drawings, net of transaction costs, was €456.9 million as at December 31, 2017 and the drawings had seven years of maturity and a variable interest rate based on Euribor plus a margin. In March 2018, the additional tranche of €125 million was withdrawn under the same terms. The nominal amount of the amounts drawn under the Existing Senior Facilities as at December 31, 2018, net of transaction costs, was €583.5 million. As part of the Transactions, we intend to refinance the Existing Senior Facilities and enter into the New Senior Facilities Agreement. See "*Description of Other Indebtedness—New Senior Facilities*." Our finance expense varied during the period under review and will reflect the terms agreed in the New Senior Facilities Agreement moving forward.

We do not currently expect to raise incremental debt or equity financing over the next twelve months. However, going forward, there can be no assurance of these expectations, as our projections could prove to be incorrect, events may occur that require additional liquidity in excess of amounts available under our Term Loan B Facility. In such a situation, or should an acquisition or refinancing opportunity arise, we would likely utilize borrowing capacity under our Revolving Credit Facility or seek to raise additional equity or debt. See also "*Risk Factors—Risks Relating to Our Indebtedness—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 business*" and "*Risk Factors—Risks Relating to Our Indebtedness—We may not be able to generate sufficient cash to service our debt or sustain our operations, including due to* *factors outside our control, and may be forced to take other actions to satisfy our debt obligations, which may not be successful*".

Key Factors Affecting Our Results of Operations

Our results of operations have been affected in the periods under review, and are expected to continue to be affected, by various key factors relating to our business and industry, which we describe below.

General economic conditions

We generally operate in geographic markets that are characterized by high average salaries, low unemployment and which are well developed and mature in the temporary staffing and consulting fields. As a result of these trends the number of temporary workers in our largest markets has increased significantly over the last decade, as shown in the chart below.

Economic and trading conditions in the countries in which we operate, or which we plan to enter, have impacted our business in the past and will likely impact our business in various ways. While our business has historically generally been able to mitigate the fluctuations of the business cycle due to a flexible cost structure, economic downturns can lead to a decrease in demand for our services. Similarly, growth in national and international economies (i.e. GDP growth), particularly in the sectors in which we specialize, can lead to increased demand for our services. Among our financial segments, general staffing has historically been most sensitive to economic fluctuations, which has led to decreases in demand for such services in connection with economic downturns, but has often exhibited an early resurgence after a recession as companies often reach for this resource as they invest in the growth of their operations. Conversely, our engineering and consulting, and specialized staffing segments have historically been more "defensive", and as a result may show the effects of economic fluctuations less intensely and may take longer after any economic downturn to recover.

In addition to these general trends, our results of operations have been impacted and we expect will continue to be impacted by certain other key macroeconomic conditions, such as unemployment rates and staffing penetration, in the geographic markets in which we operate. Low unemployment rates often indicate a shortage of available workers in an economy, which can increase the demand for our job candidates, whom we often recruit from other countries. Furthermore, increases in staffing penetration can indicate a greater prevalence or acceptance of temporary staffing in an economy, which increases the market for our services.

The table below shows the relative geographical distribution of our revenue over the historical accounting period, which is primarily impacted by the nature of our operations and the breadth and depth of our operational footprint in each country. However, macroeconomic trends within each country also contribute to the performance of our operations in each of these countries.

	For the year ended December 31,						For the three months ended March 31,			
	2016		2017		2018		2018		2019	
	(€ in millions)	%	(€ in millions)	%	(€ in millions)	%	(€ in millions)	%	(€ in millions)	%
Revenue generated by geographical location										
Belgium	451.0	60.6%	478.0	42.8%	662.5	40.8%	151.2	41.9%	164.8	39.5%
The Netherlands	201.1	27.0%	254.2	22.8%	447.7	27.6%	96.4	26.7%	125.5	30.1%
Germany	20.7	2.8%	298.3	26.7%	408.6	25.2%	87.1	24.2%	96.6	23.2%
France	67.7	9.1%	82.5	7.4%	97.1	6.0%	24.7	6.9%	27.1	6.5%
Other	4.1	0.6%	3.6	0.3%	7.8	0.5%	1.1	0.3%	2.9	0.7%
Total revenue	**744.6**	**100%**	**1,116.6**	**100%**	**1,623.7**	**100%**	**360.6**	**100.0%**	**416.9**	**100.0%**

Belgium
Our operations in Belgium are comprised of our specialized staffing and our engineering and consulting segments. Revenue from our operations in Belgium grew steadily over the period from €451.0 million for the year ended December 31, 2016 to €662.5 million for the year ended December 31, 2018, which includes growth experienced on account of acquisitions.

During this same period, data from the World Bank shows that annual GDP growth in Belgium was 1.5% and 1.7% in 2016 and 2017, respectively. Moreover, the temporary staffing industry grew at a CAGR of approximately 7.7% from 2013 to 2017 and is expected to grow at a CAGR of 7.0% from 2017 to 2023. Belgium has also continued to experience a tightening in the labor market as the population ages and there are fewer local workers to take the place of retirees. Furthermore, Belgium has also been experiencing high employment rates due to employment outgrowing the active population. Unemployment in Belgium has gone from 7.5% in 2007 (according to data from the World Bank) to 5.7% in April 2019 (according to data from Eurostat). Staffing penetration has also increased in response to this tightening of the labor market and decrease in unemployment. For example, temporary staffing penetration in Belgium went from 2.2% in 2007 to 2.5% in 2017. While growth saturation of employment will likely slow our growth in Belgium in the private sector, the opening of certain public sector opportunities may offset this slowdown to a certain degree. See also "*—Changes in regulation—Temporary Employment Regulation*".

The Netherlands
Our operations in the Netherlands are comprised of our specialized staffing and our engineering and consulting segments. Revenue from our operations in the Netherlands grew steadily over the period from €201.1 million for the year ended December 31, 2016 to €447.7 million for the year ended December 31, 2018, which includes growth experienced on account of acquisitions.

During this same period, World Bank data shows that annual GDP grew by 2.2% and 2.9% in 2016 and 2017, respectively, in the Netherlands. Furthermore, we believe that there will be a 2% CAGR of GDP in the Netherlands between 2017 and 2022. In comparison the temporary staffing industry grew at a CAGR of approximately 7.7% from 2013 to 2017 and is expected to grow at a CAGR of 7.5% from 2017 to 2023. As is the case elsewhere, GDP growth in the Netherlands affects us primarily through its effect on the end-markets in which our clients operate. Our engineering and consulting and specialized staffing segments in the Netherlands are affected by growth in the construction and engineering markets, which in turn are driven by overall domestic economic growth. Long-term demographic and economic trends are also driving a demand for construction workers. After a downturn from 2009 until 2012, the Dutch construction end-market has been growing significantly due in part to general economic resurgence, low interest rates, as well an increase in environmentally-focused project or larger infrastructure projects. These trends contribute to demand for job candidates with specialties and skills that operate in the construction end-market.

The Netherlands also has a number of jobs that are driven by regulatory developments in addition to GDP fluctuations. For example, demand for job candidates in the financial services sector is impacted by the growth in financial regulation. This impacts demand for our services, due to the fact that, within our engineering and consulting segment, our business unit Redmore provides job candidates with technical, specialized skills to the financial sector.

The Netherlands, similarly to Belgium, has historically had low unemployment rates which impacts our business positively. Between 2007 and 2014, the unemployment rate in the Netherlands rose from 3.2% to 7.4% (according to data from the World Bank), but then decreased to 3.3% in April 2019 (according to data from Eurostat). This low unemployment rate has led to fewer local individuals going into the strenuous working conditions of the logistics workforce, which has supported demand for our job candidates, including our foreign job candidates, who have experience in this sector and can meet demand for such jobs. In light of these trends, temporary staffing penetration has been growing in the Netherlands, going from 2.8% in 2007 to 3.3% in 2017.

Germany

Our operations in Germany are comprised of our general staffing and our engineering and consulting segments. Revenue from our operations in Germany grew rapidly over the period from €20.7 million for the year ended December 31, 2016 to €408.6 million for the year ended December 31, 2018, largely due to growth experienced on account of acquisitions. During the year ended December 31, 2018, our general staffing segment, which is almost entirely in Germany, experienced only minimal Organic Growth due in part to the macroeconomic conditions described below.

Annual GDP growth in Germany has been at 2.2% in both 2016 and 2017 according to data from the World Bank. GDP is expected to continue to grow but at a slower pace. In Germany, our general staffing sector is GDP-sensitive and exposes us more directly to fluctuations in GDP and economic change. As GDP slows, market value grows at a slower pace and the number of hours worked by an individual decreases. However, low-skilled, mainly blue collar workers are in structural shortage in Germany, which provides opportunities for our services.

Unemployment in Germany is currently at a record-low point, and is expected to remain at this level in the upcoming years. Between 2007 and 2018, unemployment fell from 8.7% (according to data from the World Bank) to 3.4% (according to data from Eurostat). Companies are, therefore, expected to continue to address staff shortages through temporary staffing. Moreover, we believe that generally lower-skilled workers do not travel as much, which can lead to significantly localized shortages in demand. Some companies, including ours, overcome this barrier through sourcing in Eastern Europe where lower skilled workers are willing to travel. Decreasing unemployment and shortages of low-skilled blue collar workers has driven an increased reliance on temp workers leading to an increase in demand for our services. For example, temporary staffing penetration is growing in Germany, going from 1.6% in 2007 to 1.9% in 2017. As a result, the temporary staffing industry in Germany grew at a CAGR of approximately 4.6% from 2013 to 2017 and is expected to grow at a CAGR of 3.6% from 2017 to 2023.

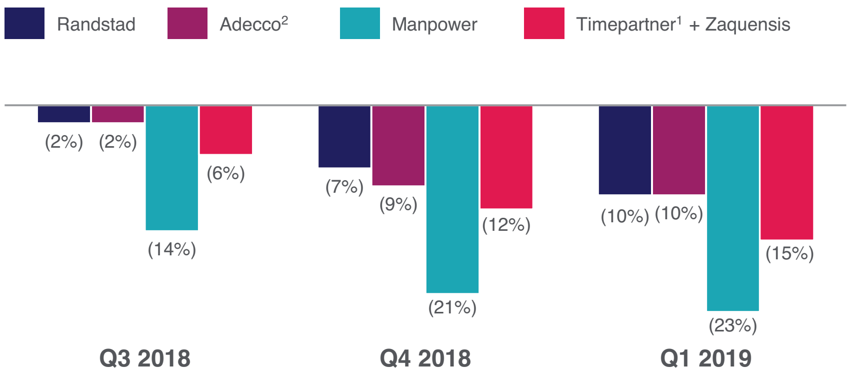
The automotive end-market is an important driver of demand for job candidates in Germany due to its relative size within the overall German economy. However, during the period under review, the German automotive sector experienced certain events that negatively impacted it and its demand for services. For example, beginning in 2015, evidence began to indicate and eventually was confirmed that certain diesel car manufacturers had been tampering with their vehicles' ability to pass emissions tests and the vehicles were emitting significantly more than the legal limit of pollutants. In response, certain European and other authorities have taken measures to mitigate vehicle pollution, which has led to an increase in investment in clean vehicle technologies and a decrease in demand for diesel vehicles. The additional costs of these investments have impacted the need for certain car manufacturers to hire additional workers or source additional temporary job candidates.

Furthermore, low water levels of the Rhine caused by droughts limited barge shipping in Germany in the autumn of 2018. The resulting shortages in supply of certain industrial commodities, such as coal and motor fuel, curtailed industrial production in certain locations in Germany, which we believe also impacted the demand for our job candidates in certain end-markets for which our general staffing segment typically provides services.

Finally, the staffing industry specifically was impacted by certain German regulatory reforms, including the Act on Staffing (*Arbeitnehmerüberlassungsgesetz*) ("**AÜG**"). See"—*Changes in regulation—Temporary Employment Regulation*".

However, during this period our like-for-like growth on a quarter-over-quarter basis was impacted less than certain of our peers as shown in the chart below.

Quarterly like-for-like revenue growth vs. peers



Note In preparing the above chart, we have used our business unit accounts prepared on the basis described in "*Presentation of Financial and other Information*". For each of these competitors the manner in which they define normalized growth differs, as illustrated below. Although we believe the illustration above to be reasonable, actual results of our competitors if they were in the exact same geographies as our relevant business units or if normalized growth were defined the same may vary from the indicative information presented above and such variations could be material. As such, you should not place undue reliance on the inclusion of such information and it should not be regarded as an indication of what our performance would have actually been compared to that our competitors.

Normalized growth definition for peers

Adecco: For Adecco normalized growth is defined as its revenue figures that exclude the impact of foreign exchange rate fluctuations, acquisitions and divestitures.

Randstad: Randstad's normalized growth is measured by excluding the impact of currency effects, acquisitions, disposals and reclassifications from revenue.

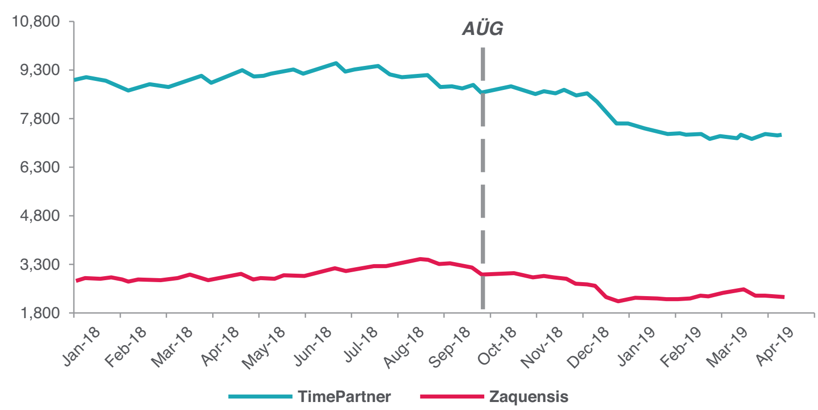
Manpower: Manpower's normalized growth is based on its "organic constant currency", which removes the impact of acquisitions in the current period and dispositions from the prior period from the constant currency calculation of its revenue.

(1) Excluding ibb and AERO, which reflect our operations in Germany.

(2) For Adecco, region includes Germany, Austria and Switzerland. Randstad and Adecco's reported normalized revenue is for Germany only.

Moreover, since the AÜG came into force, our people at work metric has largely stabilized in recent months as shown in the chart below.

HoHR Germany people at work per week evolution 2018–2019YTD (people)[1]



Note People at work is our job candidates at work metric as defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

(1) Including IBB and Aero

Furthermore, although our like-for-like growth declined on a quarter by quarter basis as illustrated in the quarterly like-for-like revenue growth chart above, our cash balance increased during this period as a result of working capital dynamics as illustrated in the table below. See also "*Summary—Our Strengths—We have a highly diversified, resilient and cash-generative financial profile.*"

	Q3—17	Q4—17	Q1—18	Q2—18	Q3—18	Q4—18	Q1—19
							€ in millions, except percentages
Sales	98	92	84	90	94	84	75
Like-for-like growth quarter-over-quarter(%)	14.7%	11.9%	5.4%	6.2%	(4.0%)	(8.3%)	(10.6%)
Receivables cash inflow(1)	(5.6)	(0.7)	5.2	(1.6)	(2.4)	2.2	6.6
Payables cash inflow(2)	0.3	0.8	(0.6)	(0.4)	0.6	(0.3)	(0.5)
Cash balance(3)	9	13	11	15	19	27	26

Note In preparing the table above, we have used our business unit accounts prepared on the basis described in "*Presentation of Financial and Other Information—General*". Our results above from Germany exclude our business subunits of ibb and AERO, which are part of the TimePartner business unit, but are accounted for at a segmental level as part of the engineering and consulting segment rather than the general staffing segment due to the nature of their operations. Weiderer was also excluded from this analysis as there was a change of management during the period which otherwise impacted their results of operations.

(1) Receivables cash inflow is calculated as average receivables over current quarter—previous quarter

(2) Payables cash inflow is calculated as average payables over current quarter—previous quarter

(3) Average cash balance over quarter

France

Our operations in France are comprised of our engineering and consulting segment. Revenue from our operations in France grew over the period from €67.7 million for the year ended December 31, 2016 to €97.1 million for the year ended December 31, 2018, which includes growth experienced on account of the acquisition of Fratech. Since March 31, 2019, we have also acquired Mykelson and Pharmacos, which we expect to increase our revenue generated in France going forward.

In France, we only provide engineering consulting under our engineering and consulting segment, which has been insulated to a significant degree from GDP fluctuations. Furthermore, the addressable market for our services has grown between 1.5% and 2% between 2012 and 2017, with R&D spending growing by approximately 1.5% over this period. We believe that the addressable market in France will grow between 2% and 4% from 2017 to 2023, with R&D spending expected to grow by 2 to 3% over this period. It is expected that R&D spending will continue to increase, setting conditions for this business in France to grow as well.

The unemployment rate in France has increased from 7.7% (according to the World Bank) to 8.7% (according to Eurostat) between 2007 and April 2019, which is higher than the other countries in which we work. However, because we operate in a specialized sector in France, the structurally high unemployment in France has not impacted demand for our services in a material manner, nor do we expect it to do so in the future.

Brexit

On June 23, 2016, the United Kingdom ("**U.K.**") held a referendum (the "**U.K. EU Referendum**") on its membership of the EU, in which a majority voted for the U.K. to leave the EU ("**Brexit**"). There remains significant uncertainty relating to the U.K.'s exit from, and future relationship with, the EU. On March 29, 2017, the U.K. Prime Minister gave notice under Article 50(2) of the Treaty on the European Union and officially notified the European Union of the U.K.'s intention to withdraw from the EU. The delivery of the Article 50(2) notice triggered a two-year period of negotiation to determine the terms on which the U.K. will exit the EU and the framework for the U.K's future relationship with the EU (the "**Article 50 Withdrawal Agreement**"). On April 10, 2019, this date was extended to October 31, 2019. As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020.

As the U.K. represents a key export market for several of the countries in which we operate, particularly Belgium and the Netherlands, adverse trade terms between the U.K. and the countries in which we operate could have an adverse effect on the economies of these countries, which could by extension adversely affect our business.

Furthermore, Brexit may limit the ability of individuals from various foreign countries to work in the U.K., which could increase the supply of job candidates in several of the countries in which we operate. We believe that there has already been a transition of job candidates, who were working in or planning to work in the U.K., from the U.K. to other countries, including certain of our geographic markets such as the Netherlands and Germany, in anticipation of Brexit. However, we believe that this trend has not significantly impacted our Gross Margin.

See "*Risk Factors—Risks Relating to Our Business and Industry—Our results of operations could be materially adversely affected by volatile or uncertain economic conditions*".

Changes in Regulation

Our business is subject to, and impacted by, extensive laws and regulations in each of the countries in which we operate, as well the laws and regulations of the EU. Our industry is extensively regulated by a number of international and local regulatory authorities. These regulations impact how we structure our employment agreements with job candidates and our service agreements with clients. See "*Regulation*". During the period under review, there were a number of changes in the regulatory frameworks, particularly in Germany, which impacted our results of operations. New legislation has also been passed in the Netherlands that will take effect from January 1, 2020 and may impact our results in the Netherlands as a result.

Temporary Employment Regulation

Regulations around temporary employment can impact the clients and opportunities that are available to us. For example, beginning in the 2017 to 2018 period, the Belgian region of Flanders and the Belgian federal government authorized temporary employment in the public sector for periods of up to twelve months. This development provides additional opportunities for these public sectors. While this practice is still not permitted in the Belgian region of Wallonia, if in the future and to the extent that this region adopts a similar policy, it could further increase our ability to provide our services in that region.

Moreover, regulations can affect the duration of our services. In Germany, since the last reform of the AÜG in April 2017, the assignment period of temporary workers was limited to 18 months (with exceptions) after which the employee either needs to be let go from the company where they were working or accepted on to the general payroll of that company. As a result, as our job candidates approach the end of their assignment period they will either need to be replaced, which can be difficult during times of scarcity of qualified job candidates, or are taken over by the client resulting in lower volumes for us. Furthermore, wages and benefits of temporary workers are aligned to those of the employees of the company after nine months of uninterrupted assignment (through the "**EqualPay**" mechanism), but must be paid by the staffing solutions provider, which increases the administrative burden on us.

In the Netherlands there have been low-wage benefits regulations ("**LIV**") which create subsidies for the employment of low-wage workers since January 2017. This law is aimed at incentivizing employers to hire employees who have a vulnerable position in the labor market. Moreover, under the Wet Aanpak Schijnconstructies ("**WAS**") regulation, cost related to workers, can be withheld from workers' wages only if the wage remains above net minimum wage (since January 2016). However, deductions are still allowed below minimum wage for pension and healthcare insurance. All other deductions are not allowed if the net salary then becomes below minimum wage. For these non-deducted costs, we send invoices to the workers. If workers do not pay their invoices and return to their country of origin, we are left with the costs. This regulation has no impact for the clients.

Significant Dutch law changes will take effect with respect to temporary agency work and payrolling, amongst others. From January 1, 2020, the Balanced Labor Market Act (*Wet Arbeidsmarkt in balans*) ("**WAB**") will enter into effect. For example, there will be increased social security charges for temporary staffing agencies in their capacity as employer. Furthermore, payroll employees will be entitled to all terms and conditions as the client's employees in similar positions. If these regulations come into effect in 2020 as currently drafted, we expect there would be an increase in our cost of services. Nevertheless, we currently anticipate that we could pass on any increases in costs to our clients through higher fees charged for our services. However, to the extent we are not able to do so, either due to existing service agreement terms, market conditions, or otherwise the implementation of WAB may also result in decreases to our Gross Margin.

For a further discussion of the regulatory framework in which we conduct our business in our principal geographic end-markets, see "*Regulation*".

Tax Regulation

Changes in tax law can impact our current and future tax liabilities, and can also lead to reversals of certain deferred tax income balances. For example, the Belgian Corporate Income Tax regime has been modified by the Belgian Government by means of the Corporate Income Tax Reform Act of December 25, 2017 (Official Gazette of December 29, 2017). As a result of the reform, we remeasured our deferred income tax balances. Deferred income tax expected to be reversed in the year to December 31, 2018 and December 31, 2019 has been measured using the effective rate that will apply in Belgium for the period (29.58%). Deferred income tax expected to be reversed beyond December 31, 2019 has been measured with an effective rate of 25%.

Further, the Corporate Income Tax regime in the Netherlands has been modified. This reform includes a reduction of the corporate tax rate from 25% from the year ending December 31, 2018 and 2019 to 22.55% from the year ending December 31, 2020, with a further decrease to 20.5% as from the year ending December 31, 2021.

Financial regulation

While regulations on banking, insurance and the financial industry as a whole only have an indirect material effect on our business, recent regulatory developments in the financial industry between 2016 and 2019, including the updates to the financial supervision amendment Act, the Packaged Retail and Insurance-based Investment Products regulation, the Capital Markets Union, the International Financial Reporting Standards, final documents on the Reform of Basel III ("**Basel IV**"), Customer DD/Know your Customer regulations, the Uniform Calculation Method-Uniform pension calculation, and the new EU Directive on the activities and supervision of institutions for occupational retirement provision ("**IORP II**"), have created a heightened need for specialized employees, which can create additional demand for our job candidates who focus on compliance and legal matters in the financial industry.

Drivers of Sales and Pricing

Organic Growth

In addition to the sales growth created through the acquisitions discussed above, (see "*—Comparability of Our Consolidated Financial Statements—Acquisitions and the Comparability of our Consolidated Financial Statements*"), our sales are impacted by the Organic Growth of our business. We measure Organic Growth by analyzing revenue growth between one financial period and the comparable prior period, excluding the impact of acquisitions on revenue as follows:

- in respect of revenue for the three months ended March 31, 2019 and for the three months ended March 31, 2018, we have excluded the impact of acquisitions on revenue by assuming that no acquisitions have occurred after January 1, 2018;

- in respect of revenue for 2018 (compared against 2017), we have excluded the impact of acquisitions on revenue by assuming that no acquisitions have occurred after January 1, 2017;
- in respect of revenue for 2017 (compared against 2016), we have excluded the impact of acquisitions on revenue by assuming that no acquisitions have occurred after January 1, 2016;

The key drivers of the Organic Growth of our business are:

- increasing our geographic footprint by opening new branches with our "cell division" approach, see "*Business—Our Competitive Strengths—We have an outstanding record of both organic and external growth*";
- winning new contracts with clients;
- expanding our work with existing clients;
- sourcing additional job candidates that can fill scarce assignments held by our clients;
- increasing candidate sourcing through international recruitment;
- digitalization;
- expanding into new business lines; and
- pricing growth.

We seek to minimize the financial risk of new offices by focusing on securing new sales in a geographic region before committing to additional costs of a new office there. Historically, we have successfully hired additional sales employees onto our payroll to win new contracts with clients; our business unit Continu has notably successfully employed this approach. Furthermore, our business units Accent and Covebo have had success in sourcing additional job candidates by expanding their international recruiting networks.

Moreover, our Organic Growth is impacted by our ability to improve the utilization of job candidates and reduce our bench time, see "*—Cost of Services, Selling Expenses and Other Expenses—Bench time/Utilization*", increasing our sales in time and material contracts over any given period.

Our ability to expand our business geographically by opening offices in new locations also functions as an incentive to reward employees who have demonstrated strong results and initiative and would be well-suited to lead new offices. We typically open new offices when we receive a significant number of requests from existing clients or prospective clients to provide services in new locations or when we see increasing demand for our services coming from a specific region. Expansion through opening new offices has positively impacted and is expected to continue to impact our operating profits.

Staffing volume

The key drivers of staffing volume in any given market are the macro-economic and sector specific growth, and the labor tightness, see "*—General economic conditions*" discussed above and the regulatory environment, see "*—Changes in regulation*" above.

Pricing

We have a very diverse client base and generate revenue from a large number of clients. For the year ended December 31, 2018, we had 24,447 unique clients. Furthermore, we do not have significant client concentration, with our top client representing 2.9% and our top ten clients representing 8.8% of our revenue for the year ended December 31, 2018, respectively.

The substantial majority of our service agreements with clients are time and material contracts. Under such fixed price contracts, we bear the risk of cost overruns if we are not able to complete the project within the allotted time, as the revenue we receive will be the same regardless of the number of hours we spend on the project. With time and material contracts, on the other hand, we are compensated for the time that our job candidates spend with a client on assignment. However, we are exposed to bench time risk, which arises due to the nature of our employment agreements with certain job candidates as a result of regulatory requirements or in order to attract and retain suitable job candidates. This risk particularly arises within our engineering and consulting segment and to a lesser extent within our other segments, as a result of our job candidates being on our payroll but not being used on a paid job assignment. As their employer, we are still responsible for their costs even if they are not generating money for our operations. To mitigate the bench time risk, we carefully monitor our job candidates that are our employees with indefinite term contracts and seek to minimize their bench time by lining up assignments to transition to once a current one is complete.

Most of our specialized service contracts allow us to enter back to back contracts with the client and our job candidates, thus eliminating bench time risk. Under these types of contracts the utilization risk of the job candidates in between contracts is reduced. However, in Germany temporary workers are required to be on the temporary employment company's payroll, which creates bench time risk for us with regards to our job candidates in our general staffing segment. See also "*Our Business—Business Model*".

The prices for services change in part due to inflation and in part due to the end-market and scarcity of the position in question. Pricing for specialized staffing and general staffing is generally based on a factor charged as a percentage of the job candidate's gross salary. The relevant spread can be different depending on the end-market and the position. The hourly and daily pricing model for engineering and consulting positions generally produces higher Gross Margins than spread pricing based on the job candidates' gross salaries. Moreover, the spreads are generally higher in specialized staffing than in general staffing, typically driven by the scarcity of the more specialized role and as a means of compensating us for our role in sourcing such job candidates. Regulations require that job candidates through our services are paid the same as local or company-sourced workers.

In our specialized staffing segment, in our Vialegis business unit and a few smaller business sub-units, we also perform a limited amount of work under search and selection contracts. Unlike for other types of contracts, the full amount of the commissions typically remains with us as it is not subject to cost of services or other deductions. However, in such arrangements we do not benefit from a share of the on-going revenue during the duration of the employment as we do in other contracts. Furthermore, in the case of freelancers, rather than receiving a salary from us, the freelancers submit invoices to us for the services they have provided to the relevant client, which often produce smaller Gross Margins. See "*Staffing Solutions Industry Trends—Freelancing*".

Competition

Our results of operations are impacted by the levels of competition that we experience in each of the markets in which we operate and in any new markets that we may enter. We compete with other firms offering HR solutions to both clients and job candidates to varying degrees in each of the geographical markets and staffing segments in which we operate. Competition for both of these groups is based on a variety of factors. Competitive factors in obtaining and retaining clients can include the ability to find job candidates with the appropriate skills and/or experience, brand awareness, quality, speed of client service, proximity to the client and particularly in relation to general staffing, price. Competitive factors in obtaining and retaining job candidates can include wages, quality of engagement, number of hours of work available, responsiveness to work schedules, personal validation of the job candidates and brand image.

On large contracts, which are more common in our general staffing segment, there is often pressure on pricing due to the increased competitiveness in the industry. There is often less pricing pressure in our engineering and consulting and special staffing segments, due to the scarcity of candidates to fill certain roles. As a result, these segments and the higher margins associated with these fields are becoming increasingly attractive to firms in the industry.

In certain of our key geographic markets, such as the Netherlands, the specialized HR solutions market is relatively mature with comparatively established pricing. However, across all four of our key geographic markets the industry is fragmented. In individual markets and specialist sectors, we compete with smaller, more localized or more specialized firms. In addition, because of the trend towards consolidation in the specialized HR solutions industry, we compete with larger full-service and specialized competitors in the international, national, regional and local markets. In addition, some current and prospective clients, particularly among larger corporates, may elect not to fill their staffing requirements from outside sources, and may instead hire independent contractors directly on a temporary basis or provide similar services internally. Many clients use more than one staffing services provider, and the majority of client relationships are non-exclusive.

Websites, search engines and online job boards, such as Google for Jobs, monsterboard.nl and Indeed are improving their matching capabilities, potentially affecting part of our business. Furthermore, pricing, promotional and marketing actions of our competitors may impact our business, such that our price levels could be impacted or that we need to invest more in marketing and advertising to obtain the right candidates.

For a further discussion of our competitors in each of our divisions, see "*Industry*". See also "*Risk Factors—Risks Relating to Our Business and Industry—The employment services sector is highly competitive and we may be unable to compete successfully in our markets*".

Cost of Services, Selling Expenses and Other Expenses

The following table presents our cost of services, selling expenses and other general and administrative expenses for the periods indicated, as well as the percentage of revenue they comprised in each respective period. These costs and expenses represented our most significant operating costs and expenses during the period under review and are expected to continue to be our primary ones in the future.

	For the year ended December 31,						**For the three months ended March 31**			
	2016	**% of Rev.**	**2017**	**% of Rev.**	**2018**	**% of Rev.**	**2018**	**% of Rev.**	**2019**	**% of Rev.**
	(€ in millions)	**(%)**	**(€ in millions)**	**(%)**	**(€ in millions)**	**(%)**	**(€ in millions)**	**(%)**	**(€ in millions)**	**(%)**
Cost of services	(555.2)	74.6%	(840.9)	75.3%	(1,210.0)	74.5%	(269.9)	74.9%	(305.6)	73.3%
Selling expenses	(73.4)	9.9%	(117.8)	10.5%	(189.6)	11.7%	(42.5)	11.8%	(56.4)	13.5%
Other general and administrative expenses	(57.5)	7.7%	(131.4)	11.8%	(115.5)	7.1%	(22.2)	6.2%	(27.8)	6.7%

Cost of services

Cost of services comprises costs directly attributable to revenue, which mainly relate to costs associated with our job candidates, such as their wages and salaries, social security charges, training costs, other benefits (including housing expenses, car leases, mobility costs, vouchers for meals and other incentives, such as reimbursements to job candidates for utilizing environmentally friendly transportation solutions as well as other benefits for job candidates), and costs associated with freelancers. A small portion of these costs relates to material costs for projects performed in TEC ICT. Our job candidates' wages and salaries, social security and other benefits amounted to our largest cost of services during the period under review. The principal factor that affects these costs is the number of job candidates that we employ. As a result, these costs increase as we add additional job candidates either through growing our business organically or through acquisitions. However, our overall number of job candidates may not be representative of our expected cost of services since these costs will be impacted by the level of compensation each job candidate receives, which is in turn linked to the specializations, qualifications and positions filled by each job candidate.

Gross margin

Our Gross Margin represents our gross profit (our revenue less our cost of services) divided by our revenue. Our Gross Margin was 25.4%, 24.7%, 25.5%, and 26.7% for the years ended December 31, 2016, 2017, 2018, and the three months ended March 31, 2019, respectively.

There are two primary drivers of our Gross Margin: the bill-pay spread and the bench time/utilization of our job candidates (particularly our job candidates in our engineering and consulting segment):

- *Bill-pay spread:* We will typically enter into an employment agreement with the job candidate (often for the duration of an assignment or longer in the case of certain business units) and we will enter into a placement contract or project contract with the client. We then bill the client for the services performed by the job candidate and pay the salary of the job candidate. The difference between what we bill our clients and what we pay as salary to the job candidates is referred to as the "bill-pay spread" and it is the key driver of our profitability. See "—*Pricing*."
- *Bench time/Utilization:* Job candidates in most of our engineering and consulting business units as well as our job candidates in Germany are our permanent employees on our payroll whether or not they are on assignment with a client. As a result, our engineering and consulting segment in particular carefully monitors the end date of all job candidates' assignments and aims to line up the next assignment before their current ones come to an end. This monitoring seeks to minimize "bench time", which is the time for which job candidates are paid but cannot be billed to a client assignment. By minimizing a job candidate's bench time, we aim to ensure the job candidate is being utilized on a project that requires his or her skill set, so there is a match between what we bill the client for the job candidate's services and what we pay the job candidate. New assignments also ensure future career development of the job candidate. Furthermore, the impact of utilization upon the Group's Gross Margin will also depend on the mix of job candidates whose utilization is impacted, with the more specialized job candidates typically performing work under contracts with higher bill-pay spreads as a result of their scarcity and specialization. As most of our contracts are on a time and materials basis, increased utilization rates will typically improve the Group's Gross Margin.

Due to the difference in Gross Margin between our various segments, our segment mix can affect the overall Gross Margin of our Group. See below for the revenue split between our three segments for the years ending December 31, 2016, 2017 and 2018 and the three months ended March 31, 2019.

	For the year ended December 31,			For the three months ended March 31,
	2016	2017	2018	2019
				(%)
Revenue by segment				
Engineering and consulting	20.7%	19.5%	32.6%	34.7%
Specialized staffing	77.1%	58.6%	46.9%	46.3%
General staffing	2.2%	21.9%	20.5%	19.0%
Total revenue	100.0%	100.0%	100.0%	100.0%

Additionally, the difference in Gross Margin between various types of contracts can also affect the overall Gross Margin of the Group. See "—*Pricing*". For example, our search and selection services, such as those provided by our Vialegis business unit and certain other small business units, are based on commissions earned for job candidates sourced for clients. We receive less revenue from such services because we only locate the candidate and then receive a search and selection commission, rather than a contract with the client that also includes such job candidate's wages or salary, social security and other benefits to be paid out and administered by us. However, such contracts tend to provide a higher Gross Margin since there are no subsequent costs to deduct from the commissions received.

Selling expenses

Selling expenses during the period under review comprised the wages and salaries (including variable pay and incentive pay), social security charges and other benefits (such as accommodation expenses) for in-house employees responsible for operational activities at our branches, as well as advertising and marketing (including internal marketing), amortization of customer relationships and brand names that were originally valued in the context of various business combinations and other selling expenses. Selling expenses are primarily impacted by the number of in-house employees we employ. As a result, selling expenses will increase when we grow our operations and the number of in-house employees that we have who manage the recruiting lifecycle and oversee the sourcing, selection and placement of our job candidates on assignment.

Other general and administrative expenses

Other general and administrative expenses comprise personnel and accommodation expenses of head offices, IT expenses, depreciation expenses largely relating to charges on capitalized buildings, cars and software, and other general and administrative expenses at the headquarters level, as well as share-based payments. During the period under review, our share-based payments consisted of our option plan "We are One" offered to the management of Accent (our "**share option plan**"), several ratchet schemes offered to key management at different acquired business units (Abylsen, Covebo, Continu, TimePartner, Zaquensis & TEC Alliance) ("**ratchet schemes**"), and our new long-term incentive plan at the level of shareholders of House of HR ("**long-term incentive plan**"). In 2017, in connection with the anticipated 2018 legal reorganization, we decided to settle the existing share option plan, which was done partially in cash and partially through the issuance of new shares at the House of HR level, and the ratchet schemes. The payments made in connection with these settlements totalled €59.7 million, which consisted of a payment of €40.4 million to settle the share option plan and payments totalling €19.2 million to settle the ratchet schemes. In 2018, we recognized €14.0 million in share-based payments connected to option grants made under our long-term incentive plan launched in 2018. In the three months ended March 31, 2019, we recognized €0.7 million in share-based payments connected to option grants made under the same long-term incentive plan. See "*Annual Consolidated Financial Statements—Note 19—Share-based payments*" for additional information.

Staffing Solutions Industry Trends

In addition to the key factors above, there are also certain trends that could play a significant role in our results of operations in the future as these trends become more prevalent or as our operations in such areas develop and grow. See also "*Industry and Market Overview—Staffing Industry Drivers*". These include: freelancing, specialization, AI and digitization, and reskilling.

Freelancing

There is an increasing trend towards freelancing in end-markets where we operate. Whereas most of our services are provided through time and materials contracts, we sometimes work with freelancers when there is otherwise a scarcity of job candidates in the market for a certain position. Moreover, certain job candidates, especially for high-level positions and positions in IT, prefer to work as freelancers. Rather than receiving a salary from us, freelancers submit invoices to us for the services they have provided to the relevant client. While we generally receive a smaller Gross Margin with freelancers, due to the high salaries that freelancers often receive, this Gross Margin amount can still lead to significant contributions to our revenue. While we believe that the number of freelance workers appears to have stabilized in various markets, if the trend of using freelancers continues, it could adversely affect our Gross Margin.

Specialization

There is a trend in our industry of increasingly specialized companies. This trend may lead to increased competition in fields where we currently provide engineering and consulting or specialized staffing. It may also require us to increase the specialization of our own businesses in order to meet the developing expectations of our clients and job candidates. Furthermore, we believe that a failure to specialize in certain markets could lead to a gradual erosion of our Gross Margin. We seek to increase our specializations both through acquisitions of specialized entities, and through Organic Growth into specializations, often in fields that are related to those in which we already operate. We currently do not favor greenfield expansions into new specializations due to the increased risk associated with such a model. The loss in volume created by a shift towards specialization is generally offset by the increase in Gross Margin that the specialization produces.

AI and Digitization

The different steps of the value chain of our activities include a complex mix of tasks that have the potential for high automation (such as job sourcing and candidate matching) and those that need to be more tailor-made for clients and job candidates and therefore require a human touch (such as interacting with clients to know precisely what their staffing needs are and negotiation of HR contracts). As AI becomes more sophisticated it allows us to digitize and deploy AI in our core business and experiment with new technologies. We employ AI and digitalization to increase our revenue potential, for example, through expanding our digital footprint to find new job candidates. We also use these features to decrease our costs and expenses, such as by allowing software to conduct initial screening interviews with prospective job candidates. We believe that AI and other forms of digitization can also allow us to outpace smaller competitors who do not have the resources to match these capabilities. However, segments with high levels of complexity, such as engineering and consulting, have less digitization potential. Moreover, SMEs will likely continue to value human interaction, which may insulate this field to a certain extent from technology-focused competitors. For additional information see "*Business—Information Technology and Innovation—Innovation*".

Reskilling

The rapid technological development in numerous end-markets reduces the demand for certain skill sets that are rapidly becoming obsolete and increases the need for new skill sets required to satisfy the needs of positions leveraging these new technologies. While we already engage in reskilling of job candidates, the acceleration of technological development may increase the demand for these types of services. Furthermore, individuals who are searching for more varied career paths also often require reskilling, which is a dynamic that is growing among younger demographics as well. Reskilling can often take the form of on-the-job training provided by temporary work. We believe that we stand to benefit from the investments we have made to be able to offer training and reskilling programs for job seekers through additional revenue opportunities.

Description of Certain Income Statement Line Items

Revenue

Revenue consists of the fair value of the consideration received or receivable for the services rendered during the year to third parties. We mainly derive revenue from the transfer of services over time and at a point in time in the following segments: engineering and consulting, specialized staffing, and general staffing.

We mainly generate revenue from offering HR staffing solutions to our clients. The duration of these HR staffing solutions may vary between a couple of hours up to a period of two years (without minimum volumes attached to these contracts).

In a small number of cases, we also provide solutions to customers active in larger project-oriented businesses (such as the telecoms or the construction end-markets) where apart from staffing, specific deliverables also have to be provided. Such engagements may take one week up to two to three months. We do not have a single major customer from which we generate revenue.

Cost of Services

Cost of services comprises expenses directly attributable to revenue. These costs mainly include expenses related to job candidates, such as wages, salaries, and social charges but also include costs associated with freelancers, referred to as “insourced costs”. Cost of services also includes the housing expenses for foreign and other job candidates referred to as “services costs”.

Selling Expenses

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the branches, advertising and marketing, and other selling expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill. Trademarks, licenses and customer relationship contracts acquired in a business combination have a finite useful life. They are recognized at fair value at the acquisition date and are subsequently carried at cost less accumulated amortization and impairment losses. The amortization of customer relationships is based on the projected useful life of the client (between seven and 12 years).

Other General and Administrative Expenses

General and administrative expenses comprise personnel and accommodation expenses of head offices, IT expenses, and other general and administrative expenses. The depreciation expenses component under this line item largely relates to charges on capitalized buildings, cars and software, among others.

Finance Income

Finance income includes interest income on short-term bank deposits, interest income on loans to related parties, gains on derecognition of non-convertible bonds, cross-charges to related parties and swaps.

Finance Expenses

Finance expenses include the interest on borrowings from related parties, banks, convertible and non-convertible bonds, refinancing costs and bank fees.

Share in Profit/(Loss) of Equity Accounted Investments

Share in profit/(loss) of equity accounted investments is comprised of gains and losses from equity accounted investments, such as joint ventures.

We had a share of gains and losses from an equity accounted investment in two joint ventures, TEC Alliance and Zaquensis, that we made in 2016 via our subsidiary Accent Jobs for People NV. Both joint ventures became subsidiaries as we acquired from the minority shareholders the remaining shares in 2018. As at March 31, 2019, we had no material interests in joint ventures. However, as at March 31, 2019, we had joint ventures with Happy Recruiter S.A. and Ariad N.V., which do not have a material impact on our Group.

Income Tax Expense

Income tax expense is comprised of current tax and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. The components of and the recognition policies for current tax and deferred tax are set out below:

Current tax

Current tax is comprised of the current tax on profits for the year, as well as adjustments made in respect of prior years. The current tax charge is calculated on the basis of the tax laws that are enacted or substantially enacted at the reporting date in the countries where we operate and generate taxable income. Management periodically evaluates positions taken in our tax returns with regard to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the relevant tax authority.

Deferred tax

Deferred tax is recognized in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred tax primarily arises from the valuation of customer relationships and brand names and the allocation of amortization on them, as well as from fair value adjustments relating to the Existing Senior Facilities.

Results of Operations

Comparison of our results of operations for the three months ended March 31, 2018 with March 31, 2019

The following table presents our results of operations for the periods indicated.

	For the three months ended March 31,		
	2018	**2019**	**Change**
	(€ in millions)		**(%)**
Revenue	360.6	416.9	15.6%
Cost of services	(269.9)	(305.6)	13.2%
Gross profit/(loss)	90.6	111.3	22.8%
Selling expenses	(42.5)	(56.4)	32.8%
Impairment of goodwill	—	—	—
Other general and administrative expenses	(22.2)	(27.8)	25.2%
Total operating expenses	(64.7)	(84.2)	30.2%
Other gains/(losses)—net	14.8	1.0	(92.9)%
Operating profit/(loss)	40.7	28.2	(30.9)%
Finance income	0.4	0.0	(93.9)%
Finance expenses	(7.9)	(8.4)	5.1%
Net finance income/(costs)	(7.6)	(8.3)	10.0%
Share in profit/(loss) of equity accounted investments	0.1	—	(100)%
Profit/(loss) before taxes	33.3	19.8	(40.5)%
Income tax expenses	(8.5)	(8.5)	0.6%
Net profit/(loss) of the period	24.8	11.3	(54.5)%

Revenue

Our revenue increased by €56.3 million, or 15.6%, from €360.6 million for the three months ended March 31, 2018 to €416.9 million for the three months ended March 31, 2019, primarily as a result of bringing Zaquensis into our consolidation perimeter in June 2018 and numerous bolt-on acquisitions, which were made after March 31, 2018.

The specialized staffing segment was the largest contributor to Group revenue at 46.3% in the three months ended March 31, 2019, with the engineering and consulting segment accounting for 34.7% and the general staffing segment accounting for 19.0% of revenue in the same year. The following table sets out our revenue split by segment for the periods indicated.

	For the three months ended March 31,		
	2018	**2019**	**Change**
	(€ in millions)		**(%)**
Revenue by segment			
Engineering and consulting	117.7	144.8	23.0%
Specialized staffing	169.8	193.8	14.2%
General staffing	74.2	79.3	6.9%
Total revenue(1)	360.6	416.9	15.6%

(1) Including intragroup eliminations of €1.1 million for the three months ended March 31, 2018 and €1.0 million for the three months ended March 31, 2019.

Engineering and consulting

Revenue for the engineering and consulting segment increased by 23.0%, from €117.7 million for the three months ended March 31, 2018 to €144.8 million for the three months ended March 31, 2019 primarily as a result of Organic Growth of 7.6% and numerous bolt-on acquisitions that were made after March 31, 2018.

Specialized staffing

Revenue for the specialized staffing segment increased by 14.2%, from €169.8 million for the three months ended March 31, 2018 to €193.8 million for the three months ended March 31, 2019 primarily as a result of Organic Growth of 9.6% and the bolt-on acquisition of VNOM.

General staffing

Revenue for the general staffing segment increased by 6.9%, from €74.2 million for the three months ended March 31, 2018 to €79.3 million for the three months ended March 31, 2019 primarily as a result of bringing Zaquensis into our consolidation perimeter in June 2018, offset by a decline in Organic Growth of 21.8% due to regulatory and macro-economic factors in Germany.

Cost of Services

Our cost of services increased by 13.2% from €269.9 million for the three months ended March 31, 2018 to €305.6 million for the three months ended March 31, 2019, in line with the acquisitions and Organic Growth of the Group.

A comparison of the components of our cost of services for the three months ended March 31, 2018 and 2019 is below.

	For the three months ended March 31,		
	2018	**2019**	**Change**
	(€ in millions)		**(%)**
Wages and salaries	(198.2)	(225.9)	14.0%
Social security	(45.4)	(51.3)	12.9%
Insourced costs	(18.6)	(18.5)	−0.5%
Other	(0.5)	(0.2)	−66.0%
Depreciation	—	—	N/A
Services costs	(7.2)	(9.7)	33.5%
Total Cost of Services	**(269.9)**	**(305.6)**	**13.2%**

Selling Expenses

Our selling expenses increased by 32.8% from €42.5 million for the three months ended March 31, 2018 to €56.4 million for the three months ended March 31, 2019, primarily due to the amortization of customer relationships and brand names relating to the acquisitions that occurred after March 31, 2018. Excluding the amortization of customer relationships and brand names, selling expenses increased largely in line with revenue growth during the period.

Other General and Administrative Expenses

Our other general and administrative expenses increased by 25.2% from €22.2 million for the three months ended March 31, 2018 to €27.8 million for the three months ended March 31, 2019, primarily due to consultancy, accountant and legal fees surrounding the investigation by Naxicap of a potential sale of its interest in the Group.

Other Gains/(Loss) Net

Our other gains/(loss) net decreased by 92.9% from a gain of €14.8 million for the three months ended March 31, 2018 to a gain of €1.0 million for the three months ended March 31, 2019, primarily due to the recognition of €14.3 million as a gain in profit in connection with the remeasurement of the fair value of TEC during the three months ending March 31, 2018 when TEC was brought into our consolidation perimeter.

Finance Income

Our finance income decreased by 93.9% from €0.4 million for the three months ended March 31, 2018 to €22,648 for the three months ended March 31, 2019, as we no longer receive any material finance income from third parties due to the consolidation of our material joint ventures into our consolidation perimeter in 2018.

Finance Expense

Our finance expenses increased by 5.1% from €7.9 million for the three months ended March 31, 2018 to €8.4 million for the three months ended March 31, 2019.

Share in Profit/(Loss) of Equity Accounted Investments

Our share in profit/(loss) of equity accounted investments decreased by 100% from €0.1 million for the three months ended March 31, 2018 to nil for the three months ended March 31, 2019, as we no longer have any material joint ventures due to the consolidation of our material joint ventures into our consolidation perimeter in 2018.

Income Tax Expense

Our income tax expense increased slightly by 0.6% from €8.5 million for the three months ended March 31, 2018 to €8.5 million for the three months ended March 31, 2019. While the profit before tax was significantly higher in the three months ended March 31, 2018 than in the three months ended March 31, 2019, income tax expense remained relatively unchanged between the two periods as the €14.3 million gain in profit in connection with the remeasurement of the fair value of TEC in the three months ended March 31, 2018 was non-taxable income.

Comparison of our results of operations for the year ended December 31, 2017 with December 31, 2018

The following table presents our results of operations for the periods indicated.

	For the year ended December 31,		
	2017	2018	Change
	(€ in millions)		(%)
Revenue	1,116.6	1,623.7	45.4%
Cost of services	(840.9)	(1,210.0)	43.9%
Gross profit/(loss)	**275.7**	**413.7**	**50.0%**
Selling expenses	(117.8)	(189.6)	61.0%
Impairment of goodwill	—	—	—
Other general and administrative expenses	(131.4)	(115.5)	(12.1)%
Total operating expenses	**(249.2)**	**(305.1)**	**22.4%**
Other gains/(losses)—net	9.2	34.9	**280.3%**
Operating profit/(loss)	**35.6**	**143.4**	**302.5%**
Finance income	3.9	1.0	(74.4)%
Finance expenses	(29.9)	(32.7)	9.6%
Net finance income/(costs)	**(26.0)**	**(31.7)**	**22.2%**
Share in profit/(loss) of equity accounted investments	1.9	—	(100.0)%
Profit/(loss) before taxes	**11.6**	**111.7**	**863.5%**
Income tax expenses	(46.3)	(31.6)	(31.7)%
Net profit/(loss) of the period	**(34.7)**	**80.1**	**N/A**

Revenue

Our revenue increased by €507.1 million, or 45.4%, from €1,116.6 million for the year ended December 31, 2017 to €1,623.7 million for the year ended December 31, 2018, primarily as a result of strong growth in the engineering and consulting, and specialized staffing segments as a result of key acquisitions and Organic Growth of 12.3%.

The specialized staffing segment was the largest contributor to Group revenue at 46.9% in the year ended December 31, 2018, with the engineering and consulting segment accounting for 32.6% and the general staffing segment accounting for 20.5% of revenue in the same year. The following table sets out our revenue split by segment for the periods indicated.

	For the year ended December 31,		
	2017	**2018**	**Change**
	(€ in millions)		**(%)**
Revenue by segment			
Engineering and consulting	218.0	529.5	142.9%
Specialized staffing[(1)]	654.1	761.4	16.4%
General staffing	244.5	332.8	36.1%
Total revenue	**1,116.6**	**1,623.7**	**45.4%**

(1) Including intragroup eliminations of €0.4 million for the year ended December 31, 2017 and €4.9 million for the year ended December 31, 2018.

Engineering and consulting

Revenue for the engineering and consulting segment increased by 142.9%, from €218.0 million for the year ended December 31, 2017 to €529.5 million for the year ended December 31, 2018. This growth was primarily the result of acquisitions, including the full year impact in 2018 of the Redmore acquisition at the end of 2017, our acquisition of control over TEC Alliance in early 2018 and various bolt-on acquisitions that occurred in 2018. Our Organic Growth for this segment was 19.1%, predominantly due to increased investments by Abylsen and Continu through hiring additional in-house employees in sales and recruiting, respectively, who were able to source new job candidates and clients.

Specialized staffing

Revenue for the specialized staffing segment increased by 16.4%, from €654.1 million for the year ended December 31, 2017 to €761.4 million for the year ended December 31, 2018. This growth was primarily the result of Organic Growth of 14.5% predominantly due to Accent's expansion of its branch network and further specialization and Covebo's expansion of its international recruiting network, each of which resulted in additional job candidates being placed on assignments with clients.

General staffing

Revenue for the general staffing segment increased by 36.1%, from €244.5 million for the year ended December 31, 2017 to €332.8 million for the year ended December 31, 2018. This growth was primarily the result of bringing Zaquensis into our financial consolidation perimeter in 2018 following our additional acquisition of its shares during 2018 and the acquisition of Mach at the end of 2017 and Weiderer at the beginning of 2018 by TimePartner. Organic Growth, however, only increased by 2.1% during this period primarily due to the impact of the AÜG reform (which led to clients hiring our jobs candidates or ending their temporary staffing assignments in Germany sooner than expected), reduced activity in the automotive industry, the Rhine drought (which led to factory shutdowns in the Rhine industrial area due to supply shortages), and the closing of 11 loss-making branches at Zaquensis.

Cost of Services

Our cost of services increased by 43.9%, from €840.9 million for the year ended December 31, 2017, to €1,210.0 million for the year ended December 31, 2018. This increase was primarily due to an increase in wages and salaries, and social security costs in line with organic and inorganic growth in our Group, as well as a significant increase in insourcing costs from freelancers within the Group as a result of the consolidation of TEC, which was previously accounted for as a joint venture, into our consolidation perimeter in 2018 and which utilizes a large amount of freelancers. Furthermore, the full-year impact in 2018 of the acquisition of Redmore, which was acquired near the end of 2017 and which also utilizes a large amount of freelancers, further increased our insourced cost component in 2018.

A comparison of the components of our cost services for the years ended December 31, 2017 and 2018 is below.

	For the year ended December 31,		
	2017	**2018**	**Change**
	(€ in millions)		**(%)**
Wages and salaries	(655.4)	(890.6)	35.9%
Social security	(151.9)	(201.2)	32.5%
Insourced costs	(14.1)	(80.4)	470.6%
Other	(0.3)	(3.2)	1120.6%
Depreciation	—	—	N/A
Services costs	(19.3)	(34.6)	79.1%
Total Cost of Services	**(840.9)**	**(1,210.0)**	**43.9%**

Selling Expenses

Our selling expenses increased by 61.0%, from €117.8 million for the year ended December 31, 2017 to €189.6 million for the year ended December 31, 2018. This was primarily due to an increase in wages and salaries of our branch personnel and social security cost increases resulting from both organic and acquisition growth in the Group, including increases in variable pay connected to incentive schemes for our business units, as well as significant increases in expenses from the amortization of customer relationships and brand names due to the significant amount of acquisitions that occurred in 2018 or late in 2017, but which had a full year impact in 2018.

Other General and Administrative Expenses

Our other general and administrative expenses decreased by 12.1%, from €131.4 million for the year ended December 31, 2017 to €115.5 million for the year ended December 31, 2018. This decrease was primarily due to decreases in share-based payments following significant and exceptional, non-recurring share-based payments made in 2017 in preparation for the 2018 legal reorganization to settle our share option plan and ratchet schemes, partially offset by increases in wages and salaries at the Group headquarters as well as consultancy, accounting and legal expenses in 2018 in the context of the 2018 legal reorganization, the transition to IFRS 16 and in preparation for the Transactions.

Other Gains/(Loss) Net

Our other gains/(loss) net increased by 280.3%, from a gain of €9.2 million for the year ended December 31, 2017 to a gain of €34.9 million for the year ended December 31, 2018, primarily due to the remeasurement of the fair value of TEC Alliance and Zaquensis, over which we acquired full control in 2018 and which accounted for €24.3 million of other gains.

Finance Income

Our finance income decreased by 74.4%, from €3.9 million for the year ended December 31, 2017 to €1.0 million for the year ended December 31, 2018, primarily due to a significant decrease in interest income on loans to related parties due to the movement of TEC Alliance and Zaquensis from joint-ventures into the consolidation perimeter of the Group in 2018.

Finance Expense

Our finance expenses increased by 9.6%, from €29.9 million for the year ended December 31, 2017 to €32.7 million for the year ended December 31, 2018. This was primarily due to a significant increase in interest expense on bank borrowings. However, our finance expenses in 2017 were impacted by refinancing costs and bank fees upon the extinguishment of the 2016 senior facilities agreement, which had been deducted from our borrowings on our balance sheet and then amortized over the term of the loan.

Share in Profit/(Loss) of Equity Accounted Investments

Our share in profit/(loss) of equity accounted investments was €1.9 million for the year ended December 31, 2017 compared to nil for the year ended December 31, 2018, primarily due to the elimination of the carrying amounts for TEC Alliance and Zaquensis due to the reorganization of the Group's share capital as part of the 2018 legal reorganization.

Income Tax Expense

Our income tax expense decreased by 31.7%, from €46.3 million for the year ended December 31, 2017 to €31.6 million for the year ended December 31, 2018. This was primarily due to a tax matter brought against us by the Belgian authorities and an associated settlement in 2017, as well as a decrease in deferred tax assets and deferred tax liabilities as a result of the smaller number of acquisitions that occurred in 2018 as compared to 2017 that resulted in deferred tax liabilities in relation to the valuation of trade names and customer relationships, among others.

Comparison of our results of operations for the year ended December 31, 2016 with December 31, 2017

The following table presents our results of operations for the periods indicated.

	For the year ended December 31,		
	2016	**2017**	**Change**
	(€ in millions)		**(%)**
Revenue	744.6	1,116.6	50.0%
Cost of services	(555.2)	(840.9)	51.5%
Gross profit/(loss)	**189.4**	**275.7**	**45.6%**
Selling expenses	(73.4)	(117.8)	60.5%
Impairment of goodwill	—	—	—
Other general and administrative expenses	(57.5)	(131.4)	128.7%
Total operating expenses	**(130.8)**	**(249.2)**	**90.5%**
Other gains/(losses)—net	22.9	9.2	(59.9)%
Operating profit/(loss)	**81.4**	**35.6**	**(56.2)%**
Finance income	4.5	3.9	(13.6)%
Finance expenses	(38.4)	(29.9)	(22.3)%
Net finance income/(costs)	**(33.9)**	**(26.0)**	**(23.4)%**
Share in profit/(loss) of equity accounted investments	(0.9)	1.9	N/A
Profit/(loss) before taxes	**46.6**	**11.6**	**(75.1)%**
Income tax expenses	(12.8)	(46.3)	260.6%
Net profit/(loss) of the period	**33.8**	**(34.7)**	**N/A**

Revenue

Our revenue increased by €372.1 million, or 50.0%, from €744.6 million for the year ended December 31, 2016 to €1,116.6 million for the year ended December 31, 2017, primarily as a result of Organic Growth of 15.2%, including the expansion of branch networks and international recruiting networks of various business units of our Group. We also grew through multiple acquisitions, including the full-year effect in 2017 of the TimePartner acquisition at the end of 2016 and the Vialegis acquisition in 2017.

The specialized staffing segment was the largest contributor to Group revenue at 58.6% in the year ended December 31, 2017, with the general staffing segment accounting for 21.9% of revenue and the engineering and consulting segment accounting for 19.5% in the same year. The following table sets out our revenue split by segment for the periods indicated.

	For the year ended December 31,		
	2016	**2017**	**Change**
	(€ in million)		**(%)**
Revenue by segment			
Engineering and consulting	154.3	218.0	41.3%
Specialized staffing(1)	573.9	654.1	14.0%
General staffing	16.3	244.5	1,400.9%
Total revenue	**744.6**	**1,116.6**	**50.0%**

(1) Including intragroup eliminations of €0.8 million for the year ended December 31, 2016 and €0.4 million for the year ended December 31, 2017.

Engineering and consulting

Revenue for the engineering and consulting segment increased by 41.3%, from €154.3 million for the year ended December 31, 2016 to €218.0 million for the year ended December 31, 2017. This increase was primarily due to Organic Growth of 23.7%, predominantly as a result of Abylsen hiring additional in-house employees in sales and Continu increasing its recruiting, which increased our ability to locate new job candidates and clients, as well as the full-year impact in 2017 of the ibb and AERO sub-business units of TimePartner, which was acquired at the end of 2016, and the acquisition in 2017 of Vialegis.

Specialized staffing

Revenue for the specialized staffing segment increased by 14.0%, from €573.9 million for the year ended December 31, 2016 to €654.1 million for the year ended December 31, 2017. This increase was primarily the result of Organic Growth of 13.2%, particularly through the expansion of Covebo's international recruiting network.

General staffing

Revenue for the general staffing segment increased from €16.3 million for the year ended December 31, 2016 to €244.5 million for the year ended December 31, 2017. This increase was primarily the result of the full year impact in 2017 of the acquisition of TimePartner at the end of 2016.

Cost of Services

Our cost of services increased by 51.5%, from €555.2 million for the year ended December 31, 2016 to €840.9 million for the year ended December 31, 2017. This was primarily due to an increase in wages and salaries and social security costs in line with organic and inorganic growth in our Group, including the full-year effect in 2017 of the TimePartner acquisition at the end of 2016.

A comparison of the components of our cost of services for the years ended December 31, 2016 and 2017 is below.

	For the year ended December 31,		
	2016	2017	Change
	(€ in millions)		(%)
Wages and salaries	417.7	655.4	56.9%
Social security	110.7	151.9	37.2%
Insourced costs	11.3	14.1	24.8%
Other costs	0.0	0.3	N/A
Depreciation	0.2	0	(100)%
Services costs	15.2	19.3	26.8%
Total Cost of Services	**555.2**	**840.9**	**51.5%**

Selling Expenses

Our selling expenses increased by 60.5%, from €73.4 million for the year ended December 31, 2016 to €117.8 million for the year ended December 31, 2017. This was primarily due to increases in wages and salaries of our branch personnel and social security cost increases resulting from both acquisitions and Organic Growth in our Group, as well as increased costs related to services, such as rent, infrastructure and marketing expenses in the branch network, and amortization of customer relationships and brand names resulting from growth in line with the acquisitions of the Group.

Other General and Administrative Expenses

Our other general and administrative expenses increased by 128.7%, from €57.5 million for the year ended December 31, 2016 to €131.4 million for the year ended December 31, 2017, primarily due to increases in the provision for exceptional, non-recurring share-based payments of €59.7 million made during the year ended December 31, 2017 to settle our share option plan and ratchet schemes in preparation for the 2018 legal reorganization.

Other Gains/(Loss) Net

Our other gains/(loss) net decreased by 59.9%, from a gain of €22.9 million for the year ended December 31, 2016 to a gain of €9.2 million for the year ended December 31, 2017, primarily due to the capital gain on sale of shares in 2016 resulting from the sale of the Logi-technic business from Accent to TEC (which was accounted for as a joint-venture with the Group at the time) which was not present in the year ended December 31, 2017, while during the year ended December 31, 2017, we had a gain of €7.3 million related to reimbursements by former shareholders of Accent concerning an indemnity we were due as a result of tax obligations that our Group paid to the Belgian tax authorities in 2017.

Finance Income

Our finance income decreased by 13.6%, from €4.5 million for the year ended December 31, 2016 to €3.9 million for the year ended December 31, 2017. This decrease was primarily due to gains on derecognition of non-convertible bonds in 2016, partially offset by increases in interest income on loans to TEC Alliance and Zaquensis related to the refinancing in 2017.

Finance Expense

Our finance expenses decreased by 22.3%, from €38.4 million for the year ended December 31, 2016 to €29.9 million for the year ended December 31, 2017, primarily due to fair value adjustments of convertible bonds in 2016, partially offset by increases in refinancing costs and bank fees as a result of the refinancing of our 2016 senior facility agreement in 2017.

Share in Profit/(Loss) of Equity Accounted Investments

Our share in profit/(loss) of equity accounted investments was a loss of €0.9 million for the year ended December 31, 2016 compared to a profit of €1.9 million for the year ended December 31, 2017, primarily due to the share of profits that were received from TEC Alliance, partially offset by the loss shared with Zaquensis in 2017.

Income Tax Expense

Our income tax expense increased by 260.6%, from €12.8 million for the year ended December 31, 2016 to €46.3 million for the year ended December 31, 2017, primarily due to increases in adjustment in respect of prior years in 2017 due to a tax matter brought against us by the Belgian authorities and an associated settlement, as well as the impact of the TimePartner acquisition at the end of 2016 and the deferred tax movement relating to the convertible bonds.

Liquidity and Capital Resources

Liquidity describes our ability to generate sufficient cash flows to meet the cash requirements of our business operations, including working capital needs, debt service obligations, capital expenditures, contractual obligations and other commitments, as well as acquisitions.

During the periods under review, the liquidity needs of the business were mainly funded from cash from proceeds from borrowings and cash flow from operations. As at March 31, 2019, the total capital amount owed in outstanding bank loans and notes less unamortized expenses, on an unaudited as adjusted basis, to give effect to the Transactions would have been €842 million. Moreover, we have a non-recourse, off-balance sheet commercial finance facility under which €41.1 million was drawn as of March 31, 2019. See "*Description of Other Indebtedness—Existing Indebtedness Non Refinanced—Non Recourse Factoring.*" We anticipate that from the Issue Date, our principal sources of liquidity will be provided by our cash generated from operations and borrowings available under our New Senior Facilities. Our principal liquidity requirements arise primarily to provide working capital, meet debt service requirements and similar liabilities, fund capital expenditures, fund acquisitions and pay taxes.

As at March 31, 2019 our net financial debt, on an unaudited as adjusted basis to give effect to the Transactions as described under "*Use of Proceeds*", including the application of proceeds from the Offering and drawings under the Term Loan B Facility, would have been €857 million which reflects interest bearing loans and borrowings less cash and cash equivalents, see "*Summary Consolidated Financial Information And Other Data—Other Financial and Pro Forma Information*".

Cash Flows

The following table presents primary components of our cash flow for the periods indicated.

	For the year ended December 31,			For the three months ended March 31,	
	2016	**2017**	**2018**	**2018**	**2019**
				(€ in millions)	
Net cash flow from operating activities	55.1	29.1	107.1	(9.4)	7.2
Net cash flow from investing activities	(217.2)	(173.8)	(121.4)	(20.5)	(5.7)
Net cash flow from financing activities	178.9	173.7	36.5	123.8	(11.2)

Net Cash Flow from Operating Activities

Net cash flow from operating activities recorded a cash inflow of €7.2 million for the three months ended March 31, 2019, compared with a cash outflow of €9.4 million for the three months ended March 31, 2018. This change was principally due to the €14.3 million gain from the surplus valuation of TEC shares in the three months ended March 31, 2018.

Net cash flow from operating activities recorded a cash inflow of €107.1 million for the year ended December 31, 2018, compared with a cash inflow of €29.1 million for the year ended December 31, 2017. This change was principally due to the net profit of the period in 2018 compared to the net loss in 2017, as well as a misclassification of repayment of bank debt of approximately €28.6 million associated with the purchase of Redmore, partially offset by the share based payments of €59.7 million in 2018.

Net cash flow from operating activities recorded a cash inflow of €29.1 million for the year ended December 31, 2017, compared with a cash inflow of €55.1 million for the year ended December 31, 2016. This change was principally due to the net loss of the period in 2017 compared to the net profit of the period in 2016.

Net Cash Flow from Investing Activities

Net cash flow from investing activities amounted to a net cash outflow of €5.7 million for the three months ended March 31, 2019, compared with a cash outflow of €20.5 million for the three months ended March 31, 2018. This change was principally due to the acquisition of Weiderer and the buy-out of a former management member of TEC in the three months ended March 31, 2018.

Net cash flow from investing activities amounted to a net cash outflow of €121.4 million for the year ended December 31, 2018, compared with a net cash outflow of €173.8 million for the year ended December 31, 2017. The primary reasons for cash outflow in the year ended December 31, 2018 were due to various bolt-on acquisitions in 2018 and the roll-over of TEC Alliance and Zaquensis into the Group consolidation perimeter in 2018. The primary reasons for cash outflow in the year ended December 31, 2017 were due to the acquisitions of Effect, Mach, Vialegis and Redmore.

Net cash flow from investing activities amounted to a net cash outflow of €173.8 million for the year ended December 31, 2017, compared with a net cash outflow of €217.2 million for the year ended December 31, 2016. The primary reasons for cash outflow in the year ended December 31, 2017 were due to the acquisitions of Vialegis, Effect, Redmore and Mach. The cash outflow for the year ended December 31, 2016 was mainly due to the acquisition of TimePartner, Zaquensis and TEC and loans provided to related parties relating to joint ventures with TEC and Zaquensis.

Net Cash Flow from Financing Activities

Net cash flow from financing activities resulted in a cash outflow of €11.2 million for the three months ended March 31, 2019, compared with a cash inflow of €123.8 million for the three months ended March 31, 2018 primarily due to the proceeds from an additional tranche drawn under the Existing Senior Facilities in March 2018.

Net cash flow from financing activities decreased to a cash inflow of €36.5 million for the year ended December 31, 2018 from a cash inflow of €173.7 million for the year ended December 31, 2017, principally due to less proceeds from borrowings in 2018 as compared to proceeds from borrowings in 2017 as the refinancing occurred in 2017 and €475 million of it was drawn in 2017, while €125 million was drawn in 2018. The roll-over that occurred in 2018 also impacted the net cash flow from financing activities for 2018 due to the shares purchased from minority shareholders.

Net cash flow from financing activities decreased to a cash inflow of €173.7 million for the year ended December 31, 2017 from a cash inflow of €178.9 million for the year ended December 31, 2016, principally due to the issuance of new shares as a part of the financing to acquire TimePartner in 2016.

Working Capital

Working capital changes amounted to €(17.5) million for the year ended December 31, 2018, compared to €(48.4) million for the year ended December 31, 2017 and compared to €(12.2) million for the year ended December 31, 2016, primarily due to a surplus in accounts receivable in 2018 compared to a negative accounts receivable in 2017, as well as higher accounts payable due to a €28.6 million repayment of external bank debt misclassified to accounts payable related to the acquisition of Redmore and higher payroll & social debt in 2017 due to acquisitions and Organic Growth in our Group, offset by higher other debt in 2018 due to debt resulting from the ratchet schemes and our share option plan.

Capital Expenditures

Our capital expenditures represent expenditures for the purchase of property, plant and equipment and intangibles, primarily related to furniture and infrastructure for our branch network, accommodation for foreign job candidates, cars (purchased by the TimePartner business unit) and IT investments undertaken by the Group.

	For the year ended December 31,			For the three months ended March 31,
	2016	**2017**	**2018**	**2019**
				(€ in millions)
Property Plant and Equipment[1]	6.5	8.6	11.1	3.2
Intangible Assets[2]	5.0	5.1	6.8	2.7
Total capital expenditures	11.5	13.7	17.9	5.9

(1) Consists of purchases of property plant and equipment.

(2) Consists of purchases of intangible assets.

Maturity Profile of Contractual Obligations and Commitments

The table below sets forth the maturities of our (i) borrowings and other financial liabilities and (ii) other material contractual obligations as at December 31, 2018 on an unaudited as adjusted basis to give effect to the Transactions as described under "*Use of Proceeds*". The amounts disclosed in the table are the contractual undiscounted cash flows, which have been valued in line with IFRS See also "*Description of Other Indebtedness*".

	Within one year	Between one and two years	Between two and five years	More than five years	Total
					(€ in millions)
Notes offered hereby	—	—	—	320	320.0
New Senior Facilities[2]	—	—	—	550	550.0
Subordinated loans	6.4	0.0	5.6	1.6	13.6
Commercial finance[3]	49.2	—	—	—	49.2
Finance lease liabilities[4]	2.4	2.1	2.1	0.0	6.6
Trade and other payables	47.5	—	—	—	47.5
Total	105.5	2.1	7.7	871.6	987.0

(1) Borrowings and other financial liabilities as at December 31, 2018 are as set forth above. For additional information on borrowings and other financial liabilities, including comparative information for prior periods, see "*—Liquidity and Capital Resources*".

(2) This table assumes (i) a full drawing on the Term Loan B Facility, (ii) that no cash drawings will be outstanding under the Revolving Credit Facility (other than the rolling-over of existing guarantees and letters of credit) and (iii) constant interest rates.

(3) On June 28, 2019, we entered into a commercial finance agreement for €50.0 million with an indefinite term upon the expiry of our prior commercial finance. In connection with this non-recourse commercial finance agreement the factor assumed the payment risk and credit under the factoring agreement. As a result, this commercial finance agreement has been accounted for as non-recourse.

(4) Reflects IAS 17, but does not reflect IFRS 16 (Leases).

Off-Balance Sheet Obligations

We have been party to factoring arrangements during the period under review. The carrying amounts of trade receivables as per January 1, 2016 and December 31, 2017 included receivables which were subject to factoring arrangements. Under these arrangements, we transferred the relevant receivables to the factor in exchange for cash and were prevented from selling or pledging the receivables. However, under these arrangements we retained late payment risk and credit risk. We therefore continued to recognize the transferred assets on our balance sheet. We consider the held to collect business model to remain appropriate for these receivables and hence continue measuring these receivables at amortized cost.

The amount of factored receivables amounted to €25.0 million as per December 31, 2017 and €39.0 million as at January 1, 2016.

In 2018 we signed a new commercial finance agreement of €50.0 million and sold €49.2 million receivables from our Accent and TEC business units for cash, which related to client invoiced receivables. Unlike the factoring arrangements for the years ended December 31, 2016 and December 31, 2017, the factor assumed the payment risk and credit under the factoring agreement. As a result, this agreement from January 1, 2019 has been accounted for as a non-recourse agreement. As a result, €49.2 million has been deducted from the Company's consolidated open trade receivables as per December 31, 2018.

On June 28, 2019, we renewed the 2018 commercial finance agreement for €50.0 million. The agreement has no expiration date and is non-recourse but is otherwise largely in line with the prior terms. As a result, €49.2 million in trade receivables is expected to continue to be deducted from our trade receivables.

With the exception of the above, we have not engaged in any material off-balance sheet financing arrangements during the periods under review.

Quantitative and Qualitative Disclosures About Financial Risk

Our activities expose us to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Our risk management is carried out by our compliance department and treasury team in accordance with principles provided by the Board of Directors. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas. The Group's treasury team identifies, evaluates and hedges financial risks in close cooperation with our business units. Derivative financial instruments are used to hedge certain risk exposures.

Market Risk

Foreign exchange risk

Our exposure to foreign exchange risk is very limited as our operations are essentially denominated in euro. Therefore, the impact of fluctuations of these currencies of +/-10% is considered as immaterial.

Interest rate risk

As we have no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. Our interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose our cash flow to an interest rate risk which is offset by the interest rate caps.

As at December 31, 2018, we had a nominal amount of €600 million of outstanding bank loans, structured as a bullet loan under the Existing Senior Facilities. These loans are floating rate borrowings, with interest based on Euribor floored to zero plus a fixed margin of 4.25%. As at December 31, 2018, there were hedges in the form of interest rate caps on 50% of the long-term bank borrowings of the variable loan principal outstanding as at December 31, 2018. The interest rate cap on these borrowings was set at 0.5% above the fixed margin. If Euribor rises above zero, we will be exposed on these borrowings to the interest rate risk only up to the 0.5%, and the interest rate can therefore rise up to the maximum cap of 4.75%, calculated net of hedge. The interest rate cap confirmations require settlement of net interest receivable or payable every three months. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

For the applicable reporting periods, these floating rate borrowings are entirely accounted for at amortized cost, and therefore the impact of changes in the market interest rate on the fair value of these floating rate borrowings at the closing date will have no impact on the income statement or on the equity. We do not apply hedge accounting. Furthermore, before the Group's refinancing in 2016, there were loans at the local subsidiary level, some of which were hedged through swaps.

Euribor floating rate borrowings which are not covered by the swaps are subject to interest rate risk. An increase (decrease) of 100 basis points in interest rate as per year-end would have an effect on profit after tax and equity as follows:

	December 31,		
	2018	**2017**	**2016**
Increase 100 bps	(3,599,000)	(130,000)	(0)
Decrease 100 bps	0*	0*	0*

* A decrease of the Euribor interest rate has no impact, as the Euribor has a floor of 0%, with a negative Euribor throughout the different reporting periods.

For additional information see "*—Annual Consolidated Financial Statements—Note 5: Financial risk management—5.1 Financial risk factors—Interest rate risk*".

Credit Risk

Our credit risk mainly arises from credit exposures to customers, including outstanding receivables, as well as from cash and cash equivalents, favorable derivative financial instruments, and deposits with banks and financial institutions.

Risk management

We have no significant concentrations of credit risk other than that for ordinary debtors. We have policies to ensure that the services are provided to customers with an appropriate credit history. Credit risk is managed locally by each subgroup (brand) and certain companies have credit insurance in place.

The credit quality of customers, considering the financial position of customers, past experience and other factors, is closely assessed by the credit department on a regular basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the finance committee. The utilization of credit limits is regularly monitored. Credit insurance is in place with Accent (including Logi-Technic), TimePartner, Zaquensis and Covebo, in each case covering 90% of the face value of their respective receivables, with the remaining 10% of receivables of Accent (including Logi-Technic) (up to €50.0 million) covered by the agent under the new commercial finance agreement described above.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Impairment of financial assets

We have three types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of services;
- contract assets resulting from project services in progress; and
- debt investments carried at amortized cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

Trade receivables and contract assets

We apply the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before each reporting year-end, starting from December 31, 2015, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with us, and a failure to make contractual payments for a period of greater than 120 days past due. Several factors are considered in assessing the likelihood of impairment which is assessed on a case-by-case basis.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As from January 1, 2016, we first apply the policy relating to impairment of the trade receivables under the incurred loss model, and then, for the rest of receivables which are not provided for, we apply the expected credit loss model, and recognize an additional provision. As at December 31, 2018, 87% of our trade receivables were less than one month old, 7% were between one month and two months old and the remaining 6% were between two months and two years old. As at December 31, 2018, 98% of the trade receivables were not impaired, while 2% were impaired.

As at December 31, 2018, trade receivables of €63.0 million (December 31, 2017: €65.4 million, December 31, 2016: €48.4 million, January 1, 2016: €38.3 million) were past due but not impaired. These receivables are expected to be recovered and have not been provided for because they relate to well-known customers and they are strictly followed up by the credit department. The ageing analysis of these trade receivables is as follows:

	As at January 1	As at December 31,		
	2016	2016	2017	2018
				(€ in millions)
Receivables past due but not provided for:				
Less than 1 month	30.4	40.0	51.0	45.5
Between 1 and 2 months	6.3	5.9	9.4	6.3
Between 2 months and 1 year	1.5	2.4	4.0	6.9
Between 1 year and 2 years	0.1	0.0	1.0	4.0
More than 2 years	0.0	0.0	0.0	0.2
Total	**38.3**	**48.4**	**65.4**	**63.0**

As at December 31, 2018, trade receivables (including VAT) of €3.8 million (December 31, 2017: €3.1 million, December 31, 2016: €3.3 million, January 1, 2016: €2.9 million) were impaired and provided for.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and use of trade supplier credit terms.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of our liquidity requirements to ensure we have sufficient cash to meet operational needs while maintaining sufficient headroom on our undrawn committed borrowing facilities at all times so that we do not breach borrowing limits or covenants (where applicable) on any of our borrowing facilities. Such forecasting takes into consideration our debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements. We also use factoring agreements with certain banks in order to obtain early access to cash flows.

Capital Risk Management

Our objectives when managing capital are to safeguard our ability to continue as a going concern in order to provide returns for shareholders and for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, we monitor capital on the basis of the gearing ratio. This ratio is calculated as net debts divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debts.

Accounting Policies

See "*Annual Consolidated Financial Statements—Note 2.2—Changes in accounting policies and disclosures*" for a detailed discussion of the accounting policies affecting our results.

Recently Issued Accounting Standards

Certain recent and prospective changes in accounting policies that may significantly impact our results or disclosure are summarized below and further explained in Appendix B to our Annual Consolidated Financial Statements, including the impact of IFRS 15, IFRS 9 and IFRS 16.

Industry and Market Overview

Overview of the Staffing Solutions Industry

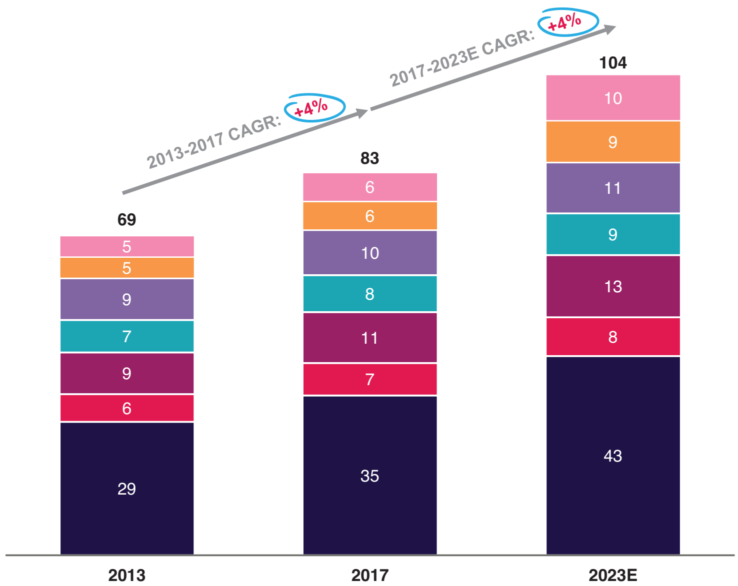
We are a diversified human resources solutions provider serving clients located primarily in Belgium, France, Germany and the Netherlands through nine business units. We operate through three distinct segments: Engineering and Consulting; Specialized Staffing and General Staffing. Our Engineering and Consulting segment is focused on supplying clients with high-skilled white collar consultants and mid to high-skilled construction professionals to meet customers' needs in research and development, legal and financial processes. Through this segment, we also staff one to three-year construction projects, mainly through secondment or time and materials contracts. Our Specialized Staffing segment supplies small numbers of high demand mid-skilled blue-collar workers for specialized positions on a temporary basis. We source our candidates both from our primary markets and also increasingly from our international recruitment network. Finally, our general staffing segment focuses on a wide range of industries in Germany, providing high numbers of lower-skilled blue-collar workers in roles that are experiencing significant labor shortages, enabling our clients to benefit from labor flexibility to match demand in the event of market fluctuations. Across all three segments, in addition to the positive global trends from which the whole staffing solutions industry benefits, the diversity of our clients' end-markets and geographic markets supports on our business resiliency and outlook.

Staffing solutions providers fall into one of three categories: mono-specialists, multi-specialists and generalists. A specialty in this sense is a combination of at least two out of three types of expertise: (i) functional expertise, or a focus on a specific skill level or specific job functions (such as lawyers, engineers, low-skilled blue collar workers); (ii) industrial expertise, a focus on a specific end-market (such as food production or construction); and (iii) local expertise, a focus on a given region or city. Mono- and multi-specialists (which only differ from each other through depending on the number of specialties they serve) provide a focus on a given specialty with a dedicated sales force, specific processes and tailored value proposition focussed typically on smaller volumes per client and a possible focus on a specific client size. Generalists, on the other hand serve a broad range of activities, clients, contract sizes and contract types with generalist sales forces, similar processes and offer less tailored solutions to a wide range of clients.

Staffing Solutions Industry Size and Outlook

In each of the markets in which we operate, the staffing solutions industry has experienced consistent growth over the past few years, and it is expected that this trend will continue. The total market size for the staffing market in Germany, the Netherlands and Belgium was approximately €47 billion in revenue in 2017; the consulting market in Benelux and France was approximately €18 billion in revenue; and the engineering staffing market in Belgium and the Netherlands was approximately €18 billion in revenue, In total, the market size was estimated at €83 billion in revenue (the "**Total Market**"). Our Total Market reflects the type of staffing markets for which we provide services and in our primary geographies on a country basis but it does not reflect the narrower type of job candidates that many of our business units recruit and supply to clients or the specific end-market niches on which they concentrate. That more limited market is reflected below in our Addressable Market (as defined below). The Total Market and its historical growth from 2013 to 2017 is presented below.

Total market size (€bn)



Historic market growth 2013-2017 CAGR%

Staffing market, the Netherlands	+8%
Staffing market, Belgium	+7%
Consulting, France	+3%
Consulting, Benelux	+3%
Engineering, the Netherlands	+5%
Engineering, Belgium	+4%
Staffing market, Germany	+4%

Since 2013, each of the markets captured in the Total Market definition have experienced annual revenue growth of approximately 3-5% each year, and such growth is expected to continue going forward due to long-term structural changes in the employment market of each of our core geographic markets as well as a regulatory environment that allows for flexible staffing services.

As shown above, the staffing, consulting and engineering markets in the countries in which we operate are expected to grow at a rate of 4% per annum to total €104 billion in aggregate revenue by 2023 in the absence of a downturn in the broader economy.

Staffing Solutions Industry Drivers

Demand for the types of solutions we provide has increased and is expected to continue growing due to a number of positive secular trends:

Ageing populations. As the population of our target markets ages and workers exit the labor pool, there has been an increase in competition among employers to fill the gaps left behind. This has left an opening for staffing intermediaries, especially those like our Group that have a proven track record of identifying and matching the right candidates to the right jobs, to fill these vacant positions with qualified talent. Additionally, a scarcity of talent for certain roles is driving wages up, which in turn can increase the pricing power of staffing firms for the solutions and staffing we provide. See "—*Skilled labor shortages*" below for further information.

Technological changes. In recent years, candidates are increasingly turning to online job boards when seeking out a position, particularly through traffic generated by mobile devices. At the same time, clients expect more efficient services at a lower cost that can only be delivered through the use of digital tools. We have also seen an increase in the number of passive job seekers who apply through targeted advertisements on social media when they were not actively searching for a position at the time.

Career mobility and the need to re-skill. Millennial workers, especially highly skilled ones, are increasingly mobile and seeking a varied career path, driving the need for re-skilling. This re-skilling can be provided through both formal and on-the-job training that is typically provided as part of temporary work agreements.

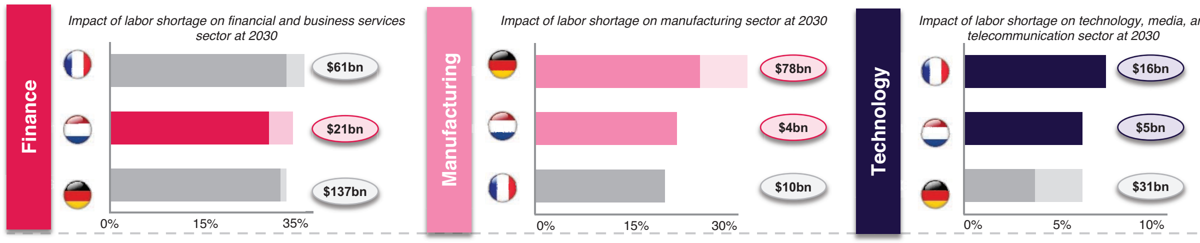
Diversity, inclusion and corporate social responsibility. As the diversity trend becomes mainstream across clients, service providers have an opportunity to provide increasing value to their clients by tapping into broad, international pools of candidates.

Increased premium on quality of life. It is increasingly difficult to find qualified candidates to fill some roles that offer long hours and difficult conditions, as younger generations of workers are placing a fairly large premium on happiness in their personal and professional lives. This has contributed to a supply and demand gap in certain end-markets and as a result, staffing solutions providers with the ability to source and place candidates successfully, are in greater demand.

Outsourcing and offshoring. Financial pressures on companies, especially the small- to medium-sized enterprises ("**SMEs**"), have incentivized them to outsource many of their non-core functions. Further, due to accelerated business rhythms, companies are increasingly looking to obtain immediately available resources. This has led to an increased need for temporary staffing and outsourced support that can be provided rapidly on short notice.

Favorable European and local regulatory environment. Current trends in the way both the European Union and individual countries approach the regulation of employment are favorable to fostering temporary work, as regulations tend to reinforce the protection of permanent workers, leading companies to be increasingly cautious in their permanent hiring. Although one recent regulatory change in Germany had the effect of curbing the volumes of staffing toward the end of 2018 and beginning of 2019, customers and staffing companies have adapted to the new regulatory framework despite the uncertainty that the regulatory change generated in the market. As a result of this uncertainty, staffing companies that are flexible both in their sourcing of candidates and their ability to rotate workers into other companies will benefit from pricing opportunities. Furthermore, HR staffing solutions also operate in a complex regulatory environment, for which specific knowledge by sector, geography and even region is required. The ability to provide answers to this complexity on a larger scale, increases the barriers to entry for the sector and diminishes the risk for digital disruption or disintermediation. For a more detailed discussion of the regulatory landscape in which we operate, see "*Regulation*".

Skilled labor shortages. A recent public study by a management consulting firm estimates that the gap between future labor supply and demand will result in a skilled labor shortfall across a variety of economies, including in the Netherlands, Germany and France. By 2030, it is estimated that the top five financial centers could fail to generate $870 billion in annual revenue due to labor shortages (with free movement of labor being unlikely to solve the skills shortage in European financial centers), the manufacturing sector could face a global labor shortage of 7.9 million workers and the technology, media and telecommunications ("**TMT**") end-market could face a shortage of 4.3 million workers and unrealized revenue of $450 billion. Within the financial and business end-markets, it is estimated that the Netherlands will face a shortage of up to 600,000 workers by 2030. Within the manufacturing end-market, it is estimated that the Netherlands worker shortage will be up to 600,000 workers and Germany worker shortage is estimated to be between 600,000 and 1.2 million workers by 2030. Within the TMT end-market, the shortage of workers is estimated to be up to 600,000 in each of France and the Netherlands by 2030. The charts below illustrate the estimated market size for certain end-markets in the Netherlands, Germany and France, as well as the unrealized output as a percentage of the economy as at 2030.



Note In preparing the above chart we relied on information from a recent study by a management consulting firm.

Our HR solutions offer services that supply workers in each of these three end-markets and we believe we will be well placed to assist clients in meeting the labor and demand gap.

Our Addressable Markets

We operate primarily in Belgium, France, Germany and the Netherlands in a variety of specialties with a combined addressable markets of approximately €35 billion in revenue as of 2017 (the "**Addressable Market**"). We use the term "Addressable Market" to refer to the portion of our Total Market which has been narrowed down to reflect the market size, expressed in terms of revenue, for each of our business units according to the particular staffing, sourcing or consulting services for the particular clients, industrial and geographic end-markets each such business unit currently serves. We expect our Addressable Markets to grow at a rate of approximately 6% per annum in revenues to an estimated €48 billion by 2023, a growth rate above that of the broader staffing solutions industry. In general, we expect that this growth will be driven by a variety of favorable end-market dynamics leading to increases in outsourcing and billing rates.

We operate through nine business units in three segments: engineering and consulting; specialized staffing and general staffing. The discussion below focuses on the key factors affecting each of our business units' Addressable Markets.

Engineering and Consulting

We operate five business units within our engineering and consulting segment, covering consulting in France, financial and information technology consulting and white collar secondment of engineers and technicians in the Netherlands and legal, engineering and technician secondment in Belgium. The size of the combined Addressable Markets for our engineering and consulting segment was approximately €12 billion in 2017, and is expected to grow at approximately 3.4% per annum to €14 billion by 2023. Growth in this segment is expected to be driven by increased research and development spending in France and construction projects in Belgium and the Netherlands.

Abylsen

Abylsen is an engineering consulting solutions multi-specialist focused on the French market.

End-market size and outlook

Abylsen's Addressable Market consists of the entire market for consulting staffing in France, and represented approximately €9.7 billion in annual revenue in 2017. Abylsen's Addressable Market is expected to grow between 2-4% per annum over the period between 2017 and 2023 to €11.4 billion. From 2012 to 2017, Abylsen's Addressable Market grew between 1.5% and 2% annually in revenue.

End-market drivers

Historically, growth in Abylsen's Addressable Market has been driven by companies' spending on research and development. It is expected that such spending will continue to increase going forwards and will be the key driver of growth in Abylsen's Addressable Market, as end-markets reliant on research and development (such as the automotive, energy, pharmaceutical and aerospace industries) respond and adapt to changing technologies for their sustained growth Additional factors such as increased outsourcing penetration (France is already one of the most mature countries for outsourcing of research and development) and increasing billing rates (this growth is moderate due to pre-existing difficulties in sourcing engineers in France) are likely to further drive market growth.

Competitive landscape

Competition in Abylsen's Addressable Market includes a lot of players but highly fragmented, with the four largest players capturing less than 30% of the market in 2017. The market is defined by three types of competitors: large global consulting firms (including Altran, Alten, Akka and Assystem), mid-size global/regional firms (such as Sii, MCA, agap2 and Davidson) and smaller regional/local firms. Abylsen falls into the mid-size global/regional category, with a smaller market share than the four large global consulting firms. Nevertheless, Abylsen has been growing faster and achieved a higher EBITDA margin than its larger competitors.

Redmore

Redmore is a provider of specialized secondment and consulting services, primarily for the financial services end-market.

End-market size and outlook

Redmore's Addressable Market consists of three markets in the Netherlands: the market for secondment of financial specialists, the market for actuarial and risk consulting and the market for ERP/finance and control consulting (and excludes ITDS). The size of Redmore's Addressable Market was approximately €0.6 billion in 2017. This Addressable Market is expected to grow at an annual rate of approximately 6% over the 2017-2023 period to an estimated €0.8 billion in revenue in 2023.

End-market drivers

Over the past 15 years an increase in secondment penetration in the market has been the main driver of growth in the Netherlands. Growth in Redmore's specific client end-markets in the coming years is expected to be driven by an increasing need for specialist positions in the financial sector as a result of changing regulations, compliance, digitization and consolidation.

Competitive landscape

Redmore competes with various entities in the financial services end-market including the big four accounting firms (namely, Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers), as well as other professional services and consultancy firms. Though the competitive environment for each of Redmore's niche entities is different, strong consolidation of the market in recent years has resulted in significant growth for both Redmore and its competitors. We believe that Redmore's businesses are leaders in their respective Addressable Markets in terms of revenue. Redmore is built around four labels with each serving a specific niche:

Talent&Pro focuses on secondment in the banking, insurance, pensions and actuarial end-markets. Talent&Pro is a significant player in the financial secondment market in the Netherlands, facing competition from a variety of other firms, including Brunel, which has a broad focus across IT, finance, engineering and law, Welten, which is specialized in candidate training with project based work, and Young Capital, which is a digital disruptor across the finance, sales, IT and marketing end-markets.

Triple A focuses on financial consulting in actuarial and risk management, with actuarial consultancy firms, including Willis Tower Watson, Mercer, and Milliman, and the big four accounting firms as its most significant competitors.

Profource focuses on finance staffing, enterprise resource planning ("**ERP**") consulting and provides business process outsourcing services. As such, it maintains a unique market position which combines expertise in finance and ERP. It faces competition from the big four accounting firms, whose consulting departments include both finance and ERP, Eiffel, which is specialized in finance and legal staffing, focusing on the government sector, and DPA, which is focused on candidate training in the finance, IT and engineering end-markets.

ITDS provides specialist consulting for insurance companies, pension funds and banks, focusing on risk management, digital transformation, and cost-saving programs. Competitors for ITDS are Accenture, Deloitte and Capgemini.

Vialegis

Vialegis primarily specializes in the legal staffing solutions market in Belgium, though it has developed activities in Spain, Luxembourg and Germany over recent years. Vialegis operates in two primary niches: legal interim management and secondment as well as legal search and selection, both of which are relatively small and nascent markets that are expected to grow rapidly.

End-market size and outlook

Vialegis' Addressable Market consists of the legal services market in Belgium, comprising approximately €30-45 million in revenue. Its Addressable Market is expected to grow at a rate of 8-9% per annum over the 2017-2023 period.

End-market drivers

Vialegis' growth is expected to be primarily driven by increasing legal complexity leading to the need for more legal specialist profiles at internal legal positions within companies. In addition, the trend toward outsourcing will contribute to the increase in demand for legal staffing candidates and billing rates are expected to increase moderately above inflation.

Competitive landscape

In both of its specialties in Belgium, Vialegis is the market leader, with its top two competitors being YouConnect and USG Professionals. Vialegis holds an approximate 30% share of the legal interim management and secondment market and together with YouConnect and USG Professionals held 55% of the market share. In the Belgium legal search and selection market, Vialegis holds an approximate 40% market share in a market where it and its two top competitors together hold an estimated 70% share of the market.

TEC Alliance

TEC Alliance is a multi-specialist in the secondment and project management of technicians and engineers for the Belgian construction end-market. TEC Alliance serves a combined Addressable Market of between €375 million and €525 million in revenue as of 2017, and is expected to grow to €0.6 billion by 2023. TEC Alliance focuses on three distinct market niches each with its own specific drivers and competition:

TEC focuses on the secondment of engineers in Antwerp and, to a lesser extent, Flanders with a focus on the petrochemical end-market. This niche is expected to grow due to the large and developing petrochemical end-market in Antwerp, which is expecting plant and refinery capital expenditure investments to increase approximately 3% per annum between 2017 and 2023 for a wide range of potential clients. TEC's Addressable Market consists of the petrochemical engineering staffing market in Antwerp, and was estimated at a total size of approximately €150-€200 million by revenue in 2017. It is expected to increase by 3-4% per annum between 2017 and 2023, driven by the increase in petrochemicals capital expenditures, a moderate increase in outsourcing and a moderate increase of billing rates relative to inflation. TEC is the market leader within the Antwerp/Flanders area, includes a lot of players but strong competition from certain larger Benelux competitors such as STAR engineering as well as more specialized competition from Talenco.

Logi-technic focuses on the secondment of technicians in East and West Flanders with a focus on recurring maintenance and facility management needs for industrial equipment in the food end-market. Logi-technic's Addressable Market consists of the technician staffing market in Flanders, and was estimated at a total size of €150-€200 million by revenue in 2017, with growth of 3-5% per annum between 2017 and 2023. This growth is largely due to a growing shortage of skilled technicians as a result of existing high employment rates in Flanders, driving billing rates higher as well as recurring business needs for maintenance of installed equipment. Logi-technic is the local market leader within a fragmented market of local Benelux specialist firms, including the likes of Actum and Yontec.

TEC Projects provides end-to-end project management services to install and maintain telecommunications network infrastructure. TEC Projects' market can be further subdivided into several niches, each of which we expect to grow in the near future due, in large part, to already planned investments, such as: (i) wireless outdoor infrastructure, which had an estimated total Addressable Market size of €60-€65 million in revenue as of 2017 and is expected to grow at approximately 9% per annum between 2017 and 2023 due largely to planned infrastructure spending for 5G wireless networks; (ii) fixed infrastructure, which had an estimated total Addressable Market size of €20-€25 million in revenue as of 2017 and is expected to grow at approximately 9% per annum between 2017 and 2023 due largely to planned infrastructure spending for Proximus FTTx program as well as Fiber-to-the-Site access programs; and (iii) increased coverage of multi-operator distributed antenna systems in indoor buildings, which had an estimated total Addressable Market size of €15-€20 million in revenue as of 2017 and is expected to grow at approximately 9% per annum between 2017 and 2023. TEC Projects is a leader in the market which is split between firms providing end-to-end network roll-out and engineering acquisition providers.

Continu

Continu is a Dutch engineering consulting and technical outsourcing specialist primarily serving SMEs with activities ranging from the secondment of engineers for project development to outsourcing of technicians for project execution.

<u>End-market size and outlook</u>

Continu serves the Dutch engineering and construction markets, which have experienced steady growth over the past several years. Continu's Addressable Market consists of the staffing market for infrastructure, engineering and construction end-markets in the Netherlands, and was estimated at approximately €1 billion in revenue in 2017. This market is expected to expand at an average rate per annum of 7-8% to reach approximately €1.5 billion in revenue by 2023.

<u>End-market drivers</u>

Growth in Continu's Addressable Market is expected to be mainly driven by two factors:

- growth among SMEs within engineering and construction, which accounts for 3-4% (or approximately half) of projected growth in Continu's Addressable Market and largely stems from infrastructure projects, which typically have long project durations and tend to have a predictable revenue stream; and
- a continued shortage of mid to high-skilled engineers and technicians able to work on infrastructure and engineering projects, leading to increased outsourcing penetration and accounting for the remaining 3-4% of growth in Continu's Addressable Market, as the temporary to permanent model has been successful and desirable in an environment where the demand for permanent labor exceeds its supply.

Competitive landscape

Continu benefits from a high level of expertise and broad national coverage, and is the top three player in its Addressable Market in terms of revenue. Its main competitors include: TMC, which is mostly focused on software and electrical engineering, Voort, which focuses on a similar specialty as Continu, and Brunel, which focuses on the oil and gas sector.

Specialized Staffing

Our specialized staffing segment includes our operating companies Accent and Covebo, which cover the short-term employment market for high demand mid-skilled blue-collar workers in Belgium and the Netherlands, respectively. Both of these geographic end-markets have seen significant growth over the past years, as long term trends in the staffing solutions industry combined with a tightening labor market have increased demand for service providers like us to fill the need for specialized workers. The combined Addressable Market for both Accent and Covebo represented approximately €8 billion in revenue as of 2017, and are expected to grow at a rate of over 6% per annum between 2017 and 2023 to reach a size of €12 billion by 2023. Growth in this sector is largely driven by growing economies in both regions and end-markets in which Accent and Covebo provide services, as well as a large and growing gap between the demand for certain specialized positions and the supply of candidates willing to perform these jobs.

Accent

Accent primarily operates in the specialized staffing sector in Belgium, focusing particularly on Flanders.

End-market size and outlook

The Belgian specialized staffing market has experienced approximately 7.5% annual revenue growth over the period from 2012 to 2017. It is estimated that Accent's Addressable Market, which consists of the general staffing market in Belgium, was approximately €6.2 billion in revenue as of 2017. This market is expected to continue to grow at a rate of approximately 6.5% annually to reach €9.3 billion by 2023.

End-market drivers

Growth in the Belgian staffing solutions industry is largely driven by the tightening of the Belgian labor market as employment is growing faster than the active population, particularly in Flanders. This trend results in fewer job seekers per vacancy leading to a scarcity of candidates. As a result, demand has grown for companies like ours that are able to provide appropriate qualified candidates to clients in need of staffing and this demand is expected to continue in the future.

Competitive landscape

Accent was the fourth-largest staffing provider in terms of 2017 revenue within the Belgian total staffing market, behind the larger staffing firms of Randstad, Recruit and Adecco, each of which focuses on larger accounts, which are typically lower margins. However, within its more specialized Addressable Market, which tends to command higher EBITDA margins, Accent is the largest firm by revenue, with more than twice the annual revenue of its closest competitors, Actief Interim and Daoust.

Covebo

Covebo is a specialized staffing provider in the Netherlands for high-demand low-skilled blue-collar workers in the food production and logistics end-markets, as well as mid-skilled blue-collar workers in the construction end-market.

End-market size and outlook

Covebo had an Addressable Market of approximately €2 billion in revenue as of 2017, consisting of the staffing market in the Netherlands in the trade, engineering, logistics and construction end-markets. Its Addressable Market is expected to grow at approximately 5-7% per annum to reach an estimated €2.8 billion by 2023.

End-market drivers

The growth in Covebo's Addressable Market is due to a variety of factors, including:

- underlying growth in the Dutch construction, engineering and logistics and food production end-markets;
- growth due to the increasing penetration of temporary staffing as the demand for permanent labor exceeds its supply; and
- increases in billing rates to correlate with salary increases within its clients' end-markets.

There is a general scarcity in the Dutch domestic workforce willing to work in these end-markets due to changing perceptions of working conditions and possible night shifts as a result of the *increased premium on quality of life* global trend, favoring companies like us with the ability to source candidates for these positions internationally.

Competitive landscape

Covebo competes with smaller, regional or local competitors and larger generalists. Regional peers include: Otto Workforce, a direct competitor and that has a similar end-market focus and sourcing strategy to Covebo, though it is smaller in geographical scope; and Olympia, which is a mid-sized firm, larger than Covebo, serving most end-markets throughout the Netherlands. Smaller competitors, such as VDB, Sherpa and McDOIT, typically compete on smaller assignments but find it difficult to match Covebo on price as they provide candidates in lower volumes. The larger generalists, such as Randstad and Adecco compete heavily in volume driven projects, yet find it difficult to serve the small-volume, specialized niches where we excel and do not offer a full service package or training.

General Staffing

Our operating companies TimePartner and Zaquensis both address the general staffing market in Germany, providing low-skilled temporary workers for clients across a broad range of end-markets. As a result, they are affected by similar market factors and face similar competition.

German general staffing market size and outlook

As of 2017, the Addressable Market for both TimePartner and Zaquensis consists of the German general staffing market and totalled approximately €14.7 billion in revenue. These business units' Addressable Market is expected to grow at an annual rate of 6.4% to 2023 to reach an estimated €21.3 billion. Within the overall staffing market in Germany, the low-skilled segment is the largest (at approximately 55% of the total staffing market) and has been the fastest growing in terms of overall numbers of temporary employees over the period between 2013 and 2017. Over this period, it grew by an annual rate of approximately 6.5% in terms of number of temporary workers and by approximately 9.2% in terms of total market value.

German general staffing market drivers

It is expected that growth in this market will be driven by an increase in the number of hours worked and overall temporary staffing penetration, together contributing approximately 2.5% growth in the Addressable Market value per annum, as decreasing unemployment and a shortage of low-skilled blue collar workers forces companies to seek out alternatives to source qualified candidates. Billing rates are also expected to increase, contributing approximately

3.8% growth to the value of TimePartner's and Zaquensis' Addressable Market per annum, driven by the increase in minimum wages for temporary workers established as a result of regulatory reform.

AÜG regulatory reform

The anticipated growth in TimePartner's and Zaquensis' Addressable Market is expected to continue despite recent regulatory changes in Germany known as the AÜG regulatory reform, which was introduced to prevent the abuse of temporary workers. Key aspects of the AÜG regulatory reform include: a decrease in the amount of time that a temporary worker can work for the same company to 18 months, and after which must be released from the company or hired into the general payroll; after a maximum of 9 months, a temporary worker must be paid the same as an equivalent permanent worker; striking employees cannot be replaced with temporary workers; and the employer must declare all temporary workers to authorities from the start of their contracts. This reform has led approximately 20% of temporary workers to be fall within the scope of the new law, with 50% of those employees actually taken into a client's payroll following the end of the 18-month period. The overall effect is expected to be limited in the long term, as these changes will mostly negatively affect small temporary staffing firms without access to a broad client base, that cannot easily transfer employees after 18 months. Additionally, forcing companies to pay temporary workers equal pay after nine months will increase the average price point on the market thus positively impacting revenues to staffing firms. Furthermore, total staffing penetration is expected to continue to increase as the supply of workers decreases due to endemic factors, such as record-low German unemployment and the desire of German companies to use temporary staffing as a strategic flexibility solution. For a more detailed discussion of the regulatory landscape in which we operate, see "*Regulation*".

German general staffing competitive landscape

The competitive marketplace for staffing within the low-skilled labor market in Germany is highly fragmented, with around 10,000 small players taking more than 70% of the total market share. Taken together, TimePartner and Zaquensis are within the top ten firms by market share overall in a market where the top fifteen firms only amount to a 27% market share.

Our Business

You should read this section of this Offering Memorandum in conjunction with the more detailed information contained in this Offering Memorandum, including the financial and other information appearing in "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Overview

We are a leading provider of HR solutions in key European staffing markets, offering complementary HR staffing solutions and services through three segments and a well-developed portfolio of specialized business units across various geographies. We also offer digital recruiting through dedicated platforms. Our engineering and consulting segment is focused on supplying clients with highly skilled white-collar and mid- to highly skilled construction professionals to meet clients' specialized needs in a variety of end-markets including financial, industrial and construction end-markets. Our specialized staffing segment typically supplies a small number of high demand mid-skilled blue-collar and white-collar workers (sourced increasingly from outside our primary markets) to clients for specialized positions. Finally, our general staffing segment focuses on a wide range of end-markets in Germany by typically providing clients with high numbers of lower-skilled blue collar workers, and to a lesser extent white-collar workers, in certain categories of employment that are experiencing significant labor shortages.

Each of our segments is comprised of business units that have leading positions in their respective markets and their own brand(s) which are used to market their HR solutions. Our engineering and consulting segment is comprised of our Abylsen, Continu, Vialegis, Redmore and TEC Alliance business units, as well as ibb and AERO, which are sub-business units of TimePartner. This segment has the broadest geographic footprint, though its operations are concentrated in France, Belgium and the Netherlands. Our specialized staffing segment is comprised of our Accent and Covebo business units, with their primary operations in Belgium and the Netherlands, respectively, as well as branches in countries that form part of their international recruiting networks. Our general staffing segment is comprised of our TimePartner and Zaquensis business units which provide staffing solutions in Germany. Our engineering and consulting, specialized staffing and generalized staffing segments represented 50.7%, 41.9% and 7.3%, respectively, of our Group's EBITDA (excluding corporate costs and intragroup eliminations) for the three months ended March 31, 2019.

Since our founding, the Group has expanded from a presence in only Belgium to 10 countries in Europe. We have increased our revenue from approximately €127 million for the year ended December 31, 2007, to €1.6 billion, for the year ended December 31, 2018. We believe our particular focus on concentrating our services in geographic markets with attractive staffing fundamentals, supplying specialized and niche staffing, focusing on SME clients, serving a diversified range of clients and end-markets, implementing a strong entrepreneurial drive and remuneration system and following a disciplined approach to strategic acquisitions have contributed to our growth.

Our industry benefits from a number of long-term underlying trends, such as ageing populations, increased competition for talent, technological changes, re-skilling and lifelong learning among workers, workers' increased premium on quality of life, and regulatory trends that have supported sector growth and are projected to continue driving growth of the sector over the medium term. The market value of our current Addressable Markets for our existing HR solutions in the primary geographies and end-markets in which we currently operate are estimated at €35 billion in 2017, comprising €12 billion for the engineering and consulting market, €8 billion for the specialized staffing markets and €15 billion for the general staffing market. The market value of our Addressable Markets are expected to grow at an annual rate of approximately 6% from 2017 through 2023. As a result, we believe we are poised to continue growing at or above the industry average growth rate.

As at March 31, 2019 we had 548 branches, 2,926 full-time equivalent in-house employees and 43,583 job candidates at work.

History

We were founded in 1995 by Philip Cracco and Conny Vandendriessche as Accent, a Belgium-based recruiting firm. We acquired Logi-technic in 2009 and Bekaert Technics in 2010, expanding our operations within Belgium. Over the course of 2012 to 2014, Naxicap, a French private equity firm, acquired a majority stake in our business.

Under Naxicap, our business has expanded significantly to offer specialized HR solutions in multiple European markets. Our business made its first cross-border acquisition in March 2015, acquiring the French staffing firm Abylsen, which became one of our business units and seconds engineers through multiple offices across France, Belgium and Switzerland. Since 2015, our expansion accelerated through Organic Growth and through acquisitions, starting with two other major acquisitions in 2015, which have since become business units: Covebo, a Dutch specialized temporary staffing company sourcing Polish workers through a network in Poland and the Netherlands, and Continu, a Dutch professional staffing company seconding white-collar technical professionals in the construction, civil and industrial engineering end-markets. We have since acquired firms that have become other business units of our Group, such as Redmore, Vialegis, TEC Alliance, TimePartner and Zaquensis. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions and the Comparability of our Consolidated Financial Statements* "

In 2018, we implemented a legal reorganization which was completed in January 2019, as a result of which our holding companies, House of HR NV and the House of Pledge NV, hold 100% of the equity interests (with the exception of one share in certain instances) in each of top entities associated with the Group's nine business units (the "**2018 legal reorganization**"). The nine business units belong to one of three staffing segments which are also the Group's financial reporting segments: engineering and consulting, specialized staffing and general staffing. See "*Consolidated Financial Statements—Note 4.5—Legal reorganization of the Group in 2018*" for further information.

Our Strengths

We believe we benefit from the following key strengths:

We operate exclusively in growing, attractive markets.

The staffing industry benefits from a number of long-term underlying trends that have supported our industry's historical and projected medium term growth. In addition to benefiting from the attractive long-term trends underlying the staffing market, we have strategically chosen geographic markets that provide strong fundamentals in order to take full advantage of favorable trends. With this double advantage, together with the success of our business model, we have been able to grow at a higher rate than our peers and we believe market conditions will continue to support our growth.

Demand for the types of solutions we provide has increased and is expected to continue growing due to a number of positive secular trends, including:

- Ageing populations in our target markets
- Technological changes affecting job candidates' search for employment opportunities
- Younger workers' prioritization of career mobility
- The need for workers to re-skill to adapt to changing work opportunities
- Companies' desire to address issues relating to diversity, inclusion and corporate social responsibility
- Workers' increased premium on quality of life

• Financial pressures resulting in increased outsourcing and offshoring.

For a detailed discussion of these and other trends affecting our industry and end-markets, see "*Industry and Market Overview*".

We have also sought out geographic markets in Europe where macroeconomic and other factors are particularly attractive for companies providing HR solutions. The countries in which we are principally active, namely Belgium, the Netherlands, Germany and France, each demonstrate favorable attributes. For example, each benefits from a stable and growing economy marked by relatively high staffing penetration, low unemployment and high salaries. Moreover, European Union and national regulations applicable in our key countries tend to reinforce protection of permanent workers, which can lead companies to favor temporary work and outsourcing. At the same time, legislation in the countries in which we principally operate allows for multiple temporary staffing solutions. Finally, Western Europe generally is experiencing a chronic and growing large skill supply and demand gap, obliging companies to look beyond traditional job candidate sourcing and seek the help of staffing solutions providers like us, with the ability to recruit job candidates with specific profiles for jobs that are particularly difficult to fill from a broad where needed, international, talent pool and provide required training where needed.

Due in part to the abovementioned factors, our various end-markets demonstrated organic revenue growth of between 4 and 10 percentage points above the industry average between 2014 and 2017. The market value of our Addressable Market, which reflects our focus on scarcity-driven roles and specialized end-markets, is expected to grow at an annual rate of approximately 6% from 2017 through 2023. This compares to expected growth of approximately 4% from 2017 through 2023 in the Total Market (as defined below), which reflects the larger staffing market. We believe we are poised to continue growing at or above the industry average growth rate due to our differentiated business model and focus on our Addressable Markets.

Our scale within a fragmented market has resulted in strong market positions in all our target markets.

We believe that the scale of our business constitutes a significant competitive advantage within the fragmented markets in which we operate. Our various operating companies have leading positions in their market segments, as noted in the below selection of our market positions by revenue in 2017 based on the Addressable Market (unless otherwise indicated) in which each operates.

(1) Redmore's Talent and Pro is the number one brand based on finance related revenue of its competitors and its brand Triple A is estimated to be the number one independent (i.e. not one of the "Big 4" accounting firms) company based on its Addressable Market. Market positions of Redmore's other two brands is not available.

(2) Market positions for the top six businesses are known and Abylsen's market share is based on management's estimate of its share in relation to the top six.

(3) Management estimates based on market research.

Many of our operating companies are reference players within their respective specialty, benefiting from the virtuous circle of competitive leadership, with their track record enabling them to capture a high percentage of their market growth and benefiting from brand loyalty and pricing power as a result. Clients make staffing decisions at a local level and our large footprint with high branch density allows us to be physically present in the communities where our clients operate, providing a key competitive advantage for us. We believe our current position is cemented by an impressive track record in placing job candidates and a top reputation within the market due to our local market knowledge, our large talent pool and talent acquisition capabilities and thought leadership within the field.

We have an outstanding record of both organic and external growth.

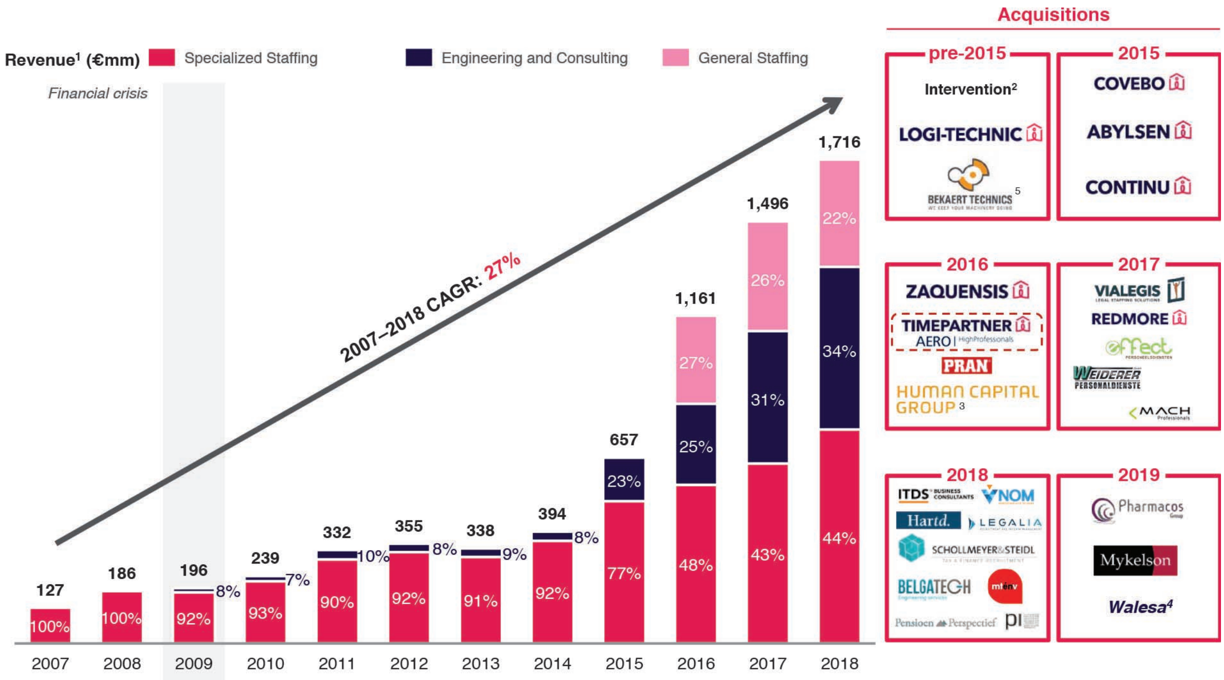
We have grown our business over recent years both organically and through targeted, strategic and value-accretive acquisitions.

We have achieved Organic Growth of 12.3% in 2018 and 15.2% in 2017. We believe that our largely consistent positive Organic Growth in each business segment and for the pro forma perimeter outperforms the market and evidences the success of our differentiated business model. See the chart below to see our revenue growth since 2007, which reflects both organic and inorganic growth.

We believe our Organic Growth is largely attributable to our "cell division" expansion strategy, in which we secure new sales before committing to additional costs. As commercial activity increases over time and reaches the point at which clear expansion opportunities are identified, we hire additional sales personnel at the existing branch to focus on developing these opportunities out of the existing office. A new, dedicated commercial manager is appointed and given an agreed period of time in order to acquire new clients or a new customer segment in a prospective area. Once these new clients have been secured and adequate revenue has been generated, the commercial manager opens a new office to handle such clients and becomes an office manager hiring their own staff. This strategy successfully expands sales revenues before any costs of an additional branch are incurred by providing incentives for current branch operators to identify and develop client relationships in their area with the prospect of managing a new branch justified by these increased sales. We see this as a key method by which we have been able to continually strengthen our geographic breadth and depth without pursuing acquisitions and with minimal risk, driving our organic growth. We also believe that our variable compensation model, which rewards recruiters, sales consultants and office managers at our branches for finding, matching and retaining job candidates, is also an important contributor to our organic growth, particularly within our engineering and consulting segment which does not use the "cell division" strategy.

When we have grown through acquisitions, we have done so with a rigorous discipline. We distinguish between low-risk transactions at lower multiples that enable growth at the local level (bolt on acquisitions), of which we have completed 13 since 2017, and platform acquisitions, where we expand our solutions, enter new specialities or markets, of which we have successfully completed and integrated eight since 2015. In 2019, we also took a minority stake with a step-up mechanism to acquire majority ownership and control over the coming years in a company that has developed a recruitment robot (using AI-enabled chatbot). When we evaluate a potential acquisition target, we review the opportunity through the rubric of a number of stringent requirements designed to ensure fit with our overall strategy and culture. First, the target must fit an identified strategic need to expand our geographic coverage, complement a specific specialty or fill a niche skill gap. We also seek out targets with like-minded management teams with an entrepreneurial spirit and long term commitment in order to ensure a strong overall cultural fit. We also evaluate the target's profitability, historic growth and other performance metrics, and assess whether it is a leader in its addressable markets. Once we have identified and then acquired a target, we have a well-defined and proven integration process that involves hooking the target into our Group reporting system and sharing best practices.

Our growth is represented below using the unaudited business unit accounts of Accent as well as those of our other business units on the basis as described in the note to the chart below.



Note: In preparing the above chart, we have included historical revenue information based on business unit accounts from various periods, past due diligence reports and management analysis. Although we believe the underlying materials used and the basis of preparation to be reasonable, actual results may vary from the indicative information presented above, in particular due to different accounting bases of preparation, and such variations could be material. As such, you should not place undue reliance on the inclusion of such information. Furthermore, the growth presented in the chart is prepared on a different basis than our Organic Growth presented elsewhere in this Offering Memorandum.

(1) Total revenue figures include intercompany eliminations.

(2) Intervention was formerly Accent NL.

(3) Human Capital Group is also known as TEC.

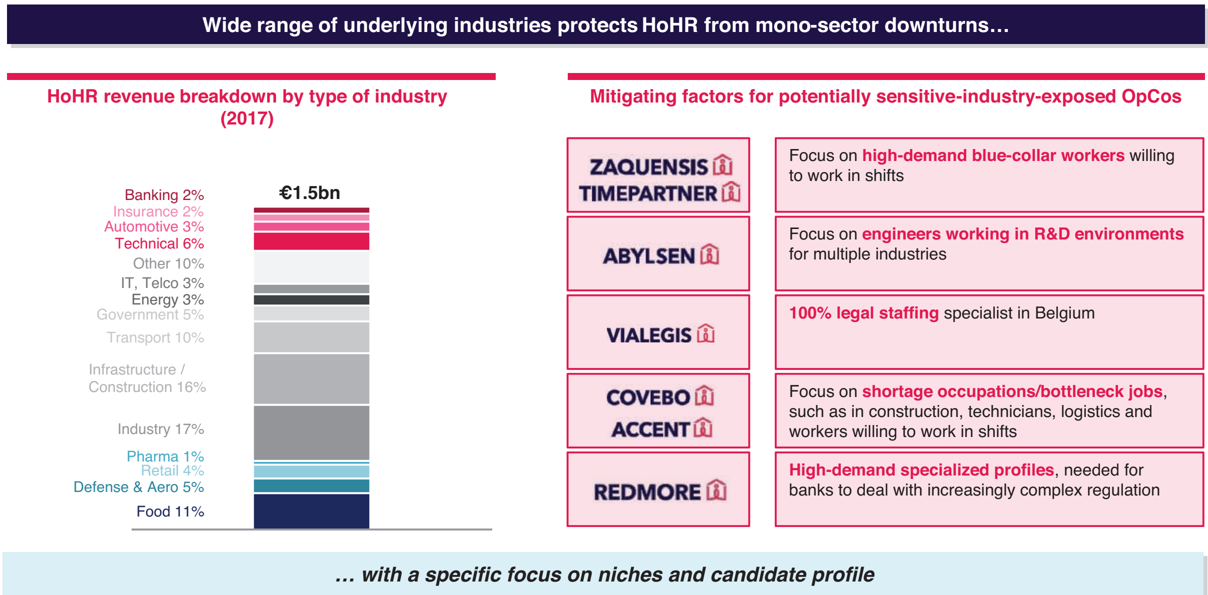
(4) Walesa is a contemplated transaction for which we signed a letter of intent on June 21, 2019. We currently expect the acquisition to be completed by August 2019. The Walesa Acquisition will be subject to standard closing conditions and due diligence and no assurances can be made that acquisition will actually close.

(5) Former Logi-Technic.

We benefit from a focus on specific end-markets and scarcity-driven job candidate profiles.

We believe that our particular focus on specialized and niche staffing and our scarcity driven job candidate profiles has yielded a unique model that is unmatched by any of our peers. We market our services under brands that relate to specific specialized services offered by our business units or subunits. Our multiple brand approach has proven effective in attracting and retaining clients. For example, our Facebook page of Accent had two times more likes than the Facebook pages of our competitors Randstad Belgium, USG People or Adecco Belgium as at June 2019. In addition to our unique brands, our business units are focused on particular end-markets and job candidate profiles. We believe this deepens our knowledge of our clients' needs and our job candidates' skills and qualifications, allowing us to more effectively match and place our job candidates.

As a result of our multiple segments and business units, focus on specific industries and customer segments and candidate profiles, we have a very diversified exposure to different end-markets. With respect to our end-market diversity, as illustrated in the chart below, no specific underlying industry represented more than approximately 17% of our consolidated revenue for the year ended December 31, 2017.



Note: In preparing the above chart, we have used our business unit accounts prepared on the basis described in "*Presentation of Financial and other Information—General—Other Financial Measures and Ratios*" for the year ended December 31, 2017. The results above will thus differ from the results of our Consolidated Financial Statements.

We also focus on end-markets that are resilient and less sensitive to economic cycles. Among our end-markets that are potentially vulnerable to market slowdowns, such as the banking, insurance and automotive, due our focus on resilient niches the nature of work performed by job candidates working in end-markets that are vulnerable to economic downturns are often related to less sensitive aspects of those end-markets. A good example of this is Redmore, a provider of HR solutions to the financial industry, which is generally considered sensitive to economic cycles. However, by focusing on high demand, specialized job candidates for complex regulatory driven projects, the sensitivity to macroeconomic cycles is significantly more limited compared to the overall financial industry. Through our business segments and brands in our core geographies, we provide HR solutions that meet most of the top critical job shortages in those markets. Our focus on niche and specialty staffing highlights the added value we can provide to companies looking for specific job candidate profiles, and in our experience, clients are willing to attach a premium to such services and conversely, it enables us to recruit and retain qualified job candidates. Even when we serve large corporate clients, we believe our provision of specialized staffing solutions enables us to maintain pricing power as a result of the quality and demand for our job candidates. Finally, our services are also utilized by our clients throughout economic cycles, with temporary staffing solutions being an attractive option to clients both in the early stages of an economic downturn as companies seek flexible solutions for staffing needs as well as during a recovery period when the economic cycle is on its way up.

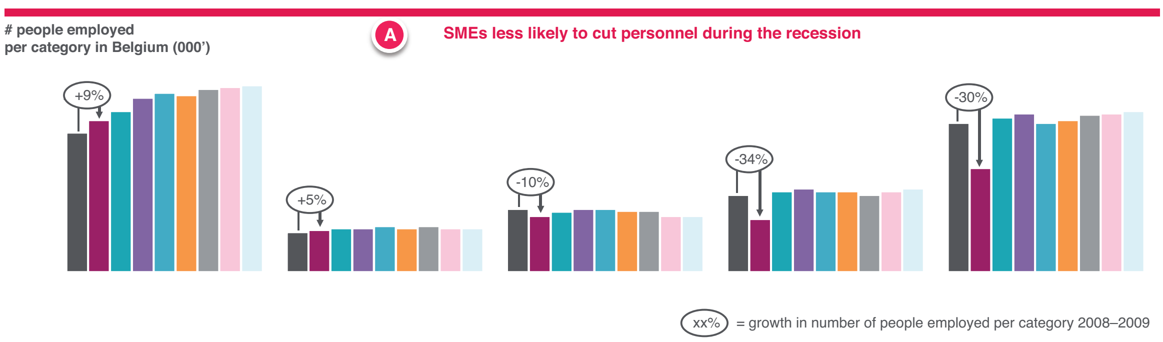
We target smaller companies with local decision-making power.

We believe that our client focus on SMEs and intermediate sized enterprises has in the past and will in the future benefit our financial performance. For the year ended December 31, 2017, approximately 77% of our sales were with SMEs or intermediate sized enterprises with approximately 32% of these being small enterprises, approximately 29% being medium enterprises and approximately 17% being intermediate sized enterprises.

We target SMEs and intermediate sized enterprises with local decision-making power. This means that we generally do not participate in large tenders for the provision of a larger number of job candidates nor do we deal and negotiate with central procurement teams or HR departments. We believe that SMEs and intermediate sized enterprises form a particularly attractive client base for a number of reasons. First, they tend to be highly reliant on each employee and have lower workforce anticipation capabilities than large corporates, meaning that when they need to hire someone, they need someone fairly quickly and place a premium on the ability to source job candidates to meet their time constraints. Second, such clients often have a faster decision-making process compared to large corporates and lack purchasing departments so we may face less pricing pressure from such companies. Additionally, they more often than not have neither the resources nor the knowledge to dedicate to HR and therefore are willing to outsource many of their staffing-related needs and expertise to providers such as us who can provide a full service offering at all stages of the recruitment lifecycle. SMEs often have limited employer branding and therefore may experience difficulty in reaching the best job candidates without access to the talent pool of a staffing solutions provider like us. Finally, we believe that the ability to find a very specific candidate with the right cultural fit is very important for SMEs since they typically have small teams and often seek a particular candidate who is not only qualified for the job but also matches the client's corporate culture. The ability to match such job candidates benefits from our blend of human and digital touchpoints, with regular interaction with clients and job candidates throughout the recruitment lifecycle (including our international recruiting capabilities). HR staffing solutions also operate in a complex regulatory environment, for which specific knowledge by sector, geography and even region is required. The ability to provide answers to this complexity on a larger scale, increases the barriers to entry for the sector and diminishes the risk for digital disruption or disintermediation.

We are able to meet SMEs' needs through our deep end-market knowledge, reactivity and proximity to our clients by providing both a full suite of end-to-end service and a large pool of resources for these clients. We believe that our unique positioning largely protects us from competition in the areas in which we operate, providing several barriers to entry. Our geographical footprint, branch density and our ability to recruit internationally would be quite challenging to replicate and is essential to fostering the client relationships and granular geographic reach necessary to reach our targeted SME clients. Furthermore, we maintain and have access to a large database of job candidates to enable short matching times and have acquired in-depth end-market experience through selective organic and external growth over many years which facilitates our ability to source, match and retain job candidates and clients. Strict quantitative and qualitative KPI monitoring on inflow and matching, further drive our operational excellence. These factors have fuelled our strong track record of successful employment relationships and our top tier reputation within our end-markets.

Our strategy of targeting SMEs as our primary client base also increases the resilience of our operations when presented with an economic downturn, as SMEs are less likely to lay off workers in a downturn and fare better at maintaining their level of employment than larger companies. For example, the chart below shows that SMEs continued to grow their size during the financial crisis reduced their number of employees far less, and in most cases, and in some cases even increased their number of employees as compared to larger companies whose number of employees declined during that time.



We are at the forefront of digital innovations.

The different steps of the value chain of our activities include a complex mix of tasks that have the potential for high automation (such as job sourcing and job candidate matching) and those that need to be more tailor-made for clients and job candidates and therefore require a human touch (such as interacting with clients to know precisely what their staffing needs are and negotiation of HR contracts). We believe we are a thought leader and ahead of our larger peers in many respects, by having already begun seizing digital opportunities in order to both address new markets with innovative business models and improve our own operations.

We recognize the importance of the digital marketplace to both businesses and job candidates, and we have developed a comprehensive digital marketing strategy. For example, to draw potential job candidates and clients to our websites, our marketing team uses search engine optimization to make our services easily findable for all. We also have an active social media presence, outpacing smaller competitors and opening new markets. Finally, to complement our physical network of branches and reach new markets, we have pioneered several successful disruptor technologies, including our SWOP application, which allows job seekers to match with job listings, and has enabled the placement of an average of 110 job candidates per month, and our NOWJOBS platform, which is primarily geared to students and other seekers of one-off temporary jobs and has more than 100,000 job candidates and more than 6,000 active companies participating. In June 2019 we launched our Hi Accent app, allowing potential job candidates to interact via the Google Home assistant with Accent's list of open positions. We also launched our GIGHOUSE app focused on a digital solution for freelancers/independent job candidates. We aim to leverage our experience as a disruptor in the market to expand successful initiatives to our broader Group.

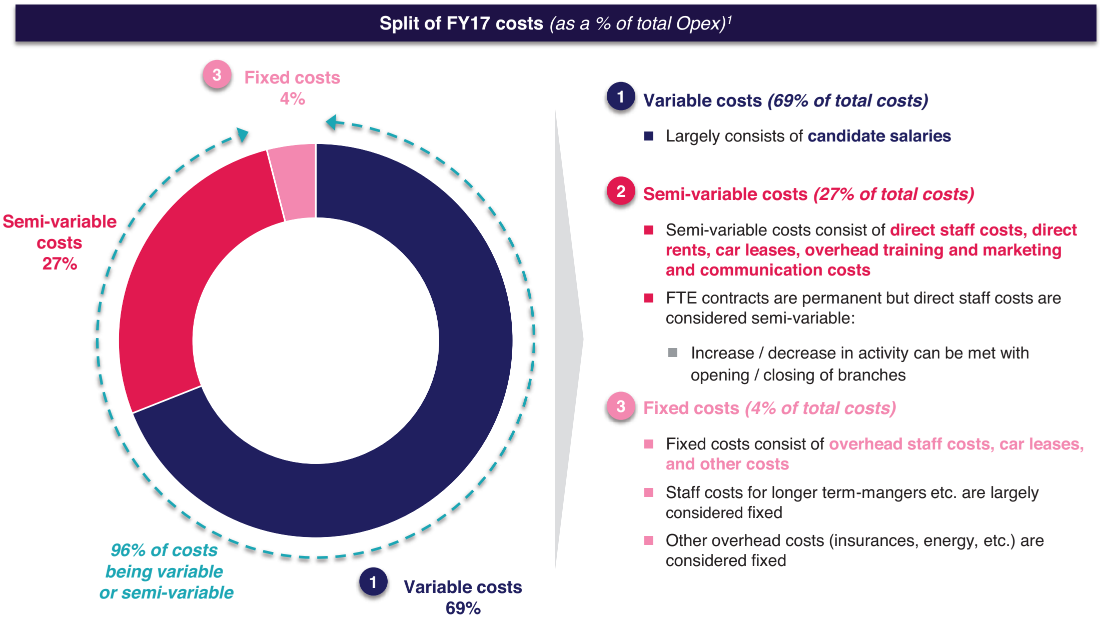
We are also innovating in our existing processes, identifying areas within our business that could benefit from increased automation and zero-paper processes that are both job candidate- and client-facing, as well as internal processes such as finance, procurement and marketing and communications. We believe the efficiencies we can realize through this digitalization will produce cost savings while allowing us to meet the ever-increasing demands of clients and job candidates.

We have a highly diversified, resilient and cash-generative financial profile.

Our differentiated business model, specific end-market and job candidate profile focus drives our highly diversified revenue stream reflected by:

- four stable and attractive geographic markets;
- three different segments;
- nine business units with specialized brands;
- a network of 548 branches, which includes 18 branches dedicated to foreign recruitment;
- end-market diversity, with no end-market representing more than 17% of revenue;
- low client concentration with 15,200 unique clients for the three months ended March 31, 2019, with our top client representing 2.9% of our revenue and our top ten clients representing 8.8% of our revenue for the year ended December 31, 2018; and
- 43,583 job candidates at work as at March 31, 2019.

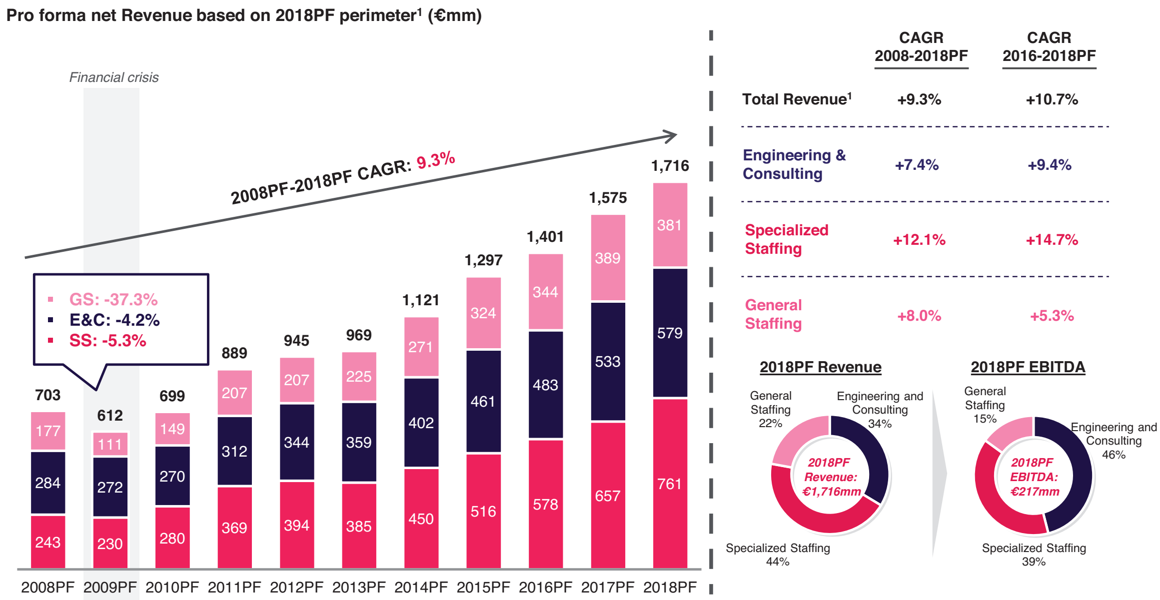
In addition to the diversification of our sources of revenue, our cost structure is largely variable with approximately 96% of our operating expenses being variable or semi-variable. Our cost of services, which represented 79.9% of our total operational expenses (costs of services and operating expenses together) for the year ended December 31, 2018, is comprised of mostly variable costs related to our people at work (mainly payroll, social security contributions, housing, car fleet and subcontracting costs). In many of our jurisdictions, we are able to match the duration of the employment of our job candidates and their placement, allowing us to be flexible in the deployment of our job candidate resources. TEC Alliance, Abylsen, Redmore, AERO and ibb (the last two being subunits of TimePartner) hire high-skilled specialists under indefinite contracts which have been considered as semi-variable, given our intention to retain the job candidates for as long as possible, except for the costs related to freelancers and subcontractors, which are variable. The figure below demonstrates our breakdown of our total operating expenses for 2017 between variable, semi-variable and fixed costs.



(1) In preparing the above chart, we have used our business unit accounts prepared on the basis described in "*Presentation of Financial and other Information—General—Other Financial Measures and Ratios*" for the year ended December 31, 2017. The results above will thus differ from the results of our Consolidated Financial Statements.

The assets in our company are "human capital" which means we have limited fixed assets or cash tied up in inventory. This results in limited capital expenditure requirements (approximately 1% of revenue) and high *Pro Forma* Cash Conversion (approximately 92% for 2018).

Our diversified revenues and variable cost base have resulted in revenue resilience throughout economic cycles. Using our business unit accounts and the unaudited statutory accounts of these entities prior to our acquisition of them, we have presented below a pro forma illustration of our Group's performance since 2008, assuming our consolidation perimeter existing as at December 31, 2018 existed as at January 1, 2008 (except as noted below). We believe this chart illustrates the benefit of our diversified, resilient and cash generative business model, including during periods of economic decline.



Note: In preparing the above chart, we have included historical revenue information that was prepared by prior management for the period from 2008 through the date of such acquisition. This chart includes historical revenue information for all business units that were within our consolidation perimeter as of December 31, 2018 except for PI, Hartd., and ITDS. For each business unit we acquired since 2016 through 2018 see "*Our Business—Recent Acquisitions*". Although we believe the assumptions used and the basis of preparation to be reasonable, actual results may vary from the indicative information presented above and such variations could be material. As such, you should not place undue reliance on the inclusion of such information and it should not be regarded as an indication that it will be an accurate prediction of future events or as an indication of what our historical results of operations would have actually been had our acquisitions actually taken place on January 1, 2008.

(1) The 2018 pro forma perimeter includes Belgatech, VNOM, MT&V, Schollmeyer, but excludes our latest bolt-on acquisitions in Engineering/Consulting (PI, Hartd. and ITDS) in 2018.

(2) Total sales includes intercompany eliminations.

(3) PF Revenue in the chart above is *Pro Forma* Adjusted Revenue as defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

(4) PF EBITDA in the chart above is Pro Forma Adjusted EBITDA as defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

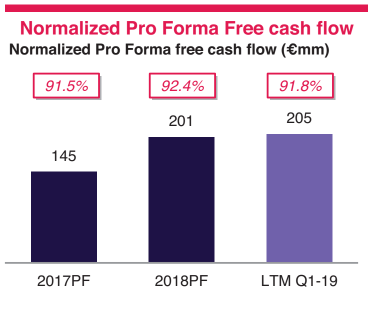
We believe that as we continue to diversify our geographic, end-market and segment profile, particularly as we grow our mix of services focused on engineering and consulting and specialized staffing, our revenues will also be increasingly less driven by market fluctuations, strengthening our cash generative profile that has a strong track record of through-the-market resilience and margin expansion.

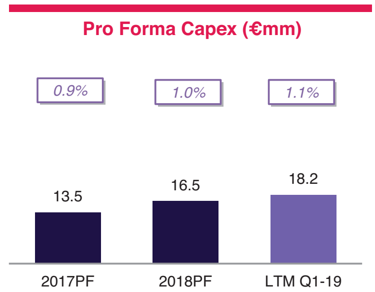
Our resilience is further supported by the "cash protective" nature of our working capital dynamics. Our working capital largely consists of receivables (client billings) and payables (job candidate wages, social security, etc.) tied to individual job candidate placements. For each job candidate placement, the receivable is higher than the payable with the difference roughly representing the bill-pay spread or gross margin embedded in the client service agreements and job candidate agreements. This means that (all else being equal) when we place less job candidates, our working capital declines, resulting in a positive cash balance offsetting the loss of post-tax cash profit.

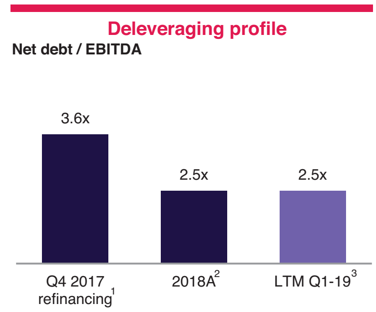
The working capital dynamics and corresponding downside protection for our cash flows are also evident in the recent performance, which has been impacted by a change in legislation, of our general staffing segment in Germany. See "*Management Discussion and Analysis—Key factors affecting our results of operations—General Economic Conditions—Germany*".

Furthermore, our business also benefits from high cash generation as evident from our Normalized Pro Forma Free Cash Flow and *Pro Forma* Capital Expenditure illustrated below.

Our high cash generation has allowed us to consistently deleverage our business since our refinancing in 2017.







Note: Normalized *Pro Forma* Free Cash Flow in the chart above is defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

Pro Forma Capex in the chart above is *Pro Forma* Capital Expenditure as defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

(1) The net debt/EBITDA ratio is in accordance with the terms as used in the 2017 refinancing.

(2) The net debt/EBITDA ratio is presented as net debt/*Pro Forma* Adjusted EBITDA, where net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position, plus operating leases of €62.9 million as per December 31, 2018 or €72.4 million as per the 12-month period ended March 31, 2019 (to align with Pro Forma Adjusted EBITDA which has been adjusted for IFRS 16)) less cash and cash equivalents.

Entrepreneurial management team with a long term incentive culture.

We benefit from a strong and committed management team that is highly motivated to deliver strong performance over the long term. Our management team and individual platform managers collectively own 15.3% of our equity as of the date hereof. Moreover, we have more than 300 managers with tracking shares that are linked to the performance of their business units or investments in our long-term incentive plan at our Group level.

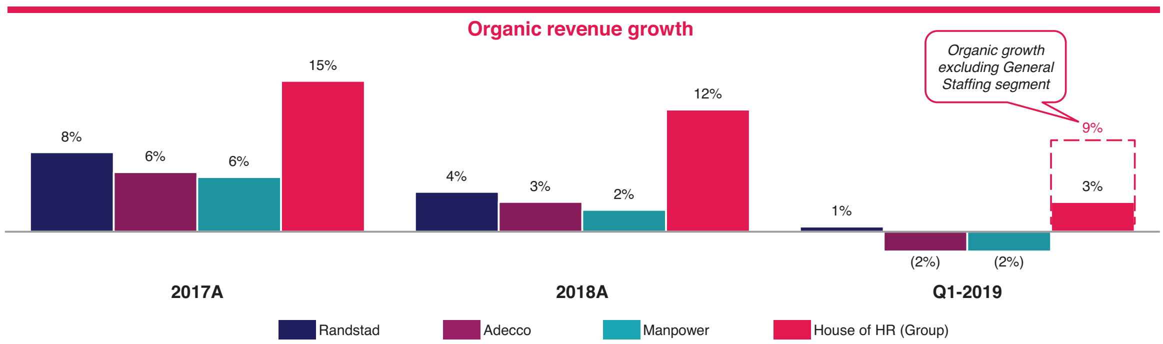
We believe our successful organic and external growth has been due in part to the way in which we have been able to incentivize our managers. For example, our organic "cell division" expansion strategy rewards our local managers with the opportunity to create and run individual branches, fostering loyalty and encouraging the entrepreneurial spirit that has delivered our success to date. For our engineering and consulting branches, our variable pay structure rewards management down to the sales and recruitment consultants with variable pay linked to key performance indicators such as attracting, matching and retaining job candidates and clients.

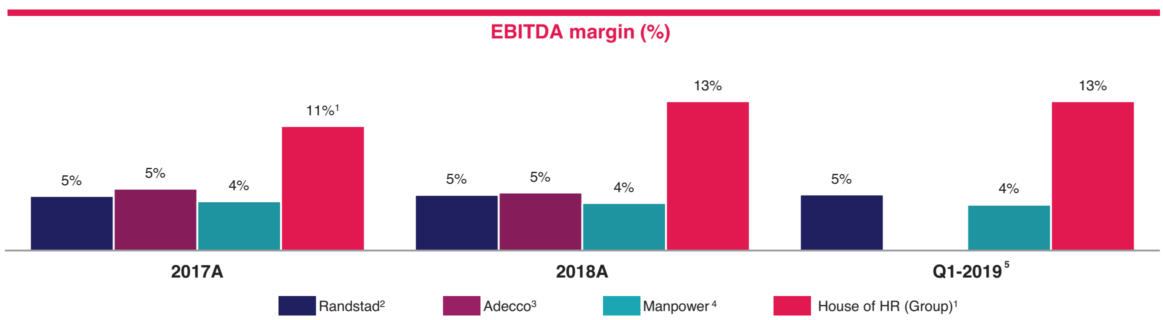
Our variable bonus systems are intended to encourage growth and bonuses. Variable pay, consisting of cash incentives and equity participation for our CEO and CFO, represents 50% to 60% of our CEO and CFO's salary package and is tied to performance targets at the Group level, such as sales revenue, EBITDA, EBITDA growth, and equity value of the Group. Furthermore, variable pay can represent up to 50% of the salary package for other employees in our Group, including the management of our business units, branch managers, sales consultants and recruitment consultants. See "*Our Business—Employees—Performance-Based Compensation*" for more information.

Furthermore, when we have grown by acquisition, we have offered an appealing value proposition to managers of the businesses we acquire by allowing these individuals to retain autonomy over their respective entities' operations, including brand and identity, while allowing them to benefit from central Group support on complex regulatory and compliance topics, access to our foreign sourcing network and digital platforms and the possibility to leverage credit lines at the Group level. We also offer such managers an incentive structure tied to the overall Group's results. Additionally, there is a long term incentive plan at our Group level. We believe that this streamlines the integration process and helps to align the management of our acquisition targets with our central management. We also believe that our long term incentive plan allows for succession planning for key roles by incentivizing key staff to remain with our Group and by enabling potential reinvestments in the equity of the Company going forward.

Conclusion

We believe we are unique among our peers as a result of our strengths outlined above and that this is reflected in our performance ahead of certain of our competitors. Based on information available, we believe that organic growth was 2% to 7% and EBITDA margin was 5% to 12% on average per annum from 2014 to 2017 among competitors in our Total Market. During this same period, our organic growth and EBITDA margin typically performed above the Total Market average. For an illustration of our Organic Growth and *Pro Forma* Adjusted EBITDA performance against our competitors, a comparison of our Organic Growth to the normalized revenue and EBITDA performance of Randstad, Adecco and Manpower for the periods indicated is presented below.





Note: In preparing the above chart, we have used our Organic Growth metric prepared on the basis described in "*Presentation of Financial and other Information—General—Other Financial Measures and Ratios*". This chart also includes the normalized growth of segments of Randstad, Adecco and Manpower. For each of these competitors the manner in which they define normalized growth differs. Furthermore, EBITDA is not an IFRS metric and may not be prepared on a comparable basis. Although we believe the illustration above to be reasonable, actual results of our competitors if they were in the exact same geographies as our relevant business units or if normalized growth were defined the same may vary from the indicative information presented above and such variations could be material. As such, you should not place undue reliance on the inclusion of such information and it should not be regarded as an indication of what our performance would have actually been compared to that our competitors.

(1) Our EBITDA margin within this chart is calculated as Pro Forma Adjusted EBITDA divided by Pro Forma Adjusted Revenue. The Pro Forma Adjusted EBITDA and Pro Forma Adjusted Revenue metrics are defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*". The 2017 EBITDA margin figure is presented on a Pre-IFRS 16 basis.

(2) Randstad's normalized growth is measured by excluding the impact of currency effects, acquisitions, disposals and reclassifications. Its EBITDA is calculated as operating profit plus amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs.

(3) For Adecco, growth is defined as its revenue figures that exclude the impact of foreign exchange rate fluctuations, acquisitions and divestitures. Its EBITDA is calculated as operating profit plus amortization and impairment of goodwill and intangible assets.

(4) Manpower's normalized growth is based on its "organic constant currency", which removes the impact of acquisitions in the current period and dispositions from the prior period from the constant currency calculation. Its EBITDA is calculated as operating profit plus depreciation and amortization.

(5) EBITDA margin figures for Q1-2019 are presented on an LTM Q1-19 basis. Adecco's EBITDA margin on an LTM Q1-19 basis was not available.

Our Strategy

Our aim is to become the number one European provider of specialized human resources solutions to SMEs. We intend to achieve this through pursuing the following strategies:

Continue to focus on organic growth and margin enhancement.

We intend to continue our track record of organic growth through our branch development model and through continuing to target growth markets. We have been highly successful in achieving incremental organic revenue growth under our "cell division" approach, particularly in our specialized staffing and general staffing segments, where our branch network is key, and through our ability to attract and retain job candidates for assignments in sectors where candidates are scarce. We intend to continue to benefit from this growth through expanding our branch network where needed and continuing to leverage our success in sourcing and retaining job candidates. In most of our markets we expect to continue our strategy of embedding ourselves in local communities through an extensive branch network, which places us in proximity to our primary stakeholders: our clients, our job candidates and our own employees. We also believe our extensive branch network approach leads to enhanced entrepreneurship and ownership due to the managerial responsibilities and opportunities allocated or available to branch managers, reinforcing a key part of our values. We further aim to deliver continued improvement in our EBITDA margin through a shift in our services mix (including through increasing the relative weight of the specialized staffing and engineering and consulting services we provide in our overall mix), as well as continued efficient cost control over operating expense and strong cash conversion with rigorous management of capital expenditures and working capital.

Focus on profitable specialized and niche end-markets.

Over time, we expect to gradually shift our focus toward the engineering and consulting and specialized staffing model from general staffing, leveraging our growing network in the transition to deliver higher margins. The specialized staffing and engineering and consulting segments tend to deliver higher margins than general staffing due to the premium clients place on successful placement of the specific job candidates that they seek, and we intend to leverage our positive track record in these segments to continue growing profitably. Moreover, specialization aims to target those segments and skills that are more difficult to find for our customers, which in the past has provided more stability to our revenue figures, including during economic downturns.

Enhance our reputation as the partner of choice for SMEs and locally managed clients.

We intend to continue providing critical end-to-end temporary recruiting and outsourcing services that are tailored to the needs of SMEs and other locally managed clients. We believe that these clients will continue to require the assistance of providers like us as they grapple with limited resources, lower visibility on staffing needs and greater need for outsourced HR functions, including as a result of the complexity of labor law and associated regulations. We aim to be a one-stop shop for such clients that can help at all stages of the recruiting process to relieve our clients' management from the burden of having to seek appropriate job candidates for available positions. In doing so, we plan on leveraging the large pool of potential job candidates at our disposal, the deep end-market knowledge we have gathered over the years through having boots on the ground in proximity to our clients.

Ensure the smooth and profitable placement of job candidates with a reliable sourcing and reskilling platform.

Mastering the "human" aspect of human resources is key to success in our industry and we intend to continue to be a leader through our focus being able to source the right job candidate for the right position, including through offering reskilling services. We believe that our network of international sourcing of job candidates is vital to our success, as we are better able to bridge the large gap between the demand for qualified job candidates and the supply of such candidates, especially as the labor market in our addressable markets has tightened over the past few years, through having access to a wider pool of quality job candidates than our peers. The location of our agencies (particularly in Poland, Romania, Spain and Portugal) and the support we offer to foreign job candidates (including housing, transport options, opening a bank account and other integration assistance) ensures that we are able to tap into workforces that are skilled but that are eager to seek out opportunities to earn higher wages than those that similar work would provide in their home countries. We intend to continue to develop our network in other countries that meet these criteria. We also plan to continue leveraging our large sourcing network to target the best job candidates and provide them with a wide array of positions and support, including training, administrative support, client knowledge and even transport and housing for foreign job candidates, in order to make their experience as smooth as possible. Finally, we plan to focus on preparing job candidates for what we see as the jobs of tomorrow, such as white-collar positions in big data and information technology, that are being driven by the digitalization of the economy or provide trainings in order to teach blue-collar job candidates how to use digital tools.

Utilize digital initiatives to reduce cost and drive revenue diversification.

Our digital strategy is focused on maximizing the impact of digital cost reduction initiatives, outpacing smaller competitors who have more limited investment capabilities and opening new market segments.

In the short run, we want to leverage digital tools to complement our physical networks to attract job candidates and clients while also spreading awareness of our brands and services. We also intend to continue digitalizing our processes to drive efficiency.

Over the longer term, we intend to pursue a four-pillared digital strategy. First, we aim to reposition the offices we have in urban areas into “JobShops” that are easy to reach, convenient, one-stop shops where job candidates can be tested, get certifications and be matched with potential positions. We also are continuing to develop niche, specialized platforms that are tailored to meet the specific demands of the various markets we address. Further, we intend to utilize the data that we have generated through our large network to deliver the best possible client and job candidate service. Finally, we plan to develop more automated processes to free up our recruiting consultants’ time for them to focus on growing ever closer to our client and job candidate base.

Target accretive acquisition opportunities to achieve European leadership.

While our primary focus is to grow our earnings base organically and to improve both profitability and Normalized *Pro Forma* Free Cash Flow generation through our existing network and customer base, we will continue to consider accretive and strategic platform and bolt-on acquisitions in both new and existing markets to achieve our goal of European leadership. We do not consider acquisition opportunities aimed at turning around a business but only will consider opportunities that can reinforce our market positions or expand our footprint, either in new geographical regions or niche areas in which we currently are not present and that show the following attributes: stable economies with low unemployment, high salaries, high temporary staff penetration and supply and demand mismatch for skilled labor. We will also consider opportunities in digital tools that can improve the value chain or allow us to better serve job candidates as well as clients and to develop new and complementary segments that are also marked by labor market scarcity or that can demonstrate the prospect for high growth and superior margins. We will continue to use our M&A assessment criteria, which requires that any opportunity meets our own high quality standards, holds a leading position in its respective specialized end-market, reflects a strong financial profile and represents a good cultural fit with us.

Business Model

Our business units serve as the intermediaries between job candidates (supply) and the client requiring staffing solutions (demand). Our in-house employees include sales, marketing and recruiting staff, who work to attract job candidates to our business units and to maintain and build new client relationships with those who have HR staffing needs. We refer to "job candidates" as those individuals that we recruit or who come to us seeking work and who are placed with clients, which includes consultants and engineers in our engineering and consulting segment, as well as freelancers that are placed with clients by us. Our in-house employees match job candidates to the HR needs of our clients. Some of our business units also screen and recruit freelancers, particularly in specialist areas with high job shortages or where flexible work arrangements are preferred, and certain of our business units also engage in search and selection services in order to recruit highly specialized job candidates.

We will typically enter into an employment agreement with the job candidate and a service agreement with the client. The employment agreement is often entered into with the job candidate in connection with us entering into a service agreement with the client. In these cases the employment agreement is for the duration of a particular client assignment, which duration will vary a great deal among our business units due to the nature of the services offered and will also be impacted by the nature of the services required by the client. However, the employment agreement in a number of our business units, primarily those in our engineering and consulting segment, will often be an indefinite employment agreement and for a longer duration than the service agreement with the client as a result of regulatory reasons or to facilitate recruiting job candidates.

Nearly all of the service agreements into which we enter with clients are time and materials service agreements, which means we are compensated under the contract for the services and materials provided by our job candidates. A small number of the service agreements we enter into with clients are project-oriented, which means we are compensated under the agreement only when our job candidates deliver the project in accordance with the specifications in the agreement.

When we have a time and materials service agreement with a client, we typically bill the client for the services performed by the job candidate and pay the salary and the applicable associated benefits, fees and costs, such as social security, of the job candidate. The difference between what we bill our clients and what we pay as salary, benefits and associated costs to the job candidates is referred to as the "bill-pay spread", which is a key driver of our Group's profitability. Our business units are organized around a variety of staffing models which have varying degrees of specialization and scarcity, which impacts the bill-pay spread. We also focus on providing best-in class service, matching excellence and investing in digital initiatives to enhance our service offering as well as to automate processes and reduce costs to maximize the bill-pay spread. Other elements that are part of our business model include a focus on SME clients (who often lack in-house staff who can perform the staffing services that we provide), providing training to our job candidates and including non-solicitation or minimum fees for a particular period for job candidates in relation to the client for which they are staffed. For further information about the pricing of our job candidates in our service agreements with clients, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key factors affecting our results of operations*".

The nature of the employment agreement into which we enter with job candidates and its duration (whether it is an open ended contract for the length of an assignment or an indefinite contract that is in place whether or not the job candidate is on an assignment) will depend primarily upon the regulatory environment in which our business units operate (see "*Regulation*") and the type of contract needed to attract, recruit and retain job candidates. The nature of the employment agreement will also impact the termination and notice periods. Indefinite contracts typically provide for three to six month notice periods for us to terminate the employment agreement. The flexibility of open ended contracts typically allows us to enter into an employment agreement with the job candidate in connection with an assignment with a client and the notice periods in the service agreement will be aligned with those in the employment agreement. On the other hand, as a result of the indefinite employment agreements, we experience "bench time", which is the time for which job candidates are paid but cannot be billed to a client assignment, for our job candidates with indefinite contracts. However, we carefully monitor the end date of all such job candidates' assignments and aim to line up the next assignment before their current one comes to an end to minimize bench time. By minimizing a job candidate's bench time, we aim to ensure job candidates are being utilized on billable matters and generating revenue since we will be responsible for the costs associated with employing them whether or not they are on assignment with a client.

In our engineering and consulting segment, employment agreements with job candidates are typically indefinite due to the regulatory environment of the countries in which our business units in this staffing segment operate or in order to attract and retain job candidates to fill staffing shortages. In certain business units, such as Redmore, the employment agreement approach also facilitates longer and more specialized training to job candidates and deepens the relationship between ourselves and these job candidates. Within this segment, we also utilize a number of freelance job candidates (approximately 12% of job candidates at work), primarily in the TEC Alliance, Redmore and Vialegis business units, whom we screen and match with clients but who do not become our employees. In our specialized staffing segment, due to the countries in which our business units in this segment offer services and our ability to attract and recruit job candidates, we typically use open ended contracts with job candidates. In our general staffing segment, which is primarily based in Germany and due to regulations on temporary staffing there, we generally enter into an indefinite employment agreement with a job candidate. As a result, our generalized staffing segment also faces bench time risk with respect to their job candidates. However, the bench time risk in this segment is typically less than that in the engineering and consulting segment due to the lower costs of services typically associated with these job candidates and the typically shorter notice periods required for our job candidates in this segment as compared to the engineering and consulting segment.

The Recruiting Lifecycle: Facilitating Supply and Demand

The recruiting lifecycle, which refers to the sourcing of job candidates, the identification of clients who require our specialized HR solutions for particular jobs and then the subsequent matching, on-boarding and payment or billing of such work, is a fundamental part of the operations of each of our business units. Each of our business units is focused on the full spectrum of the recruiting lifecycle, which we describe in more detail below. We also seek to align our in-house employees' incentives, including sales and recruiting teams, with the Group's financial performance, with for example approximately 20% of the Accent business unit's salaries being variable performance-based compensation as at March 31, 2019, which we believe is higher than the industry's average variable performance-based compensation.

Supply: Job Candidates

The following describes the typical elements of the recruiting lifecycle and the role we play in relation to job candidates:

- ***Sourcing:*** Our business units define the job candidate requirements through their knowledge of the end-markets they address, the needs of their clients and, if applicable, any specific client requirements provided, and then identify potential job candidates. We source job candidates through databases, our presence at schools, universities and on job boards, as well as through training for the skilling or reskilling of job candidates. We also make use of foreign recruiting networks in certain of our business units, such as Accent, Covebo, TimePartner and Zaquensis.
- ***Assessing:*** We assess job candidates by checking their education and skills (with additional assessment for more specialized roles) and certify their capabilities.

- ***Matching:*** To match job candidates to clients' opportunities we check their fit with the job position and company, including their mobility and availability for the location and duration of the assignment. We then match a job candidate to a client and seek to ensure the job candidate has a good understanding of the job and its requirements. Certain of our business units will also make use of the digital initiatives we have to facilitate the matching process, such as AI enabled speech-to-text tools and our SWOP application. See "*—Three Staffing Segments and Digital—Digital Initiatives—Matching*".
- ***Administrative management:*** We prepare the contract with the job candidate, whose terms may vary based on the business unit and the type of placement with which the job candidate is matched, and we provide other administrative support throughout the assignment, including, for example, the management of vacation day requests. We also follow up to ensure smooth contract signatures are obtained initially and then upon renewal, if desired.
- ***On-boarding:*** We present the job candidate to the client, guiding him/her through interviews. We also follow up with job candidates in certain placements, such as within the engineering and consulting segment, after they are placed to check their satisfaction with the client and the assignment, whether the matching was accurate and to further understand any further wishes or objectives of the job candidate.
- ***Payroll:*** We use digital timesheets and validate the timesheets, to facilitate the correct payment of job candidates' salaries.

Demand: the client and its HR staffing needs

The following describes the typical elements of the recruiting lifecycle and the role we play in relation to the client's HR staffing needs:

Selling: We manage existing client accounts and identify potential clients and generate leads on clients' staffing needs.

Publishing: We discuss general requirements with clients to gain an understanding of specific job requirements and the required job candidates for such a job, and then publish offers via our business units (including on their own websites), third-party applications or social media.

Matching: We identify and present a short list of eligible job candidates for the position to the client and organize meetings and interviews with the job candidates. Some of our business units also use our digital initiatives, such as NOWJOBS, which allows job candidates to be matched to clients, though we often monitor our digital initiatives in order to facilitate the matching and engage with the job candidates and clients when needed.

Administrative management: We prepare the service agreement between ourselves and the client. In some placements, we can also provide clients with replacement staff, if needed, for any vacation days taken by job candidates while on assignment.

Invoicing: We use timesheets and validate those timesheets to provide correct and transparent invoicing to clients, with certain of our staffing solutions utilizing digital timesheets. We can also manage the different legal requirements in the jurisdictions in which we operate for clients, including the payment of payroll taxes and other withholdings.

After-sales: We follow up with clients after on-boarding job candidates to check if the matching was accurate and to assess the client's satisfaction with the job candidate and the recruiting process.

Our International Recruiting Network

As mentioned above, certain of our business units also utilize their international recruiting networks to source job candidates. We believe that best practice for job candidate sourcing from international markets is managed through foreign recruiting-dedicated teams in local foreign offices which are joined up with foreign recruiting teams in host countries to identify clients with long-outstanding vacancies. A foreign recruiting team with a presence in both countries can then offer a full-service proposition to the customer covering all steps from sourcing and recruiting to on-boarding and payroll. We also believe Covebo and Accent reflect best practice by having job candidate integration teams in the host countries which are dedicated to placing and monitoring foreign workers, providing in-house training and offering other comprehensive services to assist with their integration (housing, health, transport, tax assistance and possibly host country language support). We also utilize some digital tools to recruit in foreign countries, such as our Happy Recruiter digital initiative in Romania, which is a chatbot, or a computer program designed to simulate conversation with human users, that can recruit job candidates through Facebook. The employment of foreign workers as our job candidates is conducted according to the receiving country's legal framework. See "*Regulation*" for information about the regulatory environment in each of our primary geographic markets.

Our Service Offering

Three Staffing Segments and Digital

The Group has three staffing segments which are also the Group's financial reporting segments: engineering and consulting, specialized staffing and general staffing. Each of these segments is composed of multiple business units which use various brands to promote their specialized HR solution offering. The table below provides an overview of the business units in each staffing segment, their primary location, the year the business units joined our Group, the brands associated with the business units under which recruiting of job candidates or services to clients are marketed and the business units' percentage of Group sales for the year ended December 31, 2018:

Staffing Segment and Digital Initiatives	ENGINEERING & CONSULTING					SPECIALIZED STAFFING		GENERAL STAFFING		DIGITAL
Business Unit	ABYLSEN	CONTINU	REDMORE	TEC	VIALEGIS	ACCENT	COVEBO	TIMEPARTNER	ZAQUENSIS	
Primary Location	France	Netherlands	Netherlands	Belgium	Belgium	Belgium	Netherlands	Germany	Germany	N/A
Year Joined	2015	2015	2017	2019	2017	N/A	2015	2016	2016	N/A
Brands	abylsen BELGATECH pi Mykelson PHARMACOS	continu mténv Hartd.	talent&pro profource TRIPLE A ITDS BUSINESS CONSULTANTS	TEC ADVITEK LOGI-TECHNIC	VIALEGIS SCHOLLMEYER&STEIDL	ACCENT ACCENT CONSTRUCT CTRL F	COVEBO UITZENDBUREAU effect PRAN NOM	TimePartner AERO aartos personalservice ibb	ZAQUENSIS	FYGI GIDHOUSE NOWJOBS SWOP
Primary Contract Type	ITC	OEC	ITC	N/A	N/A	OEC	OEC	ITC	ITC	N/A
2018 Business Units' Revenue as % of Group Revenue	7.4%	5.4%	6.7%	7.5%	1.0%	31.7%	15.5%	21.7%	3.3%	N/A

(1) ITC is an indefinite term contract and OEC is an open-ended contract.

(2) ibb and AERO are part of the TimePartner business unit and revenue on a business unit basis includes these figures; however, revenue from these subunits are accounted for as part of our engineering and consulting segment.

(3) Digital initiatives pictured are all part of the specialized staffing segment.

(4) The total percent of sales from all business units amounts to 100.3% since the effect of intercompany eliminations is not included.

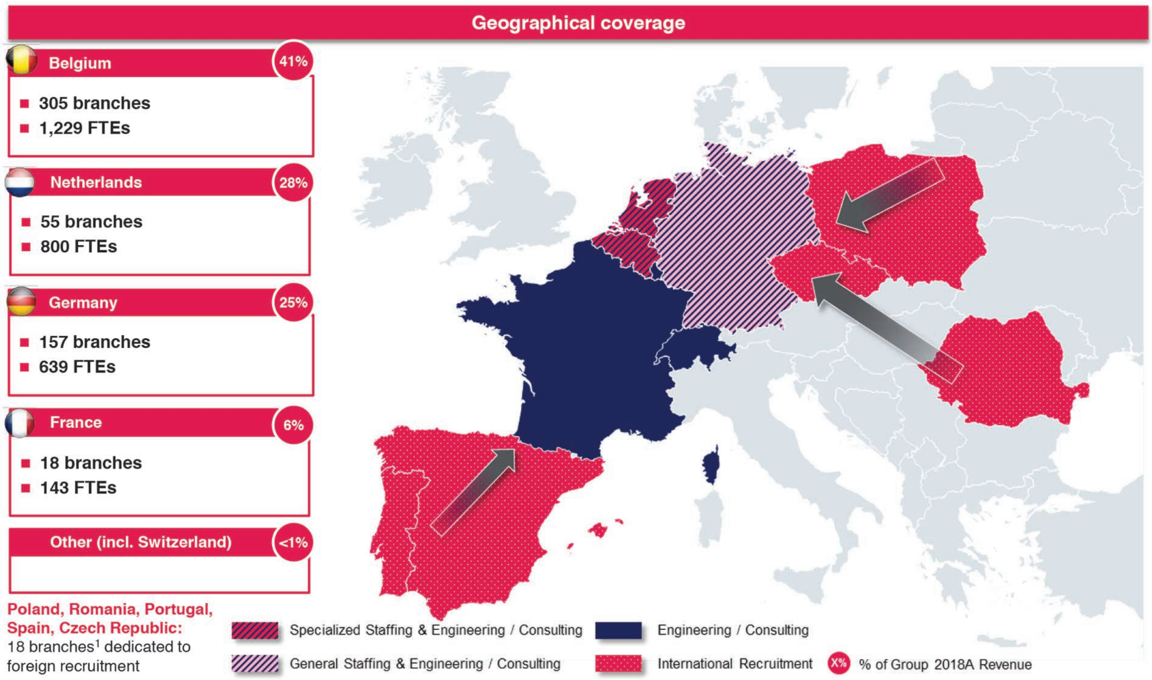
Each of our three staffing segments, through the business units, also typically focuses on particular specialties to varying degrees, provides certain types of job candidates to meet clients' needs, and takes various approaches to employment terms and placement duration. A depiction of the typical approach, employment terms and average placement duration of assignments at the Group's staffing segment is laid out below.

Staffing Vertical	ENGINEERING & CONSULTING	SPECIALIZED STAFFING	GENERAL STAFFING
Business Unit	ABYLSEN, CONTINU, REDMORE, TEC, VIALEGIS	ACCENT, COVEBO	TIMEPARTNER, ZAQUENSIS
Clients' needs	*Generic* – *Specific* High-skilled professionals and technicians.	*Generic* – *Specific* Focus on temp-to-perm, international candidates, tight labor markets and specific niches.	*Generic* – *Specific* Increase planning flexibility, manage leave and absorb seasonal peaks.
Workers' qualification	*Low-skilled* – *High-skilled* Engineers, highly-qualified technicians and high-skilled white collar consultants.	*Low-skilled* – *High-skilled* Blue collars and technical white collars with specific profiles.	*Low-skilled* – *High-skilled* Almost exclusively blue collars, primarily with low qualifications.
Employment terms	*Fixed-term* – *Long-term* Most workers have a permanent employment contract with HoHR. The Group usually bears the costs associated with idle times.	*Fixed-term* – *Long-term* Workers are placed on HoHR's payroll for the duration of the assignment. Few restrictions on the termination of temporary workers apply.	*Fixed-term* – *Long-term* Temps sign a contract with the staffing company which can be terminated at short notice, depending on their tenure. Temps are usually released when they are not billable.
Placement duration	*Short term* – *Long-term* From a few months to over 4 years, to the extent permitted by local regulations.	*Short-term* – *Long-term* From a few weeks to over a year.	*Short-term* – *Long-term* From a few weeks to a maximum of 18 months (with exceptions).

Geographic Presence of the Group's Staffing Segments

Our clients' HR staffing needs are typically local, requiring HR staffing for such clients' local business location(s). For most of our business units, having branches close to our clients and job candidates is important to being able to find and match job candidates. As a result, our business units typically have a number of existing branches spread throughout the geographic regions in which they operate and focus on building scale and density by opening new branches throughout these areas in order to be closer to job candidates and clients. See "*—Our Strengths—Outstanding record of organic and external growth*" for more information.

The following map shows the locations of our Group's geographic locations by our three staffing segments and our international recruiting network, along with the revenue for each of our geographic markets for the year ended December 31, 2018 and the number of branches and full-time-equivalent in-house employees as at December 31, 2018:



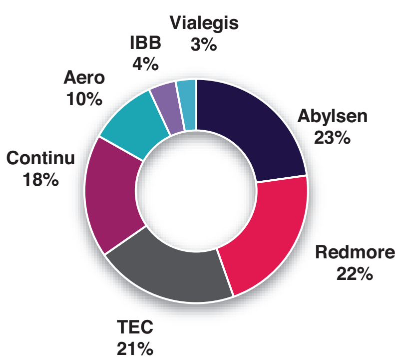
Note The number of branches and full-time equivalent in-house employees by geography is calculated primarily on the legal entity basis, with branches and FTEs allocated to the location where the legal entity is based on December 31, 2018 consolidated perimeter. Some branches or FTEs may not in all cases be located in the same country as the legal entity to which they are allocated so these figures are near approximations.

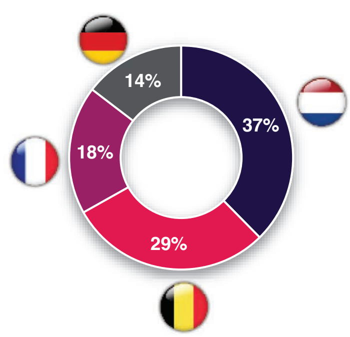
(1) Foreign recruitment branches are also included within the branches associated with each of the geographies above.

Information about the number of branches that we operate in each of our three segment staffing levels, as well as certain information about the branches operated by our principal business units, is provided below.

Engineering and Consulting

Our engineering and consulting segment is comprised of our Abylsen, Continu, Vialegis and Redmore business units, as well as ibb and AERO, which are sub-business units of TimePartner. Abylsen, Redmore and Continu are the largest financial contributors to this segment and revenue from the business units in this segment generate revenue from France, Germany, the Netherlands and Belgium. The figures below show the split of our engineering and consulting segment's sales by brand and by geographic market, respectively, for the year ended December 31, 2018.





Note Figures are calculated on the basis of the business unit accounts for the year ended December 31, 2018. Sales by brand are calculated on the basis of business unit accounts or subunits, in the case AERO and ibb. Sales by geographic market primarily allocate revenue from the business units accounts to the primary geographic market of that business unit, though some adjustments for revenue generated in other geographies have been reflected when possible. As a result, the percentage of sales by geographic market will not align with figures provided in our Consolidated Financial Statements.

Our business units in this segment typically provide medium to highly skilled job candidates who are engineers, technicians or other white-collar consultants to clients from a diversified range of end-markets, with the greatest concentration of clients typically being from the finance and industry end-markets, and a sizeable number coming from the construction, aerospace and defense and IT end-markets. The job candidate placements by the business units in this segment are typically medium- to long-term. Unlike our other segments, which typically generate most or more than half of their sales from SME or intermediate sized clients, the business units in our engineering and consulting segment are more mixed in the percentage of clients that they generate sales from, with the percentage of sales from SMEs or intermediate companies often representing less than 50% of sales for Abylsen and Redmore, with nearly all of AERO's clients being larger corporates.

The job candidates in most of our engineering and consulting business units are our indefinite employees on our payroll whether or not they are on assignment with a client. As a result, our engineering and consulting segment in particular carefully monitors the end date of all job candidates' assignments and aims to line up the next assignment before their current ones come to an end. This monitoring seeks to minimize "bench time", which is the time during which job candidates are paid but cannot be billed to a client assignment.

As at March 31, 2019, our engineering and consulting segment served customers through a business unit network of 76 branches, with 762 in-house full-time equivalent employees and 6,483 job candidates at work. The following table shows these and other key performance indicators for this segment for and as at the periods indicated:

	Year ended December 31,			Three months ended March 31, 2019	
	2016	2017	2018	2018	2019
	€ in millions, except percentages				
Revenue	154.3	218.0	529.5	117.7	144.8
EBITDA(1)	29.0	37.4	78.5	19.3	24.9
EBITDA margin(2)	18.8%	17.2%	14.8%	16.4%	17.2%

	As at December 31, 2018	As at March 31, 2019
Number of unique clients (year-to-date)(3)	4,434	2,857
Number of branches	75	76
In-house full-time-equivalent employees(4)	712	762
Job candidates at work(5)	6,570	6,483

(1) As defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

(2) As defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*". Represented here as a percentage of the Group's revenue excluding corporate costs and intragroup eliminations.

(3) The figures presented are year-to-date figures, with December figures representing the year ended December 31, 2018 and the March figures representing the three months ended March 31, 2019. As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

(4) As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

(5) As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

Abylsen

Abylsen is an engineering and consulting business unit headquartered in France, with operations in France, Belgium, Switzerland and Luxembourg. Abylsen operates in a competitive but fragmented market, where it is a relatively small company which challenges primarily large global consulting or mid-sized global companies or brands, as well as regional companies or brands.

End-markets served and contract framework

We provide engineering and technology consulting services to clients, with the majority of sales revenue from clients being from blue-chip or larger medium-sized companies. However, we also have a strong focus on SME clients. In terms of end-market, Abylsen is a multi-specialist business unit providing engineering graduates to a wide range of end-markets. During 2017, the three largest end-markets served by Abylsen's engineers were automotive, industry and pharmaceutical, though we also served a number of clients in energy, transport, aeronautics and defense and IT.

Types of clients and job candidates

The business unit has a strong focus on balancing talent hiring and retention with wage control and turnover. Furthermore, it uses engineers to recruit and match engineering job candidates to clients and to provide in-house employees with end-market and job specialization and understanding.

The service agreements Abylsen enters into with clients will vary from client to client depending on their end-market and staffing needs. For example, Abylsen also provided one of our clients, a leading pharmaceuticals company, with a team to monitor the remediation of emergency lighting defects across their expansive facilities.

Financial performance and other operating metrics

As at March 31, 2019, Abylsen had 23 branches and 1,598 engineers at work with different expertise (including mechanical, electrical and chemical engineering). For the three months ended March 31, 2019, Abylsen had revenues of €37.3 million. The substantial majority of the business unit's revenue is generated in France, with the remainder of sales primarily being generated in Belgium. Bench time was at 5% for the three months ended March 31, 2019.

Redmore

Redmore is a provider of specialized secondment and consulting services in our engineering and consulting segment headquartered in the Netherlands, with operations in the Netherlands, Poland and a newly opened international branch in Spain. We typically provide consulting and secondment services to clients through job candidates with university degrees or applied university degrees who are predominantly but not exclusively on indefinite term contracts with us. Redmore's business unit and its brands operate in competitive, often niche, markets, with each of its brands being connected to relatively small companies, with competitors of a variety of sizes, including large global companies and the "Big Four" accountancy firms.

Redmore has four complementary brands: Talent&Pro, Triple A Risk Finance, Profource and ITDS:

- ***Talent&Pro*** is Redmore's largest brand and focuses on secondment of its own job candidates for the Dutch financial end-market who are either on indefinite term contracts with us, temporary personnel or freelancers (whom we have screened and assessed);
- ***Triple A Risk Finance*** provides consulting services in the area of actuary and risk management services and job candidates placed by Triple A Risk Finance ordinarily have actuarial and risk managements backgrounds;
- ***Profource*** provides secondment and consulting services through our job candidates who are specialized in optimizing finance processes, the execution of enterprise resource planning-related assignments and business processes outsourcing; and
- ***ITDS*** provides specialist consulting for insurance companies, pension funds and banks.

End-markets served and contract framework

The majority of Redmore's revenue comes from large corporates. However, revenue from SMEs and intermediate sized enterprises also contribute a significant portion of our overall revenue. In terms end-market, Redmore is a specialist business unit providing financial consulting services to end-markets including insurance, banking, government and health, as well as to other corporates.

The Redmore business unit, through its four sub-business unit brands, is primarily engaged on time and material contracts. For the year ended December 31, 2018, 93% of the contracts for the brands in Redmore's business unit were time and material contracts. Based on our periodic assessment of our contracts, we estimate that a typical service agreement between these brands and a client will be a time and materials contract for an average duration of five to twelve months. Furthermore, our job candidates in the Redmore business unit are typically employees on our payroll with an indefinite contract, meaning that bench time may occur. As a result, this is a metric which is carefully monitored. Redmore also monitors the chargeability of its job candidates since a number of its job candidates, primarily in its consulting services, will be engaged periodically on non-chargeable activities such as training or pre-sale activities, which are expected to benefit the business unit's sales in the long-run, but will result in periods where job candidates are not generating revenue for the business unit.

Types of clients and job candidates

The business unit has a strong focus on training, coaching and evaluating its job candidates and placing them in assignments that develop their skills through experience. We typically recruit young professionals and provide training to them over their years of employment with us as job candidates to develop their financial expertise. The business unit also offers an in-house academy with certifications and qualifications, knowledge and competency frameworks to attract and retain job candidates and to develop them with increasing market value for its clients. For many of the assignments for which our business units' job candidates are eligible, their market value (the bill value we can charge), increases more quickly than the salary requirements (the payment we make to job candidates), which contributes to the bill-pay spread and our Group's profitability.

The service agreements that each of the brands under Redmore enters into with clients will vary from client to client depending on a number of factors including their end-market and staffing needs. Examples of service agreements entered into by each of Redmore's brands are provided below:

Profource provided job candidates to one of our clients, a fast growing independent provider of energy storage. The candidates achieved a global implementation of Oracle Cloud ERP and HCM applications in 12 countries. Profource placed two to seven job candidates and this agreement generated revenue of approximately €3.2 million.

Triple A Risk Finance was selected as a service provider along with a consortium of EY, HCL and others, and our job candidates were used to implement IFRS 17 for the benefit of one of our clients, a major life insurance provider. We placed ten job candidates and this agreement.

Talent&Pro provided a team of job candidates, comprising a mix of junior and senior job candidates, to one of our clients, a European Bank, to fulfill their need for credit advisors for interest only mortgages. Talent&Pro placed 40 job candidates and this agreement is expected to bring in a maximum of €3.1 million in revenue.

ITDS placed job candidates at one of our clients, a major insurance provider, to assist with the migration of insurance policies from another insurance company to our client. Five job candidates were placed and this service agreement brought in revenue of approximately €0.5 million over approximately two years.

Financial performance and other operating metrics

As at March 31, 2019, Redmore had seven offices, with 158 in-house full-time equivalent employees and 1,332 job candidates at work, including 1,154 on our payroll and 178 self-employed freelance job candidates. For the three months ended March 31, 2019, Redmore had revenues of €33.3 million. Nearly all of the business unit's revenue is generated in the Netherlands. Bench time was at 4.3% for secondment job candidates and 3.0% for consulting job candidates during the same period.

Continu

Continu is a specialist in finding white-collar secondment solutions for the engineering and construction markets in our engineering and consulting segment. It is headquartered in the Netherlands, with branches throughout the Netherlands, a branch in Belgium and a branch in Germany that was opened at the beginning of 2019. Continu provides secondment solutions to clients through job candidates who are planners, foremen, superintendents, technical designers, project managers, architects and a wide variety of engineers such as in manufacturing, research and development, and mechanical.

End-markets served and contract framework

The substantial majority of sales revenue from clients comes from SME and intermediate sized enterprises. In terms of end-markets, Continu was a mono-specialist business unit providing secondment services towards the construction end-market, but has been diversifying its services to include the industrial, civil and mechanical engineering end-markets. It has also increased its specialization within the construction end-market through its acquisition of MT&V, which is focused on social housing.

The Continu business unit is primarily engaged on time and material contracts, with a focus on assignments that provide opportunities for temporary placements to lead to permanent positions, or "temp-to-perm". Continu's exposure to bench time is limited due to its use of back-to-back contracts (meaning a contract is entered into between us and the job candidate in connection with a secondment or other staffing assignment with a client for the same duration) and short notice periods towards seconded job candidates. Furthermore, since 2016, Continu has been a member of the Algemene Bond Uitzendondernemeningen (the "**ABU**"), which means the applicable CLA is the ABU CLA. This permits Continu to enter into multiple consecutive temporary contracts within five years with an employee (as opposed to three under provisions applicable to it before joining the ABU) and has also allowed Continu to offer longer duration contracts. See "*Regulation*" for further information. For the year ended December 31, 2018, 90 to 95% of contracts for the brands in Continu's business unit were time and material contracts, with a typical service agreement between Continu and a client being for an average duration of twelve months.

Types of clients and job candidates

Continu's business units provide nationwide coverage through the Netherlands, offering a high degree of specialization through its job candidates. The business unit is recognized among the Group for its best practices with respect to job candidate retention, providing regular touch points with job candidates throughout their candidate journey, starting from first contact through to satisfaction surveys while on assignment, as well as scheduled touch points to recognize and celebrate key events such as signing a contract and the job candidate's birthday.

The service agreements Continu enters into with clients will vary from client to client depending on their end-market and their staffing needs. For instance, Continu provided various job candidates to one of our clients, a multi—product specialist offering a range of engineering components and technical services. These job candidates filled planner, draughtsman, service coordinator and manager roles. Continu placed eight job candidates and this agreement generated approximately €0.2 million in revenue. Continu also placed nine job candidates at one of our clients, a European construction-services business. We also placed nine of our job candidates in engineering and construction roles as well as a sales manager on premises. This engagement brought in approximately €4.8 million in revenue.

Financial performance and other operating metrics

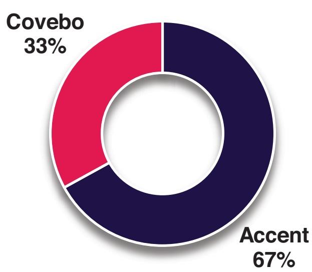
As at March 31, 2019, Continu had 15 branches, with 205 in-house full-time equivalents and 1,612 job candidates at work. For the three months ended March 31, 2019, Continu had revenues of €25.9 million. Nearly all of the business unit's sales revenue is generated in the Netherlands. Due to the open ended contracts and short notice periods possible with Continu's job candidates, bench time is not a primary key performance indicator for this business unit.

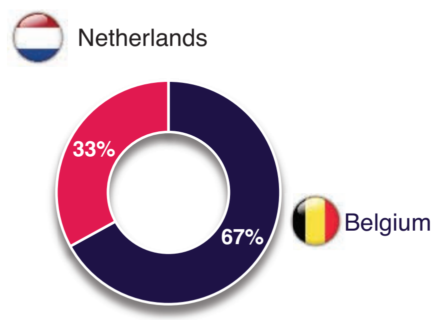
Other Business Units and Sub-Business Units of the Engineering and Consulting Segment

Our engineering and consulting segment also includes the TEC Alliance business unit (which includes TEC and Logi-technic), ibb and AERO (which are engineering and consulting sub-business units of TimePartner which is in the generalized staffing segment), and the Vialegis business unit which provides legal staffing solutions. Sales from the TEC Alliance and Vialegis business units contributed 17.9% and 3.3% of the engineering and consulting segment's revenue for the three months ended March 31, 2019 and the AERO and ibb subunits together contributed for 11.2% of the engineering and consulting segment's revenue for the three months ended March 31, 2019.

Specialized Staffing

Our specialized staffing segment is comprised of our Accent and Covebo business units, with operations in Belgium and the Netherlands, respectively, as well as branches in countries that form part of their international recruiting networks. The specialized staffing segment provides temporary staffing solutions with a focus on "temp-to-perm" placements, international job candidate recruiting and permanent placements for clients who need specific job profiles. The figures below show the split of our specialized staffing segment's sales by brand and by geographic market, respectively, for the year ended December 31, 2018:





Note Figures are calculated on the basis of the business unit accounts for the year ended December 31, 2018. Sales by brand calculated on the basis of business unit accounts. Sales by geographic market primarily allocate revenue from the business units accounts to the primary geographic market of that business unit, though some adjustments for revenue generated in other geographies have been reflected when possible. As a result, the percentage of sales by geographic market will not align with figures provided in our Consolidated Financial Statements.

Our business units in this segment typically provide low-to-medium skilled job candidates who are mostly from technical backgrounds to clients from a diversified group of end-markets, with the greatest concentration of clients typically being from the construction, industry and food end-markets, and a sizeable number coming from the technical and logistics end-markets. The job candidate placements by the business units in this segment are typically short to medium-term.

As at March 31, 2019, our specialized staffing segment served customers through its business units' networks of 324 branches, with 1,556 in-house full-time equivalent employees and 26,282 job candidates at work. The following table shows these and other key financial performance indicators and operating metrics for this segment for and as at the periods indicated:

	Year ended December 31,			Three months ended March 31, 2019	
	2016	2017	2018	2018	2019
	€ in millions, except percentages				
Revenue	573.9	654.1	761.4	169.8	193.8
EBITDA(1)	67.3	62.3	70.0	12.8	20.6
EBITDA margin(2)	11.7%	9.5%	9.2%	7.5%	10.6%

	As at December 31, 2018	As at March 31, 2019
Number of unique clients (year-to-date)(3)	15,538	9,799
Number of branches	314	324
In-house full-time-equivalent employees(4)	1,520	1,556
Job candidates at work(5)	25,084	26,282

(1) As defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

(2) As defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*". Represented here as a percentage of the Group's revenue excluding corporate costs and intragroup eliminations.

(3) The figures presented are year-to-date figures, with December figures representing the year ended December 31, 2018 and the March figures representing the three months ended March 31, 2019. As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

(4) As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

(5) As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

Accent

Accent is a specialized staffing business unit focused exclusively on the Belgian specialty market, with operations in Belgium and offices in Poland, Romania and Portugal for the sourcing of job candidates from its international recruiting network. Accent operates in a competitive and consolidated market where it challenges larger global staffing solutions companies or brands, as well as regional companies or brands.

End-markets served and contract framework

Accent focuses on temp-to-perm contracts, with a focus on different niches, with its branch network divided up into offices which are dedicated to serving a specific type of job candidate profile and client end-markets. Nearly all of the sales revenue from this business unit comes from SMEs or intermediate sized enterprises. In terms of end-markets, Accent provides primarily blue-collar job candidates, of whom approximately 25% are foreign workers, to a wide range of end-markets. During 2017, the three largest end-markets served by Accent's job candidates were the construction, retail and manufacturing end-markets, though our job candidates also served a number of clients in the services and transport markets.

Accent is mostly engaged on time and material contracts, with a focus on "temp-to-perm" assignments. Pursuant to temporary worker legislation in Belgium, Accent is typically able to align its job candidates' contract durations with its clients' contract duration, resulting in no exposure to bench time. See "*Regulation*". For the year ended December 31, 2018, nearly all of Accent's contracts were time and material contracts, with an average duration of 35-45 days. Recently, Accent has also begun to offer search and selection services which are invoiced on a fee basis, which are primarily provided through its Ctrl-F brand.

Types of clients and job candidates

The business unit has a strong focus on developing best practice for candidate and client matching, including through its digital initiatives. Since assignments are typically for a short duration, being able to quickly match a job candidate and client quickly is important.

The nature of the service agreements that Accent enters into with clients will vary from client to client based on their particular needs. For example, Accent organized a job fair in response to a need for electricians by one of our clients, an international industrial and manufacturing company. A number of job candidates were identified at the fair. Ultimately 67 job candidates were placed, and this engagement brought in approximately €1.1 million in revenue in 2018.

Accent also assisted one of our clients, a cleaning company, with its on-going demand to find temporary job candidates and then hire them as permanent employees. Most employees at the client are sourced through Accent. We placed 28 job candidates and this agreement brought in approximately €353,000 in revenue in 2018.

Financial performance and other operating metrics

As at March 31, 2019, Accent had 290 branches, which branches reflect teams dedicated to specific specialty job candidates and client end-markets and 19,705 job candidates at work. For the three months ended March 31, 2019, Accent had revenue of €125.6 million. Nearly all of the business unit's sales revenue is generated in Belgium.

Covebo

Covebo is a blue-collar specialized staffing business unit. It is focused on the Dutch specialty blue-collar staffing market, with operations in the Netherlands, as well as its branches in Spain, Poland and Romania, which are part of its international recruiting network. It also has a cooperative agreement with our Zaquensis business unit in Germany under which Zaquensis covers the payroll of Covebo's job candidates on assignment with clients in Germany.

End-markets served and contract framework

Covebo focuses on temporary staffing for two primary end-markets: (1) construction and technical, including technical, construction and infrastructure jobs; and (2) production and logistics, including food, logistics and industry jobs. Nearly all of the sales revenue from this business unit comes from SMEs or intermediate sized enterprises. Covebo provides blue-collar job candidates to its clients, of which typically approximately 70% are foreign workers. During 2017, the most frequent end-markets served by Covebo's job candidates were the food production, logistics, engineering and construction and infrastructure end-markets.

Nearly all of Covebo's contracts are typically flexible contracts, meaning that Covebo is not obligated to pay any temporary job candidate not engaged in billable work for up to the first 78 weeks (depending on the employment agreement entered into with such job candidate), with discretionary temporary employment agreements permitted to be entered into (with up to a maximum of six employment agreements) over the next four years thereafter. Covebo's exposure to bench time is thus limited due to the regulatory framework and their ability to use of flexible contracts with job candidates. For the year ended December 31, 2018, the substantial majority of Covebo's service agreements with clients were time and material contracts, with an average of five job candidates per client, with an average duration of approximately 40 weeks.

Types of clients and job candidates

Covebo was one of the first dedicated blue-collar foreign recruiting based staffing companies in the Netherlands. It offers a full-service foreign recruiting process for job candidates and clients by facilitating and organizing housing, transportation and insurance (including health insurance) and offering social guidance and support. In 2018, Covebo launched an in-house education program to support its full-service proposition which offers foreign job candidates education on Dutch tools, materials and ways of working. The program trains and tests candidates on various skills such as masonry, plumbing, electrics and painting. It also facilitates quick onboarding since job candidates have been assessed as part of the training program and familiarized with customer-specific standards.

Financial performance and other operating metrics
As at March 31, 2019, Covebo had 4,513 beds for job candidates, 605 cars for foreign temps and 3,831 health insurance policies for its foreign temporary job candidates and 122 job candidates had been trained for the three months ended March 31, 2019.

As at March 31, 2019, Covebo had 34 branches, 11 international recruiting offices and over 6,577 job candidates at work. For the three months ended March 31, 2019, Covebo had revenue of €68.2 million. Nearly all of the business unit's sales revenue is generated in the Netherlands.

General Staffing

Our general staffing segment is comprised of our TimePartner and Zaquensis business units (with the exception of the sub-business units in TimePartner that are part of our engineering and consulting segment). TimePartner and Zaquensis provide staffing solutions in Germany, which together we estimate are among the top three staffing solutions by sales for blue-collar workers in Germany, and have expanding international recruiting networks. The general staffing segment provides mostly short-term staffing solutions to larger clients which have multiple staffing needs. The staffing is often provided to help clients manage seasonal peaks, vacation time or temporary leaves of absence. This segment provides staffing both with and without on-site management.

The figures below show the split of our general staffing segment's revenue by brand and by geographic market, respectively, for the year ended December 31, 2018:

Note Figures are calculated on the basis of the business unit accounts for the year ended December 31, 2018. Sales by brand calculated on the basis of business unit accounts. Sales by geographic market primarily allocate revenue from the business units accounts to the primary geographic market of that business unit, though some adjustments for revenue generated in other geographies have been reflected when possible. As a result, the percentage of sales by geographic market will not align with figures provided in our Consolidated Financial Statements.

(1) ibb and AERO are part of the TimePartner business unit and revenue on a business unit basis includes these figures; however, revenue from these subunits are accounted for as part of our engineering and consulting segment.

End-markets served and contract framework
Our business units in this segment typically provide low- to medium-skilled job candidates who are from general backgrounds to clients from a diversified group of end-markets, with the greatest concentration of clients typically being from the industry, logistics, construction, aviation, food and automotive end-markets. The job candidate placements by the business units in this segment are typically short to medium-term (with a maximum duration of 18 months).

Types of clients and job candidates
In our general staffing segment, clients particularly value: the ability to place job candidates quickly (particularly for short-term staffing needs), quality candidate pools, assistance and peace of mind regarding our ability to help them comply with and navigate complicated regulatory and compliance landscapes, and good value for money. Our job candidates in our general staffing segment are often looking for an HR staffing company that can find them a

job quickly, treat them well, provide opportunities for clients to take them on as permanent employees and have a good pool of local job opportunities. Our general staffing segment facilitates these interests from clients and job candidates by having good industry knowledge in the markets that we serve, making decisions quickly, having a quality pool of candidates available (and working with our international recruiting network, where needed, to ensure we can help staff shortages) and job candidates for management positions with good experience and skills.

The service agreements we enter into with clients will vary from client to client based on their end-market and staffing needs. For example, TimePartner provided blue-collar low skilled job candidates as well as skilled job candidates to one of our clients, a market leading manufacturer of semi-trailers, trailers and truck bodies. We brought in approximately €10 million in revenue through this service agreement. We also benefit from long-term relationships with clients, for example, TimePartner also provided white collar engineers and office staff to fulfill the needs of one of our clients, a leading aeronautics company. This long-term customer relationship brought approximately €47 million in revenue during 2018.

Financial performance and Other operating metrics

The key profitability drivers for our general staffing segment are the number of hours worked by our job candidates, our market penetration, the temporary staffing market (which is impacted by the number of local branches we have) and the billing rates that can be achieved. Furthermore, our general staffing business units in particular have been impacted by changes and reforms in Germany's temporary staffing laws and regulations which have resulted in changes that have increased and decreased market demand for our services. See "*Regulation—Germany*" and "*Risk Factors—We are subject to extensive laws and regulations which may adversely affect our ability to conduct our business and may reduce our future earnings*" for further information.

As at March 31, 2019, our general staffing segment served customers through its business units' networks of 148 branches, with 591 in-house full-time equivalent employees and 10,818 job candidates at work. The following table shows these and other key financial performance indicators and operating metrics for this segment for and as at the periods indicated:

	Year ended December 31,			Three Months Ended March 31, 2019	
	2016	**2017**	**2018**	**2018**	**2019**
	€ in millions, except percentages				
Revenue	16.3	244.5	332.8	74.2	79.3
EBITDA(1)	1.5	21.3	25.0	5.4	3.6
EBITDA margin(2)	9.2%	8.7%	7.5%	7.3%	4.5%

	As at December 31, 2018	As at March 31, 2019
Number of unique clients (year-to-date)(3)	4,475	2,544
Number of branches	146	148
In-house full-time-equivalent employees(4)	583	591
Job candidates at work(5)	12,273	10,818

(1) As defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

(2) As defined in "*Presentation of Financial and other Information—Other Financial Measures and Ratios*".

Represented here as a percentage of the Group's revenue excluding corporate costs and intragroup eliminations.

(3) The figures presented are year-to-date figures, with December figures representing the year ended December 31, 2018 and the March figures representing the three months ended March 31, 2019. As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

(4) As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

(5) As defined in "*Presentation of Financial and other Information—Non-Financial Operating Data*".

Digital Initiatives

We develop digital initiatives with a dual purpose: to support growth initiatives for our operations by enabling us to reach additional job candidates or serve new end-markets, and to introduce cost efficiencies to our processes to remain competitive against technological developments. By producing tools for our business units to meet business needs where no applicable tool exists, we aim to disrupt the existing staffing market and to expand our market share by developing new solutions or end-markets. Our digital initiatives are typically not directly revenue generating, but instead indirectly contribute to revenue generation by assisting us with identifying additional job candidates or matching them with clients. Alternatively, they help us reduce our expenses by automating or introducing other time efficiencies into certain time-intensive aspects of the recruiting lifecycle. Once a digital initiative has been developed and tested, it is typically launched by one of our business units. Any revenue generated by the digital initiative, whether directly or indirectly, would be accounted for as part of the revenue of the staffing unit to which the business unit belongs.

Our central unit development team is responsible for most of our digital initiatives and we strive to keep the team lean and operationally independent, which we believe promotes an entrepreneurial, startup-like culture within the team. We have in the past and expect in the future to use acquisitions as another means of acquire additional digital technologies that will complement our digital initiatives strategy. Currently we are developing three technology stacks central to our digital initiatives strategy: (1) mobile technology, (2) chatbot technology and (3) matching technology, including through AI technologies.

Mobile technology

Our Group is strategically committed to mobile-based recruiting solutions to reach a larger pool of potential candidates and increase user engagement. We have several live projects, including the following mobile apps:

- ***SWOP:*** Inspired by Tinder, SWOP provides a mobile platform for job candidates to "swipe right" to indicate interest on job opportunities they wish to pursue. SWOP was downloaded 24,878 times in 2018 and has enabled the placement of more than 110 job candidates per month.
- ***NOWJOBS:*** NOWJOBS is a mobile platform aimed at reaching student job candidates, historically a difficult market to serve due to low margins. By implementing a mobile, app-based platform, NOWJOBS has matched over 6,000 active companies with more than 100,000 job candidates on a low cost basis for our Accent business unit.
- ***GIGHOUSE:*** GIGHOUSE is a mobile app designed to reach freelance or independent job candidates and match them with clients. We add value by screening the freelance or independent job candidates to check their qualifications and experience to provide a narrower pool of suitable options for clients.
- ***FYGI:*** FYGI is a mobile platform that connects freelance recruiters to Covebo's staffing network and job candidate pool on a commission basis. FYGI focuses on providing freelance recruiters access to a larger pool of potential job candidates than they would independently be able to access in order to fill permanent positions.

Additionally, we have a full team dedicated to creating a Group framework for each business unit to develop tailored mobile solutions for its end-markets.

Chatbot technology

Through our recent investment in Happy Recruiter, we have developed Dora, an AI-enabled chatbot that can recruit job candidates on Facebook by automatically searching and interviewing candidates with no human intervention. Dora has been launched in 26 countries and had screened over 200,000 job candidates as at March 31, 2019. This technology helps find passive job candidates and create efficiencies in the screening process by automatically screening and narrowing the pool of job candidates that would be suitable for our services.

Matching technology

Matching candidates to open positions is a critical component to our business and we are developing solutions to optimize the matching processes using data analysis and AI. Such matching technology projects focus on improving the quality of the data, including by encouraging individuals to update their information directly on our platforms. Additionally, we are developing and experimenting with AI-enabled speech-to-text tools, including Hi Accent, a mobile app that enables job candidates to speak directly with Google Assistant (for instance via smartphone or Google Home) to engage in a job search. By converting the job candidate's speech into text on such platforms, we are able to develop and test methods to automatically detect job candidates' skills, interests and personality traits, which we can then match to appropriate job opportunities. These initiatives aim to increase the quality and efficiency of matching and to identify skill set needs in order to develop appropriate training.

M&A Process and Criteria

M&A has been a key strategic pillar to strengthen our Group, reinforce our market positions, enter new market segments and countries, achieve above market growth and profitability and reinforce the offerings of our business units. Between 2015 and 2017, we added the Abylsen, Covebo, Continu, TimePartner, Vialegis and Redmore business units to the Group, acquired a stake in Zaquensis and merged Human Capital Group SA with Logic-Technic to create our minority stake in the TEC Alliance Group. Since that time, we obtained control over the Zaquensis Group and the TEC Alliance Group and focused on bolt-on acquisitions to enhance the platforms of our existing business units. See "*—History*" and "*—Our Strategy—Target accretive acquisition opportunities to achieve European leadership*" for further information about our history and our current M&A strategy, respectively.

We have built and follow a structured process to assess M&A opportunities, from deal sourcing to support for newly acquired companies, which are supported by our in-house capabilities. We also believe our approach to M&A has created an attractive value proposition for company owners at target companies and contributed to our success in closing M&A opportunities that we identify.

Our typical selection criteria, M&A assessment and integration process, value proposition and our current M&A activity, are described further below.

Selection criteria

We use an initial set of criteria to identify targets. These criteria examine the historic growth, geographic location, staffing segments, growth and margin prospects, end-market specialization and cultural fit to investigate M&A opportunities. Targets that are determined not to fit the selection criteria are eliminated from consideration.

Our criteria include:

- ***Geographic location:*** We look for targets in countries that have a high salary level, high staffing penetration and a stable regulatory environment. Our current key areas of focus include countries where we are already present, particularly Germany, France, the Netherlands, Belgium and Switzerland, as well as new geographic or other development areas, including Austria, the Nordic countries and targets in other countries where the target offers digital technology that complements our strategy.
- ***Staffing segment:*** We look for targets in our three staffing segments, engineering and consulting, specialized staffing and general staffing, though for general staffing the focus is limited to bolt-on acquisitions to support our existing operations in Germany. By

targeting the same staffing segments as our business units, we can reinforce their expertise areas or geographic coverage through bolt-on acquisitions.

- ***Growth and margin prospects:*** We seek targets where we see above-market growth and margin prospects. To that end, we look for targets (1) offering specialist services, focusing on attractive specialties, which we believe drives higher price points for services (see "—*End-market Specialization*" below), (2) having competitive positioning with a high relative market share and demonstrated track record and experience and (3) displaying operational excellence with well-structured commercial processes, lean cost structures and entrepreneurial ability.
- ***End-market specialization:*** We look for targets that are staffing end-markets with significant levels of job shortages. Currently, the core end-markets we believe face such shortages include engineering, financial services, IT, pharmaceuticals and healthcare. Furthermore, our current operations in Belgium, Germany and the Netherlands provide HR solutions that meet most of the top critical job shortages in those markets. In terms of specializations that we currently do not have, in Belgium and the Netherlands we have identified nursing and healthcare, respectively, as specializations to develop to fill our specialization gaps in meeting the critical job shortages in those geographic markets and acquisitions may be one way to move into these end-market specializations. We also consider opportunistic acquisitions of targets that do not serve these end-markets, but which show high growth and margin prospects.
- ***Cultural fit:*** We look for targets that have like-minded management teams. Since our Group operates in a people business, finding targets that are a good cultural fit is critical.

M&A assessment and integration process

Our structured process helps us identify opportunities, investigate and assess the targets that meet our selection criteria and support the target company once it has been acquired. Three levels of our organization are involved in deal sourcing: our central Group; our business units; and our shareholders. Each level evaluates opportunities through the rubric of our selection criteria. Opportunities identified which meet the selection criteria are considered by our investment committee and an opportunities file is maintained. Our investment committee includes representatives from each of the three constituencies (our central Group, our operating companies, our sponsor, Naxicap, and other shareholders with greater than 1% of voting rights). To further assess an opportunity that meets our selection criteria and undertake due diligence, we typically sign a non-binding letter of intent and then undertake due diligence on the target and prepare a short file that summarizes our assessment of the target company, its market and its key financial and other metrics. The investment committee will evaluate the opportunities and, if recommended, they are presented to our Board for a go/no go decision. Opportunities may be approved or rejected, or the Board may recommend that more time be taken for further assessment. If approved, we will submit a binding offer and determine which entity in the Group will acquire the target. Typically for deals that are closely related to one of our business units, the acquisition will be undertaken by that business unit, with deals less closely related or very large being acquired at the central Group level. The assessment process from initial sourcing to closing takes an average of six to nine months to complete.

Once a deal closes, our central support team assists acquired companies. The central team provides performance support by sharing best practices, financial guidelines and reporting templates and assists with regulatory compliance issues. The time required to integrate the target into our Group varies depending on the size of the target, but typically takes six to nine months from closing. Financial integration is prioritized and is typically completed within 90 days of closing.

Our value proposition for target company owners

We believe our approach to M&A has created an attractive value proposition for company owners at target companies which have contributed to our M&A track record, with greater than 64% of our binding offers from January 1, 2016 through March 31, 2019 being accepted and closed. We believe four aspects of our M&A approach contribute to our appeal to targets and our track record at closing transactions where we have submitted a binding offer:

- ***Financial incentives:*** Historically, we have often acquired only a stake in the target company, which allowed target owners to retain an ownership interest in the target once it became one of our business units (if acquired as a new platform). However, in connection with our 2018 legal reorganization, we modified our M&A approach and introduced tracking shares whose performance is tied to a business unit or other operating company. We may also grant our ordinary shares to align incentives with the performance of our Group as a whole. This equity type of ownership allows us to continue to align the incentives of those at the business unit level with both the performance of our Group and their individual business unit.
- ***Operational freedom:*** For platform acquisitions that are broadening our base of services offered, we typically offer target companies the option of retaining their full autonomy at the level of their entities operations. We also typically preserve the brand identity of the acquired companies, which are not consumed into the House of HR brand or the brand of any business unit. Bolt-on acquisitions may retain less operational autonomy, depending on the nature of the acquisition and how it is integrated into our Group, but we also typically preserve their identity and branding.
- ***Support on critical issues:*** Companies joining the Group benefit from support on complex regulatory and compliance topics from our central teams. They are also provided with access to our foreign staffing recruiting network and experience, our digital platforms (though they may require adaptation and implementation for their local markets) and the possibility of accessing our credit lines at a Group level.
- ***Our reputation:*** We are a leading company for specialized HR solutions with a strong Organic Growth track record and a reputation for operational excellence. We also have a track record of successful acquisitions.

Current M&A activity

We have currently submitted one binding offer for the Walesa Acquisition and a number of non-binding initial offers and/or entered into negotiations under non-disclosure agreements with a number of potential targets located in France, the Netherlands, Belgium, Germany, or in other geographies that relate to our digital initiatives strategy. These targets were identified and selected in line with our selection criteria and our M&A strategy. See "*Summary—Acquisitions*."

Property

We have properties located strategically across the markets in which we operate. As at March 31, 2019, we had 789 property leases, which includes our headquarters, our business units' branch office networks in the host countries we serve, and our international recruiting network's recruiting offices where we source foreign job candidates, as well as over 200 leases for housing that we provide to certain in-house employees or job candidates. The location and breadth of our business units' branch networks vary by business unit and geographic location, but generally support our candidate recruiting and client-facing services.

Our Group's headquarters is located in Roeselare, Belgium (the "**Headquarters**"). The property at our Headquarters has three components: (1) the land on which the office buildings are located; (2) the land on which the parking lot is located; and (3) the office buildings built on the land. We have a 50% ownership interest over both the land for the office buildings and the land for the parking lots. The other owner of such land is Pro-Serve Software en Advies BVBA ("**Pro-Serve**"). With respect to the office buildings built on our land, the builder of our office building, Fortis Lease NV ("**Fortis**"), owns the building right to the building and we lease it from Fortis, along with other lessees. At the end of the building right period on April 1, 2030, ownership of the building will pass to ourselves and Pro-Serve without any additional expense.

See also "*Related Party Transactions*".

Employees

The breakdown of our annual average of full-time equivalent employees (which includes job candidates at work) on a segmental basis and at the Group level as at the periods indicated was as follows:

	December 31, 2018	March 31, 2019
Engineering and Consulting	7,282	7,245
Specialty Staffing	26,604	27,838
General Staffing	12,856	11,409
Central	15	17
Group Total	**46,757**	**46,509**

Employee compensation

Up to 50% of the total compensation of our business unit managers, branch managers, sales consultants, and recruitment consultants is variable and linked to performance:

- ***Business unit management:*** The performance targets for business unit managers are generally tied to business unit level KPIs, such as business unit EBITDA, EBITDA growth, new clients, people at work and productivity. Additionally, managers at the business unit level are often entitled to participate in equity compensation schemes at the Group level, which links their compensation to the performance of the Group as a whole.
- ***Branch managers:*** The performance targets for branch managers are generally tied to branch level KPIs, such as new clients, people at work and productivity. Branch managers are compensated with bonus cash incentives, and successful achievement of KPI targets often impacts promotion decisions.
- ***Sales consultants:*** The performance targets for sales consultants are generally tied to individual sales KPIs, such as the number of daily sales, customer calls, customer visits, customer offers, prospects offers, new customers, and total active customers. Sales consultants are compensated with bonus cash incentives, and successful achievement of KPI targets often impacts promotion decisions. Additionally, top performing sales consultants may have the opportunity to open new branches.
- ***Recruitment consultants:*** The performance targets for recruitment consultants are generally tied to individual recruiting KPIs, such as the number of candidate calls, candidate interviews, and successful placements. Recruitment consultants are compensated with bonus cash incentives, and successful achievement of KPI targets often impacts promotion decisions. Additionally, the top performing recruitment consultants may have the opportunity to open new branches.

Additionally, managers at the Group level receive substantial performance-based compensation. See "*Summary—Our Strengths—Committed central management with an entrepreneurial focus and a long term incentive culture*" for more information.

We believe that our emphasis on performance-based compensation contributes to an entrepreneurial culture throughout the Group and aligns the incentives of our business unit-level employees with that of the central Group.

Intellectual Property and Brands

We use a variety of trade names, trademarks (including for word, figurative and combined marks) and domain names in our business. Due to the Group's acquisition history and organizational approach, the Group's intellectual property portfolio is mainly held, maintained and monitored by our business units or their subsidiary undertakings at the local level. The Group's intellectual property portfolio includes trademarks and domain names primarily registered in Benelux and the EU, as well as other registrations to cover certain other local jurisdictions where one of our business units or its subsidiary undertakings operate. We do not market our services under a House of HR brand but, instead our business units have their own brands which are used to market their specialized services. As a result, the most important trademarks and domain registrations to our business are those associated with the brand names of our business units:

- ***Abylsen***, which uses the Abylsen, Pharmacos, Belgatech and PI brands;
- ***Accent***, which uses the Accent Jobs, Accent Construct and Ctrl-F brands;
- ***Continu***, which uses the Continu, MT&V and Hartd. brands;
- ***Covebo***, which uses the Covebo, VNOM and Effect brands;
- ***Redmore***, which uses the Talent&Pro, Triple A Risk Finance, Profource and ITDS brands;
- ***TimePartner***, which uses the TimePartner, ibb and AERO HighProfessionals brands;
- ***Tec***, which uses the Tec, TecProjects, Advitek and Logi-technic brands;
- ***Vialegis***, which uses the Vialegis, Iterlegis and Schollmeyer & Steidl brands; and
- ***Zaquensis***, which uses the ZAQUENSIS brand.

In addition, certain of our business units use proprietary software applications which have been developed or acquired by us. We rely on a combination of trade secrets, copyrights and trademarks, as well as contractual protections, to establish and protect our intellectual property rights and our proprietary technology within such applications. While none of these applications is currently material to our business, we expect that they will become more important to our operations as our digital initiatives grow and become more embedded into our HR solutions.

See "*Risk Factors—Our business may suffer if we cannot continue to license or enforce the intellectual property rights on which our business depends or if we are subject to claims of intellectual property infringement*".

Marketing, Communication and Digital

Our marketing teams operate on both the Group and local business unit level. Our Group's marketing efforts are led by our Group's chief marketing officer. Each of our business units typically has its own chief executive officer and/or marketing manager lead its local marketing initiatives. The role of our Group chief marketing officer is to facilitate the two-way exchange of information and best practices. Our Group chief marketing officer is also responsible for guiding and training our local business units and for integrating the Group's experience in digital recruiting strategies into the practices of our business units. Moreover, the Group chief marketing officer oversees press and public relations on a Group level and the development of thought leadership strategies.

Our marketing teams primary focus is to efficiently attract new job candidates and clients for our business units. Each of our local business units also focuses on building brand awareness of its particular service offering. We apply a four-channel approach to marketing:

- ***Our Own Websites:*** Our business units' and sub-units' own websites are a key aspect of our marketing strategy. We use them to attract active jobseekers. Our Group marketing team provides trainings on search engine optimization to enhance our ability to use the websites for marketing and sourcing job candidates and clients.
- ***Commercial Jobsites:*** We also make use of commercial jobsites, including generalist sites, niche sites, aggregators or Google for Jobs, to locate client opportunities for our job candidates, but have become less reliant on them over time as we have developed our own search engine optimization capabilities and digital initiatives.
- ***Social Media:*** We believe that social media is an important channel to reach out and source passive jobseekers. LinkedIn, Facebook and Instagram are core advertising platforms in our recruiting and targeted advertising strategy. On Accent's Facebook pages we had 52,622 likes as at June 2019, which was two times more likes than those on Randstad, USG People or Adecco's Facebook pages.
- ***Digital Innovation:*** Our digital innovation initiatives have produced tools for our business units to fill business needs where no applicable tool exists. We have developed apps such as SWOP, NOWJOBS, FYGI and Hi Accent that have facilitated the efficient sourcing and matching of job candidates to clients. We believe that these tools give our Group a competitive edge and help to future-proof our recruiting strategy. See "*—Our Service Offering—Three Staffing Segments and Digital—Digital Initiatives*" for further information.

We seek to maximize our total return on marketing spend by frequently analyzing and adjusting our budget and chosen advertising channels to those that are most effective.

Information Technology and Innovation

Our Group's IT budget for the year ended December 31, 2019 is approximately €24 million, which covers both operating expenses and capital expenditure for IT. Our IT expenditure has increased in recent years in connection with our digital initiatives strategy and the growing size of our operations, though our level of IT expenditure is still below the industry average for the professional services sector, which we believe is due to our lower expenses for the development of technology as a result of our in-house resources as well as the ability of our business units to use a number of off-the-shelf IT solutions. Furthermore, since our job candidates typically use our clients' systems when they are on assignment, our IT systems are largely for the benefit of our in-house employees.

Among our business units, the Accent business unit has the largest concentration of the Group's IT assets and employees, in large part due to Accent's historical role as the original member of our Group and its development team for the MyTools application, a proprietary ERP platform that executes a wide range of functionalities supporting Accent's business operations. Additionally, Accent's IT staff also supports services and applications that Accent provides to other business units in our Group. With respect to our other business units, Covebo also employs an internal IT team, with the remaining business units largely relying on external IT service providers for their IT needs. These and other third parties that we use typically work alongside our business units or other Group entities under service level agreements, with appropriate relationship management.

Our IT infrastructure is built around a focus on operating KPIs with systems at our business units largely relying on off-the-shelf products and systems.

Our Group's IT platform is organized around three pillars: data security and privacy; integration; and innovation. A description of each of these pillars is provided below:

- ***Data security and privacy*** encompasses all processes and initiatives aimed at ensuring the security of our Group's IT infrastructure, the prevention of the loss of sensitive or private data and relevant regulatory compliance.
- ***Integration*** encompasses all efficiency and cost-related initiatives, including identifying Group-wide best practices and common infrastructure, software platforms and processes.
- ***Innovation*** encompasses the development of new technology and markets for the Group.

Data Security and Privacy

We operate in countries with numerous data security and privacy laws. Our IT systems and processes are critical to our business operations and strategy, and it is therefore imperative that we maintain policies and procedures to comply with such laws, such as the GDPR. Our Group's IT professionals implement systems and practices to protect against the loss of sensitive or confidential information, for example through running penetration and vulnerability testing on a periodic basis. Additionally, our Group's IT professionals run awareness campaigns aimed at embedding protection and security of information into our operational business culture.

Integration

Our Group has undertaken several integration initiatives aimed at driving synergies across business units and their constituent entities and creating efficiencies from economies of scale. We also maintain a set of IT guidelines that relies on a mandatory/recommended/allowed ("**MRA**") framework, which enables operational flexibility for our business units while maintaining commonality across the Group where critical. Under the MRA process, our IT managers discuss and identify a list of mandatory, recommended and allowed applications, processes and technologies on a Group-wide basis. Mandatory items include, for instance, a common email platform, a disaster recovery plan and security-related software, such as password vault and spam and phishing protection. This MRA process aims to lower operational costs, improve price negotiation positions, enhance the IT support available across our Group and facilitate synergies across business units. It also assists our business units with staying attuned to modern applications and software advancements.

Our mandatory MRA guidelines require that each of our business units use at a minimum a Tier 3 data center (which is a data center that provides redundancy, dual-powered servers, network links and other IT components), with a strong recommendation to host our servers in the cloud. Our business units' data centers and backup are provided by several different providers, with a number of our business units and the central Group using Proximus data centers located in Evere and Machelen, Belgium. An IT objective is to consolidate our data centers on the cloud for the entire Group. Migration to the cloud by our Belgium data centers is on-going and full migration of production servers towards Azure is planned by the end of 2019.

Innovation

We continue to improve and innovate our IT platforms, both within business units and across the Group. We have one central unit for the Group which centralizes our digital expertise and competence. This central unit focuses on how to digitize and deploy artificial intelligence ("**AI**") in our core business and experiments with new technologies. See *"—Our Service Offering—Three Staffing Segments and Digital—Digital Initiatives*" for further information.

Insurance

The principal risks that we insure against are directors' and officers' liability, cyber, general third party liability, general professional liability, employers' liability, workers' compensation, motor third party liability, property damage and business interruption, with Accent, Covebo, TimePartner and Zaquensis also holding credit insurance to protect their accounts receivables. Our directors' and officers' liability and cyber insurance policies are centrally negotiated Group-wide policies, with the remainder being standalone policies taken out entity by entity, except for the credit insurance coverage which is limited to the entities noted above.

We are currently in the process of further consolidating our insurance programs on a Group-wide basis and have identified credit, general liability and property insurance policies as the initial policies to consolidate in the near-term. We believe these insurance consolidation initiatives will optimize our insurance coverage. We maintain insurance in such amounts and with such coverage and deductibles as we believe are adequate to cover the major risks of our business. We cannot, however, assure you that all losses and liabilities that we may incur would be recoverable. See also "*Risk Factors—Our insurance policies may not be adequate to cover all the risks we face and, if we are no longer covered by our existing insurance, it may be difficult to obtain replacement insurance on acceptable terms or at all*".

Internal Audit and Risk Management

We have developed an enterprise risk management and internal audit framework that is able to assess and mitigate risks and offer value-added auditing by optimizing systems, processes and efficiencies. We have established a Group audit committee, whose role is to assist the Board in fulfilling its oversight responsibilities for financial reporting, internal controls, auditing and legal and regulatory compliance. We have a governance and control charter signed by all business units in our Group, and have implemented conflicts of interest management as well as critical incident policies and procedures at the Group level. Additionally, we utilize an external and independent auditor, Ernst & Young, to execute a yearly audit plan that reviews the effectiveness of our internal controls and risk management policies and procedures.

Legal Proceedings

At any given time, we may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of our business. We do not expect any liability arising from any of our current legal proceedings to have a material impact on our results of operations, liquidity, capital resources or financial position.

Regulation

Overview

The European staffing solutions industry is regulated. The applicable laws and regulations vary for each country. Staffing solutions providers are generally subject to one or more of the following types of government regulation:

- regulation of the relationship between a staffing solutions provider and its job candidates;
- regulation of the relationship between a staffing solutions provider and its clients;
- registration, licensing, record keeping and reporting requirements;
- substantive limitations on the provider's operations; and
- health and safety regulations.

In most of the jurisdictions in which we operate, including Belgium, the Netherlands, France and Germany, staffing solutions providers are considered the legal employers of their temporary employees. In other jurisdictions, staffing solutions providers are not considered the direct legal employers of temporary employees, but they still have the legal responsibility to collect taxes and social security deductions and transmit such amounts to taxation authorities. Below we describe certain features of the relevant laws and regulations that apply in each of the countries in which we have significant operations.

In addition to applicable national laws and regulations, Directive 2008/104/EC of the European Parliament and of the Council of November 19, 2008 on temporary agency work (the "**Temporary Agency Work Directive**") also regulates temporary agency work at the level of the European Union. The aim of the Temporary Agency Work Directive is notably to lay down a principle of non-discrimination and equal treatment for job candidates in relation to the employees of the client as a general rule. It also sets clear limits to prohibitions and restrictions that may be imposed on the use of temporary agency work, while also setting common minimum standards for temporary agency work in the EU. The Temporary Agency Work Directive stipulates that basic working and employment conditions of job candidates shall be, for the duration of their assignment at a client, at least those that would apply if they had been recruited directly by the client to hold the same position. The Temporary Agency Work Directive allows member states to make exceptions to this principle of non-discrimination in the cases of job candidates assigned on the basis of a permanent agreement and who continue to be paid in the time between assignments, and collective agreements and assignments derogating from the principle while respecting the overall protection of temporary agency workers. The Temporary Agency Work Directive has been transposed in national laws of the EU Member States.

Belgium

In Belgium, secondment of staff is prohibited, except in specific cases provided by law. Secondment of staff is defined as the situation in which the employer "lends out" its employees to a third party, using the services of these employees and exercising part of an employer's authority over the staffing solutions provider's employees by giving them instructions. Exceptions to this general prohibition include temporary staffing (also called "temporary agency work"), temporary outsourcing of employees and self-employed workers (sometimes also called "consulting" or "secondment staffing"), instructions relating to health and safety issues and clear instructions that form part of the services agreement. These limited exceptions are considered as authorized secondment of staff.

In the case of temporary staffing, a job candidate (the employee, also called "interim worker") is hired by a staffing services provider (the employer) with the intention of being put at the disposal of a client of such staffing services provider. The staffing solutions provider remains the sole legal employer, while transferring the exercise of the actual employer's authority to the client during the temporary assignment (i.e. the client will give instructions to the job candidate with regard to the work to be carried out). Conditions to the recruiting of job candidates for the purpose of putting them at the disposal of a client are strictly defined and the working conditions of such job candidates are required by law to be similar to the working conditions of the permanent employees of the client executing the same job. Temporary staffing is mainly regulated by the Act of July 24, 1987 on Temporary Work, Interim Work and Secondment of Employees to Users (as amended) (the "**Act on Temporary Work**"), which implements the Temporary Agency Work Directive. Specific rules on temporary staffing apply in some sectors, such as the construction sector.

Primary Regulatory Framework

There are four situations in which temporary staffing is authorized: (i) as a replacement for a permanent worker; (ii) during temporary and exceptional peaks of work; (iii) execution of unusual work; and (iv) in order to employ the job candidate as a permanent worker (*insertion professionnelle/instroom*). Temporary staffing is prohibited when the client wants to replace a worker during a period of unemployment for economic reasons, technical reasons or reasons relating to inclement weather conditions which render the performance of work impossible, such as flooding, as well as during periods of strike or lockouts (for example, a company can never hire job candidates to replace employees who are on strike or lockout).

Permits or other authorizations

In order to engage in temporary staffing, a staffing services provider is required to obtain and maintain mandatory permits from each relevant regional authority within Belgium, which may have different eligibility requirements and conditions. A staffing services provider must obtain a permit from each region in which it wants to operate, even if its registered office is located in a different region in Belgium. Each region also has specific rules to allow, under certain conditions, a staffing services provider which already has a certification in one of the three regions of Belgium and wants to extend its activity nationally, to automatically get the same permit in the other regions. Permits are generally given for a fixed period and can be renewed.

Contractual framework

The employment of a temporary employee at a client requires the conclusion of two agreements before the job candidate starts work for the client: a commercial agreement between the staffing services provider and the client; and an employment agreement between the staffing services provider and the temporary employee. These agreements must be in writing and must, at a minimum, contain certain mandatory terms. The part of the agreement between the staffing services provider and the client containing such mandatory terms must be disclosed in writing, before the start of the temporary employment, to the temporary employee.

The maximum duration of the temporary staffing and the applicable procedure to follow both vary according to the applicable scenario.

Employment terms and compensation

The compensation of a job candidate may not be less than the compensation to which such job candidate would have been entitled had such job candidate been a regular permanent employee of the client. During the period of temporary agency work, the job candidate has the same rights as permanent employees with respect to access to the infrastructure and services of the client, unless different treatment is objectively reasonable. Furthermore, the rules on working time that apply to the client also apply to the job candidate, unless a specific exception is provided.

Termination

In general, if a staffing solutions provider wishes to terminate a fixed term employment agreement or an employment agreement for a clearly defined assignment before the end of its term, it must pay the dismissed interim worker termination compensation equal to the amount of salary due until the end of the agreement. The amount of termination compensation due in such case however cannot exceed an amount corresponding to two times the termination compensation that would have been due if the employment agreement had been concluded for an indefinite period of time. This termination compensation is not due for termination of an assignment by a client, provided that the staffing solutions provider redeploys the job candidate to another client for the remaining period of the employment agreement under identical working conditions and with an identical salary. For employment agreements entered into to replace a permanent worker, the termination compensation due to the dismissed job candidate in the event of a termination by the staffing solutions provider is equal to three months' salary. This termination compensation is not due if the termination is by the client, and provided that the staffing solutions provider redeploys the dismissed job candidate to another client for three months under identical working conditions and with an identical salary.

Liability for damages
Under Belgian law, the client may be liable to a third party for damage suffered by such third party caused by a fault of the temporary employee in the course of performing his activities for the client.

Fines, penalties and other enforcements
Civil, administrative and/or criminal penalties may be imposed in case of a breach of the prohibition of secondment, including breach of the abovementioned conditions to conduct temporary staffing activities:

- potential nullity of the employment agreement between the employee and employer (or the staffing solutions provider);
- the client and the job candidate are deemed to have entered into an employment agreement for an indefinite duration. The job candidate concerned is however able to end this indefinite contract at any time, without notice and without paying the client or the actual employer any compensation;
- the staffing solutions provider and the client are jointly liable for the payment of the social security contributions, salary and benefits arising from the new employment agreement;
- the client is liable for any damage caused by the job candidate (based on article 1384 of the Belgian Civil Code);
- administrative or criminal fines may be imposed on the staffing solutions provider and on the client, as well as an operating ban. Fines are multiplied by the number of job candidates involved (maximum up to 100).

Health and safety obligations
During the period in which the job candidate works for a client, the client is responsible for the implementation of all rules on health and safety at the workplace. The client must guarantee the same level of protection of a job candidate in terms of health of safety, as guaranteed to its regular permanent employees. Before a job candidate starts working for a client, the client must provide the staffing solutions provider with all necessary information on the required professional qualifications and conditions for the job, as well as on the specific features of the work position. Before a job candidate starts working for a client, the staffing solutions provider must consult the centralized database for temporary agency workers to verify whether a job candidate has been declared able to work in the specific position or job concerned, and the period of validity of the ability to work has not lapsed. The staffing solutions provider is also responsible for vaccination obligations. The staffing solutions provider is also generally responsible for obligations related to maternity protection (with some limited exceptions). Other health and safety obligations lie with the client.

Other Regulatory Frameworks

Whereas most of our business is conducted in the regulatory framework outlined above, we are subject to certain additional regulation based on the specific nature of the services we provide in each jurisdiction. Below we describe certain features of the relevant laws and regulations that apply to these services.

Temporary outsourcing of employees

Certain of our business units also conduct consulting and secondment staffing ("**temporary outsourcing**") activities in Belgium. As with temporary staffing, temporary outsourcing is not considered as prohibited secondment when a number of strict legal rules are met. These rules are mainly set out in the Act on Temporary Work. An agreement must be signed between a contractor (which would be the staffing solutions provider) and a client to provide a certain service, perform a certain task or work on a specific project, rather than the provision of staff (which could be considered a prohibited secondment), including a detailed list of the instructions which the client may give to the temporary staff. Clients may indeed give instructions to the temporary staff, provided that: (a) these instructions are defined in a written agreement between the consulting agency (in our case, the staffing solutions provider) and the client, the instructions do not erode the staffing company's authority over its staff, and are communicated to the client's works council; or (b) these instructions relate to the client's health and safety obligations.

As with temporary staffing, outsourcing is subject to strict rules. These rules are mainly set out in the Act of July 24, 1987 on temporary work and interim work (as amended). Clients may give instructions to the consultant/job candidate, provided that: (a) these instructions are defined in a written agreement between the consulting agency (in our case, the staffing solutions provider) and the client, the instructions do not erode the staffing company's authority over its staff, and are communicated to the client's works council; or (b) these instructions relate to the client's health and safety obligations.

Temporary outsourcing of self-employed workers

Belgian law also allows for outsourcing self-employed workers or freelancers only when no party exercises an employer's authority over the worker. If the parties (incorrectly) qualify their relationship as an independent relationship rather than an employment relationship, this can result in specific liabilities for the party that is considered to be the employer in the event of a re-characterization of the self-employed relationship into an employment relationship. Such a determination is made based on all factual circumstances including the following four main criteria: the will of the parties as expressed in the agreement, the level of freedom to organize working time, the level of freedom to organize work, and the level of hierarchical control. For specific sectors (such as construction, transport, cleaning, security and surveillance and agriculture), certain legal presumptions apply. Re-qualification criteria for Belgium are set out in a Program Act of 27 December 2006 and as well as in case law.

Search and selection services

The staffing solutions provider may also use its pool of job candidates to provide recruitment services and also arrange for initial placements. Regional authorities may have different eligibility requirements and conditions to conduct search and selections services.

Netherlands

The description below sets out the current statutory framework governing temporary staffing in the Netherlands. However, substantial changes to Dutch law come into effect on January 1, 2020, that could have a significant effect on the rights of temporary agency workers and payroll employees. These changes are highlighted below.

Primary Regulatory Framework

Dutch law defines a "temporary agency agreement" as a special type of employment agreement under article 7:690 of the Dutch Civil Code ("**DCC**") whereby the employee is made available by the staffing solutions provider (the employer) to a third party (the client) in the context of the employer's business activities, to perform work under the management and supervision of the third party. In effect, the law states that the relationship between a staffing services provider and a temporary agency worker qualifies as an employment agreement. In principle, there is no requirement for an agreement between the client and the temporary employee. Under the current definition, as interpreted by the Dutch Supreme Court, both the traditional forms of temporary agency work as well as payrolling qualify as temporary agency work.

Permits or other authorizations

The SNA quality mark (*SNA-keurmerk*) is an accreditation for staffing solutions providers. This quality mark is provided by the foundation Stichting Normering en Arbeid on the basis of two NEN standards: NEN 4400-1 for Dutch companies and NEN 4400-2 for foreign companies. Although not mandatory for staffing solutions providers to obtain the SNA quality mark, it is important in practice.

Contractual framework

In case of a temporary agency agreement, the staffing solutions provider has more flexibility in framing the contractual relationship with the job candidate, including the possibility of applying more fixed term contracts and of terminating the contract if the client retracts the assignment.

In addition to Dutch employment law, the largest temporary staffing organization in industry (the "**ABU**") and the largest Dutch trade unions have agreed on a collective labor agreement for the temporary employment agency industry (the "**ABU CLA**"). The ABU CLA was declared generally binding for the sector until May 31, 2019, which meant that it applied to all staffing solutions providers that fall within its scope—irrespective of whether a staffing solutions provider was a member of the ABU. Since the date on which ABU CLA is not generally binding, statutory provisions regarding the agreements prevail unless provisions more favorable than the ABU CLA provisions have been contractually incorporated into the temporary agency agreement with the employee

In effect, the ABU CLA provides that, over three phases, as temporary agency workers are employed for longer periods of time, the temporary agency worker gradually becomes entitled to more job security and secondary benefits, such as a pension and training.

There is also another collective labour agreement for staffing solutions providers known as the NBBU CLA. The NBBU CLA is not declared generally binding and only applies to staffing solutions providers who are a member of NBBU, another employers' organisation for the industry. Staffing solutions providers who are a member of NBBU, are explicitly excluded from the scope of the ABU CLA.

In general, the DCC imposes restrictions on (i) the number of successive fixed term employment agreements that the employer (in this case, staffing solutions provider) can enter into with an employee and (ii) the total duration of such fixed term employment agreements. If an employer enters into more than three successive fixed term employment agreements, or if the total duration of the successive fixed term employment agreements is more than two years, the last fixed employment agreement is converted into an indefinite term employment agreement by operation of law. This rule is referred to as the statutory "chain rule" (*ketenregeling*).

When an employment agreement qualifies as a temporary agency agreement, this has significant implications for the statutory possibilities to maintain a 'flexible' employment relationship. By way of a collective labor agreement, it is possible to deviate even further from the chain rule as follows:

(1) The maximum number of successive fixed term employment agreements is six (instead of three) and the maximum total duration of such fixed term employment agreements is four years (instead of two). In addition, the ABU CLA provides that the exemption from the chain rule for temporary agency agreements is extended from 26 weeks to 78 weeks of employment. During the exemption period, it is possible to enter into an indefinite number of fixed term employment agreements, and the number and duration of the fixed term employment agreements during this period do not count toward the maximum total number and duration.

    In practice, the above means that a temporary agency agreement can be a "flexible" employment relationship for a total of 5.5 years, with the first 1.5 years disapplying the chain rule and with a temporary employment clause (as described below) and the next four years with up to six fixed term employment agreements.

(2) Further, it is possible to agree on a written provision whereby the employment agreement between the employee and the staffing solutions provider terminates by operation of law if the posting of the employee at the client ends at the request of the client. This provision is referred to as the "temporary employment clause" (*uitzendbeding*). The ABU CLA provides that such provision is valid during the first 78 weeks instead of 26 weeks of employment.

Employment terms and compensation
An employee that is made available to a client is in principle entitled to receive the same basic employment terms and conditions as the employees of the client working in the same or equivalent positions (article 8 of the Placement of Personnel by Intermediaries Act). The basic employment terms and conditions include salary and other compensation, working hours and vacation entitlement. The ABU CLA validly limits the number of compensatory elements that need to be applied. Variable compensation, for example, is excluded. Limited exceptions apply, for example for temporary agency workers who have an indefinite term employment agreement with the staffing solutions provider and have been under their employment for more than 5.5 years. These employees receive wages determined by the staffing solutions provider.

Termination
A staffing solutions provider may terminate an employment agreement in principle (i) if the posting of the employee with the client ends within the term of the temporary employment clause, if contractually provided for, (ii) against the end of the employment agreement, subject to an advance notice of one month or (iii) with permission from the employment insurance agency (*UWV*) or the cantonal court.

In general, if an employer wishes to terminate a fixed term employment agreement before the end of its term or an indefinite term employment agreement, it must show that it has a reasonable ground for termination and that the employee cannot be redeployed in another suitable position within the group within a reasonable period of time.

Specifically for payrolling, the Dismissal Regulation (*Ontslagregeling*) contains stricter rules for showing a reasonable ground for termination. For a payroll employer, the fact that the posting of an employee at the third party ends will not be a reasonable ground to terminate the employment agreement with such employee. Instead, the situation at the third party will be taken into account to determine whether a reasonable termination ground exists.

Liability for damages
In principle, the staffing solutions provider may be liable towards a client for damage suffered by that client caused by a fault of its temporary agency workers. However, typically, in

(framework) service agreements by and between the client and the staffing solutions provider, liability in this respect is borne by the client.

Fines, penalties or other enforcements
The law does not provide specific penalties for non-compliance, other than in the field of occupational safety and health. In addition, the Dutch Labor Inspectorate also enforces the application of the "wage correlation norm". This norm prescribes that minimum standards and wage components should be applied to temporary agency workers on par with regular employees in comparable positions.

Health and safety obligations
The staffing solutions provider is obliged to assure that it receives, and makes available, a hazard identification and risk assessment (*risico-inventarisatie en—evaluatie*) from the client. Furthermore, the staffing solutions provider is obliged to inform the temporary agency worker of the risks at the workplace. In the event of non-compliance with these obligations, the staffing solutions provider may be liable towards its temporary agency workers for damages as a result of inadequate working conditions at the workplace. The temporary agency workers can also bring a claim for damages against the relevant client, so the temporary agency workers may, at their discretion, make a claim against the staffing solutions provider, the client or both.

Other Regulatory Frameworks
Whereas most of our business is conducted in the regulatory framework outlined above, we are subject to certain additional regulation based on the specific nature of the services we provide in each jurisdiction. Below we describe certain features of the relevant laws and regulations that apply to these services.

Payrolling
In the case of payrolling, the agency takes on the administrative and financial obligations for, but is not involved in the recruitment of, consultants. Under current legislation, payrolling is considered a form of temporary agency work. However, under new legislation entering into force on January 1, 2020, the rules regarding payrolling will be significantly amended. See "*—Future legislative amendments*" below for information on planned legislative changes.

Outsourcing of self-employed workers
If the parties (incorrectly) qualify their relationship as an independent relationship rather than an employment relationship, this can result in specific liabilities for the party that is considered to be the employer in the event of a re-characterization of the self-employed relationship into an employment relationship. Such a determination is made based on all factual circumstances, including the following three main criteria for establishing an employment relationship: one party undertakes to (i) perform work (ii) in the service of the other party (iii) for remuneration.
Search and selection services

Often, in addition to staffing services, staffing solutions providers also provide staff recruitment services to their commercial clients. The staffing solutions provider can use its pool of job candidates for their recruitment and also arrange for initial placements. Rendering recruitment services does not require an additional permit.

Future Legislative Amendments
Significant changes in Dutch law will take effect with respect to temporary agency work and payrolling, amongst others. From January 1, 2020, the Balanced Labor Market Act (*Wet Arbeidsmarkt in balans*) ("**WAB**") will enter into force. The WAB contains, among others, the following amendments in relation to temporary agency agreements and payrolling agreements:

- There will be a legal distinction between temporary agency agreements and payrolling agreements.

- A definition of payrolling will be added to the DCC. The current definition of temporary agency agreements (as set out above) will remain the same.
- After one year of temping, temporary agency workers should, in principle, be offered a fixed number of working hours that is the average of his or her working hours over the last twelve months.
- Employers are required to pay full compensation if certain temporary assignments are altered within four days prior to commencement.
- The payroll employees will be entitled to all terms and conditions as the client's employees in similar positions (including pension entitlements as from January 1, 2021). Currently, only a limited number of these compensatory elements are required to be offered to payroll employees by the client.
- The Dutch government has noted that all temporary agencies and payroll companies are required to classify all their employees as either temporary agency workers or payroll employees based on the criteria outlined in the legislation, over the course of 2019.
- A temporary employment clause, the flexible phases set out above and the possibility to exclude the duty to continue paying salary are no longer applicable to payroll employees.
- Social security charges are expected to increase for temporary work agencies and payroll companies in their capacity as employer.
- Employees will be entitled to a transitional payment from the first day of employment and, thus, not after two years.

Germany

In Germany, temporary staffing is regulated by the Act on Staffing (*Arbeitnehmerüberlassungsgesetz*) (**"AÜG"**), which has been substantially amended over the years, most recently in 2017. The focus of the 2017 amendment was to strengthen permanent employment; as a result, a maximum period for temporary staffing has been introduced and formal requirements have been tightened up as has the equal pay principle.

Primary Regulatory Framework

Jurisdiction under AÜG is established where there is a connection to German territory; it thus regulates both domestic staffing as well as cross-border staffing, for example where job candidates are being assigned to Germany by foreign staffing solutions providers to perform services on German territory.

Permits or other authorizations

In Germany, temporary staffing is generally impermissible without a valid permit from the relevant authorities. If the staffing solutions provider does not have the permit required, an employment relationship between the client and the job candidate will be assumed pursuant to the AÜG, commencing at the time at which the work is to commence as set forth in the agreement between the client and the staffing solutions provider, unless the job candidate objects and declares to the Federal Employment Agency a preference to stay with the staffing solutions provider. To protect the client, German law requires the staffing solutions provider to confirm in the agreement with the client that it has obtained the necessary permit. Procedurally, permits are typically granted for one-year terms, with the option to convert into an unlimited term permit following the grant of three consecutive one-year permits. This permit is specific to the staffing solutions provider. Permits may be denied, or revoked if already granted, for statutory reasons such as the unreliability of the staffing solutions provider, non-compliance with safety and health regulations, or non-compliance with the AÜG.

Contractual framework

The general contractual framework is that a staffing solutions provider concludes an employment agreement with a job candidate and then places this job candidate with a client. No employment agreement is concluded between the job candidate and the client, but the client is granted the right to instruct and direct the job candidate based on an agreement between the staffing solutions provider and the client ("**German Service Agreement**"). Additionally, recent changes in the AÜG have imposed specific mandatory provisions in German Service Agreements, including, as mentioned, a representation that the aforementioned permit has been granted, a description of the parameters of the services provided, a description of occupational qualifications, and details regarding working conditions, such as wages and benefits. The job candidates assigned under the engagement can either be named in the German Service Agreement itself or separately at a later stage with explicit reference to the German Service Contract. The German Service Agreement must explicitly be titled a "staffing agreement" (*Arbeitnehmerüberlassungsvertrag*).

Since the job candidate remains the staffing solutions provider's permanent employee, the provider retains certain obligations from the employment relationship, such as paying the social security contributions. Moreover, the provider must inform its job candidates before each assignment that they will be placed as a temporary worker and provide a written copy of the essential contents of the assignment. Finally, the staffing solutions provider must involve its works council (if there is one) when the job candidate is hired and dismissed as if such job candidate were an employee. All such job candidates, being full members of the staffing solutions provider's staff, can vote in and run for works council elections.

Employment terms and compensation

In order to emphasize the "temporary" nature of temporary staffing, the AÜG amendments provide that the same job candidate cannot be assigned to the same client for more than 18 consecutive months. A period of at least three months and one day where the job candidate is not employed at a given client can reset this maximum 18 month period. Exceptions to this maximum period are only possible by way of collective bargaining agreements of the client's industrial sector or works council agreements on the basis of such collective bargaining agreements.

Though the employment of the job candidate is temporary for the client, all such job candidates must typically remain permanent employees of the staffing solutions provider under the German Act on Part-Time and Temporary Employment (*Teilzeit- und Befristungsgesetz*), which applies to all temporary employees in Germany. During the assignment, German law requires the main working conditions of the job candidate, including the compensation, to be the same as those of a comparable permanent employee. Compensation comprises everything the job candidate would have been entitled to, had such worker been hired directly by the client (equal pay), and includes, among other things, holiday pay, sick pay, allowances and benefits and must be paid by the staffing solutions provider as the employer. Therefore, the staffing solutions provider has the administrative burden to amend the job candidate's compensation with every placement in line with on-site conditions. Derogations from the main working conditions are possible on the basis of a collective bargaining agreement. However, with regard to equal pay, the possibility of any derogation is limited, because all job candidates must receive compensation equal to that of the client's comparable permanent workers after nine months. A longer derogation period can only be agreed by collective bargaining agreements granting a gradual increase of the candidate's to the level of the permanent employees' compensation within 15 months, beginning in the seventh week of the temporary employment. Derogations from equal pay are also never applicable with regard to job candidates who have been employed by the client (or its group) during the last six months preceding the placement.

Termination

If the staffing solutions provider wishes to terminate a job candidate's employment agreement after six months of employment with the staffing solutions provider, it must establish that (i) it has reasonable grounds for termination; (ii) the job candidate cannot be redeployed to another suitable position with the staffing solutions provider or with a client within a reasonable period of time; and if the termination is due to economic reasons, (iii) that termination of employment was the last option. Since the German legislator wants to ease the transition from temporary to permanent work, it is forbidden for the staffing solutions provider to agree on a commission fee with the job candidate if the job candidate concludes an employment contract with the client he has been placed with after his placement.

Liability for damages

Liability for damages can be provided for in the German Service Agreement between the staffing solutions provider and the client, so they may agree on a disclaimer of liability in favor of the staffing solutions provider as well as in favor of the client or they may limit the amount of liabilities to the extent covered by insurance. The job candidate is liable for breaches of duties towards the client and the staffing solutions provider on a sliding scale, being fully liable only when he has violated his duties intentionally.

Fines, penalties or other enforcements

Neglecting or violating any of the abovementioned legal requirements can lead to different severe legal penalties, based on the nature and seriousness of the breach. If the staffing solutions provider has no permit, the German Service Agreement is not compliant with the formal requirements, or the maximum staffing period is exceeded, the employment agreement is deemed void and the job candidate is considered to be an employee of the client, unless the job candidate objects and declares to the Federal Employment Agency a preference to stay with the staffing solutions provider. In addition, not complying with the permit regulations may lead to a fine of up to €30,000 for each individual case. The same fine may be imposed when the maximum staffing period has been exceeded. Higher penalties (up to €500,000) may be imposed by the German authorities if the equal pay rules have been violated or if the client has used the job candidate as a replacement for an employee on strike.

Penalties may result from misclassifications of job candidates as self-employed, for example when placing job candidates with a client as free contractors, consultants, secondees or other similar arrangements, when they are de facto employees placed under a staffing arrangement. False self-employment may have severe consequences both in employment and social security law (for example, obligations to retroactively pay social security contributions for the employer and employee), tax law (liability for income tax). If the staffing solutions provider is found to have intentionally violated the law, it may also face criminal law penalties.

There have not yet been any interpretive decisions of the Federal Labor Court of the 2017 amendment of the AÜG and many details are still in dispute.

Health and safety obligations

Job candidates officially assigned to and working for the client are fully integrated into the client's organization; as a result, the client must comply with labor and workplace regulations, including any health and safety regulations with respect to those assigned job candidates. Both the staffing solutions provider and the client are responsible for the overall well-being of the job candidate including the job candidate's physical and mental health, (such as by supervising working times and rest periods, protecting against unfair treatment and sexual harassment), personal data and (if applicable) his private working material. The client is required to inform job candidates prior to their assignment of any specific qualifications and professional skills they need to possess. It is the client's obligation to inform the job candidate about dangers the job candidate may face at assignment as well as explain safety measures.

Other Regulatory Frameworks

Whereas most of our business is conducted in the regulatory framework outlined above, we are subject to certain additional regulation based on the specific nature of the services we provide in each jurisdiction. Below we describe certain features of the relevant laws and regulations that apply to these specialized services.

Search and Selection Services

Often, in addition to staffing services, staffing solutions providers also provide staff recruitment services to their commercial clients. The staffing solutions provider can use its pool of job candidates for their recruitment and also arrange for initial placements. Rendering recruitment services does not require an additional permit, but the staffing solutions provider requires a prior trade registration (*Gewerbeanmeldung*) for such services.

France

The description below sets out the current statutory framework governing our operations in France.

Primary Regulatory Framework

In France, the loan of a job candidate (worker) to a client is strictly regulated under the French Labor Code. Except in certain limited circumstances such as temporary staffing (*portage salarial*) or temporary work agencies, loaning workers to a client may only be provided on a not-for-profit basis; any costs invoiced by the staffing solutions provider to the client beyond the employee's salary, social security charges and professional expenses is prohibited. Additionally, such arrangements require an amendment in the employment contract between the staffing solutions provider and employee, an inter-company agreement between the client and the staffing solutions provider, and the consultation and consent of the relevant works councils.

Permits or other authorizations

Staffing solutions providers using the contractual framework described below do not require any permit or authorization for their business in France, other than standard registrations applicable to every company operating in France with its own employees.

Contractual framework

Staffing solutions providers may offer consultants or job candidates to a client on a temporary and for-profit basis under the framework of a services agreement (*contrat de prestation de services*), given certain conditions. A qualifying services agreement encompasses temporary services provided to a client specific to a certain project, involving specialized skills, techniques, or know-how. Additionally, for workers to be provided on a for-profit basis under a services agreement, their labor must be closely related to the main purpose or project of the services agreement and be included within the broader services being provided by the staffing solutions provider to the client.

Key factors as to whether a for-profit staffing under a services agreement complies with the regulatory requirements are the following:

- Specific know-how of the service provider: the services must require specialized skills or know-how not existing within the client.
- Ultimate authority over job candidates: even if the services must be performed in coordination with the management of the client, the service provider must retain ultimate authority over the job candidates made available.

- Equipment to carry out the work: the services provider must have and use its own equipment to carry out the work, and the client must not lend the equipment necessary to provide the agreed services.

Employment terms and compensation

Compensation: must be calculated on a flat-fee basis and may not be calculated on an hourly rate basis, as this would suggest that the provision of services is limited to the provision of labor.

Termination

Termination of employment agreements is governed by standard rules and regulations applicable to every company operating in France with its own employees. If the staffing solutions provider has entered into an indefinite-term employment agreement with the job candidate, the employment contract can be terminated by the staffing solutions provider for real and serious cause at any time provided that the applicable notice period is complied with. The staffing solutions provider and the job candidate can also enter into a mutual termination agreement, which would then be ratified by the labor authorities. Finally, the job candidate may also resign from their position provided that the applicable notice period is complied with.

If the staffing solutions provider has entered into a fixed-term employment contract with the job candidate, the employment contract can only be prematurely terminated (1) if the parties so agree, (2) in case of gross misconduct, (3) in case of force majeure, (4) if the employee is declared unfit to work by the occupational doctor, or (5) if the employee has found an indefinite-term employment. In any other cases, the employment contract runs its course until its initially-set termination date.

Liability for damages

Under French law, the client is liable for all damages done to a third party (including a job candidate), on the worksite or during work. However, staffing solutions providers remain liable for costs related to injuries caused by occupational accidents suffered by its in-house employees in the course of their work.

Fines, penalties or other enforcements

If the abovementioned contractual framework is not complied with, the services agreement could be qualified as an illicit loan of workers. Penalties for such a violation can carry a maximum fine of €75,000 or a maximum prison sentence of five years for the legal representatives of the service provider. Additionally, a staffing solutions provider may also be liable for a maximum fine of €375,000 and other potential penalties.

Health and safety obligations

Job candidates officially assigned to and working for the client are fully integrated into the client's organization. As a result, the client must comply with labor and workplace regulations with respect to assigned job candidates, such as health and safety regulations. In this respect, if individual protection equipment must be worn by the job candidates, such equipment must be provided by the client. Obligations relating to occupational medical surveillance are, on the other hand, the responsibility of the staffing solutions providers.

Management

The Issuer

The Issuer is a limited liability company (*Naamloze Vennootschap/société anonyme*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with Register of Legal Entities Ghent, section Kortrijk under number 0685.593.921.

The Issuer has voluntarily opted into the application of the new Belgian Code on Companies and Associations (*Wetboek van Vennootschappen en Verenigingen / Code des Sociétés et Associations*), which has been introduced pursuant to the Law dated March 23, 2019 (*Belgisch Staatsblad / Moniteur belge* April 4, 2019) (the "**Belgian Company Code**"), in accordance with Article 39§1 of such Law. The Belgian Company Code will become applicable to the Issuer as from the date of publication of the Issuer's amended articles of association (as approved by a shareholders resolution dated July 3, 2019) in the Belgian State Gazette (*Belgisch Staatsblad / Moniteur belge*).

Board of Directors

The following table sets forth certain information regarding the members of the board of directors of the Issuer as of the date hereof.

Name	Age	Position
House of HR NV, represented by its permanent representative Rika Coppens	46	Managing Director and Chairman
Naxicap Partners SA, represented by its permanent representative Eric Aveillan	48	Managing Director
Aurelien Dorkel	35	Director
Altares Participaciones SL, represented by its permanent representative Andres Cano	57	Director

The following is biographical information for each of the members of the board of directors of the Issuer:

Rika Coppens is the Managing Director and Chairman of the board of the Issuer, the Managing Director of the board of directors of the Company and serves as a permanent representative of the Company on the board of directors of certain of the Company's direct and indirect subsidiaries. She also serves as a non-executive board member for the Colruyt Group and a managing director at FFW BVBA. Before joining the Company, Ms. Coppens held senior positions at the EFR Group where she was the chief executive officer between 2015 and 2017 and the chief financial officer between 2010 and 2014. She also served as an independent director and member of the audit committee of Realdolmen from May 2017 to September 2018. Ms. Coppens received her Master's degree from KU Leuven in 1996.

Eric Aveillan is a Managing Director of the Issuer, a Director of the Company and serves as a managing director of Accent Group NV in his capacity as a permanent representative of the Company. He also serves as a permanent representative on behalf of Naxicap Partners in certain of their investment companies. He is also the chief executive officer of Naxicap Partners. Mr. Aveillan received his degree in Accounting and Finance (*diplôme d'études comptables et financières + diplôme d'études supérieures comptables et financières*) from Sciences Po, Paris in 1996.

Aurelien Dorkel is a Director of the Issuer, the Company, the House of Pledge and Naxicap Partners. He also serves as a permanent representative on the board of directors of certain of the Company's direct and indirect subsidiaries. Mr. Dorkel received his Bachelor's degree from ECAM Lyon in 2008 and degree in financial engineering from EMLYON Business School in 2009.

Andres Cano is a Director of the Issuer, serves as a permanent representative of the Company and Altares Participaciones SL on the board of directors of certain of the Company's direct and indirect subsidiaries and is a member of the board of directors of U1ST Sports SA and Sacha SA. Mr. Cano received his Bachelor's degree in business administration from ICADE in 1986 and an MBA from MBS/University of Houston in 1996.

The Company

The Company is a limited liability company (*Naamloze Vennootschap/société anonyme*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with Register of Legal Entities Ghent, section Kortrijk under number 0643.887.978.

Board of Directors

The following table sets forth certain information regarding the members of the board of directors of the Company as of the date hereof.

Name	Age	Position
Rika Coppens	46	Managing Director
Eric Aveillan	48	Director
Naxicap Partner SA, represented by its permanent representative Eric Aveillan	48	Director
Banque Populaire Développement SA, represented by its permanent representative Eric Aveillan	48	Director
Naxicap Rendement 2022 SAS, represented its permanent representative by Eric Aveillan	48	Director
Pro-Ceed BVBA, represented by its permanent representative Conny Vandendriessche	55	Director
Pentacon BVBA, represented by its permanent representative Paul Thiers	61	Director
Aurelien Dorkel	35	Director
Philippe Marcel	65	Independent Director

The following is biographical information for each of the members of the Board of Directors of Company (save for the biographical information of Rika Coppens, Eric Aveillan and Aurelien Dorkel, which have been provided in "*The Issuer—Board of Directors*" above):

Conny Vandendriessche is a Director of the Company. Ms. Vandendriessche also serves as a member of the directors at Pro-Ceed BVBA, JBC, The Birdhouse, ORAC NV and Televic. She also founded and is the managing partner of 'We Are Jane' and Stella P. Ms. Vandendriessche received her hostess tourism degree from Vormingsinstituut Toerisme Brugge in 1985. She also holds professional qualifications in next generation leadership from the Antwerp Management School, the woman entrepreneur program from Stanford University and IGMO groeimanagement from Vlerick Business School.

Paul Thiers is a Director of the Company, Accent Group NV, Pentacon BVBA, chairman of the board of Deceuninck and a member of the board of directors of ORIGIS Renewable energy. He is also a co-founder of the Friends of BRYO. Mr. Thiers received his Master of Laws degree from KU Leuven in 1980, his notary's degree from KU Leuven in 1981 and his PUB degree from Vlerick Business School in 1983.

Philippe Marcel is a Director of the Company. Since 2007, he has served as a member of the board of directors for April SA. Mr. Marcel also serves as chairman of the board for IDal Groupe and PBM Consulting. Mr. Marcel received his Masters degree from Emlyon Business School in 1976.

Senior Management

The following table sets forth certain information regarding the members of the senior management of the Company as of the date hereof.

Name	Age	Position
Rika Coppens	46	Chief Executive Officer
Andres Cano	57	Chief Financial Officer
Thomas Martens	38	Head of Legal (Group)
Wilbert Ingels	50	Chief Information Officer
Abdel Bencheikh	55	Head of Risk and Internal Audit
Lieven Van Nieuwenhuyze	42	Group Marketing and Communication Director

The following is biographical information for each of the members of the senior management of the House of HR NV (save for the biographical information of Rika Coppens and Andres Cano, which have been provided in "*The Issuer—Board of Directors*" above):

Thomas Martens is Head of Legal (Group) of the Company and serves as a member of the board of directors of Intellex BVBA. Before joining the Company Mr. Martens was a lawyer at Laga from 2006 to 2014. Mr. Martens received his Master of Laws degree from the University of Ghent in 2005 and his Masters in European labor studies from the University College Dublin in 2006.

Wilbert Ingels is the Chief Information Officer of the Company. He also serves on the board of directors of Macadam. Before joining the Company, Mr. Ingels was the chief information officer at Isabel from September 2014 until August 2016. Between 2008 and 2014, he founded and acted as the chief technology officer for Racktivity NV. He also served as the chief executive officer for Cloudfounders N.V. from 2008 until August 2016. Mr. Ingels received his Masters degree in in engineering and electronics from University of Brussels in 1991.

Abdel Bencheikh is the Head of Risk and Internal Audit at the Company. He also founded and serves as an associate at Prométhée Partners. Before joining the Company, he was the head of risk and compliance at Natixis AM between 1999 and 2015. Mr. Bencheikh received his Doctorate in philosophy, particles and fields physics from Université Blaise Pascal (Clermont-II) Clermont-Ferrand in 1992 and his advanced studies degree in finance and banking management in Europe from Aix-Marseille Université in 1997.

Lieven Van Nieuwenhuyze is the group marketing and communications director of the Company. Mr. Van Nieuwenhuyze also served as on the board of directors of Accent Group NV from 2016 until May 2019. Before joining the Company, Mr. Van Nieuwenhuyze was an e-marketing executive at USG People NV between 2010 and 2012. He also served as the general manager at USG Professionals NV between 2012 and 2015. Mr. Van Nieuwenhuyze received his Masters degree in labor and organizational psychology from KU Leuven in 2000, his post-academic degree in e-business from the University of Ghent in 2005 and completed a post-academic course in 'User centered design-usability' from KU Leuven in 2008.

Committees

The Board of Directors has formed committees to assist in certain matters such as audit and risk, remuneration and nomination of candidates for different positions within the Group to committees of the Board of Directors.

Executive Committee

The Executive Committee advises on all of the operational and financial aspects of our business and meets every month. It consists of the senior management of the Company named above.

Audit and Risk Committee

The Audit Committee consists of Aurelien Dorkel, Conny Vandendriessche and Rika Coppens. with Abdel Bencheikh acting as its secretary. The Audit Committee meets at least four times in a year.

The audit committee advises the Board in respect of its responsibility for ensuring that the financial reports, when taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy. In addition, while the Board has ultimate responsibility for maintaining a robust framework of internal controls and risk management and for overseeing, reviewing and ensuring the effectiveness of the Group's risk management and internal control systems, it has delegated the monitoring and review of this framework to the Committee. We also have a governance and control charter signed by all business units in our Group, and have implemented conflicts of interest management as well as critical incident policies and procedures at the Group level.

Remuneration Committee

The Remuneration Committee is comprised of Conny Vandendriessche, Aurelien Dorkel, Bart Adriaens and Rika Coppens. The Remuneration Committee meets at least four times in a year. Mr. Adriaens is a partner at Claeys & Engels, a Belgian law firm in the field of employment law.

The remuneration committee is responsible for considering and making recommendations to the Board on the general policy on executive and senior management remuneration, overall remuneration packages for executive directors, and design and operation of the Group's share incentive plans.

Compensation and Benefits

The aggregate amount of remuneration paid to members of the Board of Directors and the senior management for services in all capacities provided to the Company during the year ended December 31, 2018 was €4.5 million in salary and bonuses. The remuneration includes a one-off tax compensation for management of €1.5 million. The remuneration includes outstanding payments of €0.9 million for which provisions were recognized as at December 31, 2018. We also maintain a directors' and officers' insurance policy with respect to the members of the management board and senior officers.

Our share-based payments consist of our new long-term incentive plan at the level of shareholders of House of HR. In the three months ended March 31, 2019, we recognized €0.8 million in share-based payments connected to option grants made under our long-term incentive plan launched in 2018.

Principal Shareholders

The Issuer is a limited liability company (*Naamloze Vennootschap/société anonyme*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with Register of Legal Entities Ghent, section Kortrijk under number 0685.593.921.

The Company is a limited liability company (*Naamloze Vennootschap/société anonyme*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with Register of Legal Entities Ghent, section Kortrijk under number 0643.887.978. The House of Pledge NV, is a limited liability company (*naamloze vennootschap/société anonyme*) organized under the laws of Belgium having its registered office at Beversesteenweg 576, 8800 Roeselare and registered with the Register of Legal Entities Ghent, section Kortrijk under number 0691.892.387.

As of the date of this Offering Memorandum, the issued share capital of the Company consists of 497,562,784 shares with 403,536,782 ordinary shares, 43,872,806 tracking shares and 50,153,196 preference shares. In 2018, our business completed a legal reorganization whereby a number of internal transfers of legal entities within the Group as well as a number of legal mergers, de-mergers and partial de-mergers of various entities were undertaken to simplify the legal structure of our Group. See "*Consolidated Financial Statements—Note 4.5—Legal reorganization of the Group in 2018*" for further information.

The following table sets forth certain information with respect to the ownership of the registered shares without nominal value, of the Company as of date hereof.

Name	Percentage of ordinary and tracking share capital	Percentage of preference share capital
Naxicap	59.0%	—
Conny Vandendriessche	22.9%	30.9%
Management	15.3%	69.1%
Others	2.8%	—

Cumulative Preference Shares

As compensation for existing preference shares, profit sharing certificates and shareholder loans held by former non-controlling interest holders in our subsidiaries, preference shares were issued in our Company. The holders of the preference shares are entitled to the distribution of a cumulative preferential dividend from the profit and reserves available for distribution within the Company, at an annual fixed percentage of 8% and 8.5%. Distribution of the preference dividends are subject to the decision of the general shareholders meeting. The preferential dividends do not confer a further right to participate in the profits of our Company. These preference shares are mandatorily redeemable but are not considered indebtedness under the Indenture for the Notes. See "*Description of the Notes*".

Repurchase of Equity Held by Senior Management

Pursuant to the terms of the shareholders' agreement of the Company with certain of its shareholders, the Company may have an obligation to repurchase shares of the Company held by the current chief executive officer and chief financial officer of TimePartner in an aggregate amount of €34.0 million in connection with their planned departure in September 2019.

Certain Relationships and Related Party Transactions

From time to time, we may enter into transactions with certain related parties or our affiliates and in the ordinary course of our business with certain of our shareholders, senior management as well as entities in which our shareholders or senior management hold ownership interests. These transactions may include, among others, financing arrangements, lease agreements, shareholder arrangements and commercial arrangements. We have also in the past entered into transactions with entities that may be deemed to be affiliates because the Group holds a minority stake in such entities. In addition, entities within our Group enter into financing and cash pooling agreements.

We believe these agreements are on terms no more favorable to the related parties or our affiliates than what they would expect to negotiate with disinterested third-parties.

Other

Going forward, our transactions with our affiliates will be subject to the affiliate transactions covenant under the Indenture and the New Senior Facilities Agreement. See "*Description of the Notes—Certain Covenants—Limitation on Affiliate Transactions*".

Description of Other Indebtedness

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

New Senior Facilities

Overview and Structure

In connection with the Refinancing and the Distribution, the Issuer will, on or prior to the Issue Date, enter into the New Senior Facilities Agreement with, among others, J.P. Morgan Securities plc and ING Bank N.V. as coordinators, senior mandated lead arrangers and active bookrunners and J.P. Morgan AG and ING Bank N.V. as original lenders. The New Senior Facilities Agreement will provide for a Revolving Credit Facility in a principal amount of €100 million and a Term Loan B Facility in a principal amount of €550 million.

The Term Loan B Facility may be utilized by the Issuer and may be used to finance: (i) the Refinancing and the payment of costs and expenses (including any breakage costs, redemption premium and related fees) incurred by any member of the TLB Group (for the purposes of the New Senior Facilities Agreement, the **"TLB Group"** consists of the Issuer and its Restricted Subsidiaries) in connection with the Refinancing and the Finance Documents (as defined in the New Senior Facilities Agreement) (including costs and fees thereunder) as set out in the funds flows statement and the structure memorandum (ii) the funding of the Distribution Escrow Amount on the Distribution Escrow Account in accordance with the structure memorandum or (iii) refinance certain fees, costs and expenses related to or incurred or charged in connection the Refinancing and/or the Distribution as well as the transactions contemplated by the Finance Documents and the document(s) relating to the Senior Secured Bridge Facility Agreement (as each of these terms is defined in the New Senior Facilities Agreement).

The Revolving Credit Facility may be utilized by the Issuer and certain other members of the TLB Group who accede as borrowers under the New Senior Facilities Agreement, in euros and certain other currencies freely convertible in euro in the wholesale market for that currency (subject to obtaining the consent of all the Revolving Credit Facility lenders) by the drawing of cash advances, the issue of letters of credit and ancillary facilities (on a bilateral and fronted basis). The Revolving Credit Facility may be used for, *inter alia*, (i) the TLB Group's working capital, (ii) general corporate purposes and (iii) in relation to the Issuer only, the payment of fees, costs and expenses incurred in relation to the Refinancing and the New Senior Facilities.

In addition to the Revolving Credit Facility and the Term Loan B Facility, the New Senior Facilities Agreement includes the ability (without double counting against the limitation on indebtedness covenant) to incur additional indebtedness (including under one or more uncommitted additional facilities within the New Senior Facilities Agreement and/or any additional Notes and/or other facilities or notes documented outside the New Senior Facilities Agreement) up to an aggregate amount the greater of €110 million and 50% of the Consolidated EBITDA, plus an unlimited amount, provided that, pro forma for the incurrence of such additional facilities or permitted alternative debt: (i) if such indebtedness is secured on Collateral, subject to the Intercreditor Agreement such that such liabilities rank *pari passu* with the Term Loan B Facility, the Consolidated Senior Secured Net Leverage Ratio does not exceed 3.45:1; or (ii) if the indebtedness does not fall within paragraph (i), the fixed charge coverage ratio does not exceed 2.00:1, and in each case, subject to certain other conditions being met.

Availability

The Term Loan B Facility will be available on and from the date of the New Senior Facilities Agreement up to (and including) September 30, 2019.

The Revolving Credit Facility may be utilized from (and including) the Closing Date to (and including) the date which is one month prior to the maturity date of the Revolving Credit Facility.

Conditions Precedent

Utilizations of the New Senior Facilities are subject to customary conditions precedent.

Interest and Fees

Loans under the New Senior Facilities Agreement will initially bear interest at rates per annum equal to EURIBOR (or EONIA), for loans denominated in euro, or LIBOR for loans denominated in other currencies, plus an applicable margin, which in each case will be subject to a decreasing margin ratchet based on the Consolidated Senior Secured Net Leverage Ratio.

After a period of twelve months following the Closing Date, the margin applicable to the Revolving Credit Facility will be subject to adjustment by reference to the Consolidated Senior Secured Net Leverage Ratio as shown in the then most recent compliance certificate, to equal the rate per annum set out in the following table:

Senior secured net leverage ratio:	Margin (% p.a.)
Equal to or greater than 3.25x	3.25
Less than 3.25x but equal to or greater than 2.75x	3.00
Less than 2.75x but equal to or greater than 2.25x	2.75
Less than 2.25x	2.50

After a period of twelve months following the Closing Date, the margin applicable to the Term Loan B Facility will be subject to adjustment by reference to the Consolidated Senior Secured Net Leverage Ratio as shown in the then most recent compliance certificate, to equal the rate per annum set out in the following table:

Senior secured net leverage ratio:	Senior term loan margin (% p.a.)
Equal to or greater than 3.25x	4.25
Less than 3.25 but equal to or greater than 2.75x	4.00
Less than 2.75x but equal to or greater than 2.25x	3.75
Less than 2.25x	3.50

If EURIBOR or LIBOR is less than zero, LIBOR or EURIBOR (as the case may be) shall be deemed to be zero in respect of New Senior Facilities.

A commitment fee will be payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility from the Closing Date to the end of the availability period applicable of the Revolving Credit Facility at a rate of 35% of the applicable margin for the Revolving Credit Facility. Commitment fees will be payable in the last day of each successive period of three months starting from the Closing date to (i) the end of the availability period or (ii) the day on which the commitment of the relevant Revolving Credit Facility Lender is cancelled.

Default interest will be calculated as an additional 1% on the defaulted amount.

Repayments

The Term Loan B Facility will be repaid in full on the date that is seven years from the Closing Date. In respect of the Revolving Credit Facility, each advance will be repaid on the last day of the interest period relating thereto, subject to an ability to roll over cash drawings. All outstanding amounts under the Revolving Credit Facility will be repaid on the date falling six years and six month from the Closing Date. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed, subject to certain conditions.

Mandatory Prepayment

The New Senior 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:

Full prepayment

- on a change of control of the Issuer or disposal of all or substantially all the business of the TLB Group (in each case such mandatory prepayment shall only apply upon a lender exercising its individual right to be repaid within the prescribed time period);
- on an initial public offering in respect of any holding company of the Company or any other member of the Group, other than a Qualified Listing (such mandatory prepayment shall only apply upon a lender exercising its individual right to be repaid within the prescribed time period).

Partial prepayment

- on an initial public offering in respect of the Company or any holding company of the Company (i) which does not constitute a change of control, a certain percentage of the net proceeds of such initial public offering received by the Company shall be applied in prepayment of the New Senior Facilities, which percentage decreases as the Consolidated Senior Secured Net Leverage Ratio decreases;
- from certain net cash proceeds received by the TLB Group from certain insurance proceeds exceeding €15,000,000 in aggregate per financial year and €2,000,000 individually; and
- for each financial year (commencing with the financial year ending on 31 December 2019), a percentage of excess cash flow exceeding €25,000,000, which percentage decreases as the Consolidated Senior Secured Net Leverage Ratio.

Guarantees and Security

On the Issue Date, the Senior Credit Facilities are guaranteed by the Issuer, the Company and House of Pledge (the "**Senior Credit Facilities Guarantors**") and are secured by first ranking pledges over (i) the shares of the House of Pledge and Finco; (ii) any certificates issued to the Company by House of Pledge in the context of the certification under the terms of the Certification Agreement, (iii) the material bank accounts of the Senior Credit Facilities Guarantors; and (iv) intra-group receivables (other than those arising out of cash pooling arrangements) owed to the Senior Credit Facilities Guarantors.

Subject to certain adjustments and agreed security principles in the New Senior Facilities Agreement, the New Senior Facilities Agreement will require (i) House of Pledge to grant a pledge over the shares of any of its direct Restricted Subsidiaries within 120 days from the Issue Date and, in relation to any Restricted Subsidiary acquired by House of Pledge after the Issue Date, over the shares of such Restricted Subsidiary within 60 business days of its acquisition, and (ii) the Company to ensure that members of the TLB Group are guarantors under the New Senior Facilities Agreement so that the aggregate EBITDA of the guarantors under the New Senior Facilities Agreement is at least equal to 80% of Consolidated EBITDA (the "**Guarantor Coverage Test**"). The Guarantor Coverage Test will be tested (i) for the first time on the date which is 120 days after the Closing Date; and (ii) then annually on the date falling 120 days after the date when the annual audited financial statements of the Issuer are required to be delivered to the agent under the New Senior Facilities Agreement.

The provision and the terms of the security 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 New Senior Facilities Agreement. See "*Risk Factors—Risks Related to the Notes—The Guarantees and the security interests over the Collateral may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability.*"

Representations and Warranties

The New Senior Facilities Agreement will contain certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including without limitation: status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, governing law and enforcement, insolvency, no filing or stamp taxes, no default, no misleading information, financial statements, no proceedings pending or threatened, compliance with laws, environmental laws, taxation, *pari passu* ranking, good title to assets, securities, intellectual property, group structure chart, insurance, anti-corruption/sanctions/anti-money laundering, center of main interest, security, guarantees and indebtedness, certification entity status, financial enterprise status, pension schemes.

Certain representations and warranties will be made on the Closing Date and repeated on the date of each utilization, on the first day of each interest period and at certain other times.

Covenants

The New Senior Facilities Agreement contains certain of the incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments), including without limitation (i) limitations on indebtedness; (ii) limitations on restricted payments; (iii) limitations on liens, (iv) limitation on restrictions on distributions from restricted subsidiaries; (v) limitations on sale of assets and subsidiary stock; (vi) limitations on affiliate transactions; (vii) merger and consolidation; (viii) suspension of covenants on achievement of investment grade status; (ix) additional guarantees; and (x) no impairment of security interests which, in each case, will be duplicated from those applicable to the Notes.

In addition, the New Senior 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 without limitation, covenants relating to: (i) authorizations; (ii) compliance with laws;(iii) environmental compliance, (iv) taxation, (v) no merger, (vi) no change of business, (vii) no deliberate change of COMI, (viii) preservation of assets, (xix) *pari passu* ranking, (x) insurances; (xi) pensions funded, (xii) intellectual property, (xiii) guarantor coverage test, (xiv) further assurance, (xv) access when non-payment and insolvency events of default are continuing, (xvi) specific undertakings from the Company relating to the certification mechanism, (xvii) certification entity status, (xviii) maintenance of status of financial enterprise, (xix) transfer of certain proceeds not used under the Term Loan B Facility to a dedicated bank account and pledge over such account, (xx) anti-corruption laws/ anti-money laundering/sanctions, (xxi) maintenance of ratings and (xxii) conditions subsequent relating to the change of control of a Belgian obligor (article 556 of the Belgian Companies Code).

Solely for the benefit of the lenders participating in the Revolving Credit Facility, the New Senior Facilities Agreement will require that, in the event that the aggregate amount of all cash loans, cash ancillary facility and guarantee issued or any ancillary facility made available to support cash drawings under the Revolving Credit Facility exceeds 40 per cent of the total commitments under the Revolving Credit Facility or, if higher, the total commitments under the Revolving Credit Facility as at the original date of the New Senior Facilities Agreement (the "**Revolving Test Condition**"), the Consolidated Senior Secured Net Leverage Ratio does not exceed 6.00 to 1.00.

The Senior Facilities Agreement contains an equity cure provision enabling the shareholders of the Issuer to make shareholder injections by way of debt and/or equity to the Issuer to (i) increase the Consolidated EBITDA or (ii) decrease the consolidated Net Leverage. The equity cure right may not be exercised on more than five occasions during the term of the Senior Credit Facilities and may not be utilized in consecutive quarters.

Events of Default

The New Senior Facilities Agreement provides for substantially the same events of default as under the Notes. In addition, the New Senior Facilities Agreement provides for additional events of default, subject to customary materiality qualifications and grace periods, including without limitation: (i) breach of the financial covenant (ii) inaccuracy of representation or statement when made; (iii) invalidity and unlawfulness of a Finance Documents (as defined in the New Senior Facilities Agreement); (iv) rescission or repudiation of a Finance Document (as defined in the New Senior Facilities Agreement) (iv) material failure to comply with the Intercreditor Agreement (v) cessation of business of the Group and (vi) specific event of default relating to House of Pledge.

Governing Law

The New Senior 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 information undertakings, restrictive covenants, events of default and related definitions scheduled to the New Senior Facilities Agreement will be interpreted in accordance with New York law (without prejudice to the fact that the New Senior Facilities Agreement is governed by English law).

Intercreditor Agreement

In connection with the entry into the New Senior Facilities Agreement and the Indenture, the Issuer together with the Company and the House of Pledge, will enter into an intercreditor agreement to govern the relationships on certain matters and relative priorities, among, *inter alios*, the holders of Senior Secured Debt (as defined below), the holders of Second Lien Debt (as defined below), the holders of Senior Subordinated Debt (as defined below), certain intra group lenders and subordinated creditors (as all such capitalized terms are defined below) (the "**Intercreditor Agreement**") with, amongst others, ING Bank N.V., London Branch as New Senior Facilities agent, Citibank, N.A., London Branch as original Trustee of the Notes, Citibank, N.A., London Branch as Security Agent and the New Senior Facilities lenders.

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain debt (including debt incurred under the New Senior Facilities and the Notes) of the debtors;
- the relative ranking of Transaction Security (defined below) granted by certain members of the Group;
- when payments can be made in respect of certain indebtedness of the Group;
- when enforcement action (including acceleration and/or demand for payment and certain similar actions) can be taken in respect of certain indebtedness of the Group;
- the terms pursuant to which certain indebtedness will be subordinated upon the occurrence of certain insolvency events;
- the order for applying proceeds from the enforcement of security and other amounts received by the Security Agent; and
- turnover provisions.

The Intercreditor Agreement contains provisions related to future indebtedness permitted by the Indenture that may be incurred by (a) the Parent or a holding company of the Parent (in relation to indebtedness under paragraph (iv) below), (b) the Issuer and its restricted Subsidiaries which are guarantors (the Issuer and its restricted subsidiaries being defined as the "**Group**") (in relation to indebtedness under paragraph (i) below) which may be secured by the Collateral securing the Notes and (c) the Issuer and any of its holding companies which is a member of the Group (in relation to indebtedness under paragraph (ii) below), subject to the terms of the Intercreditor Agreement and any finance documentation then existing (including the Indenture). Such indebtedness will (i) have equivalent rights to (A) the holders of the Notes, (B) the holders of the New Senior Facilities liabilities and (C) hedge counterparties holding certain hedging liabilities (which are permitted to benefit from *pari passu* ranking as set out in the Description of Notes contained herein) (such hedge counterparties being "**Hedge Counterparties**"), under the Intercreditor Agreement and may vote in the same class of creditors as the holders of the Notes liabilities, the holders of the New Senior Facilities and the Hedge Counterparties in respect of enforcement (such indebtedness, including indebtedness under the Notes, indebtedness under the New Senior Facilities and indebtedness owed to the Hedge Counterparties, being the "**Senior Secured Debt**"), (ii) have rights in respect of such indebtedness that will be limited as set out in the Intercreditor Agreement (such indebtedness being the "**Second Lien Debt**") including in respect of (A) when payments in respect of such indebtedness are permitted to be made, including the circumstances when payments in respect of Second Lien Debt can be suspended (including through the issuance of a stop notice (and cure provisions in respect thereof)), (B) restrictions on when the holders of Second Lien Debt can take enforcement action (including standstill provisions in respect of Second Lien Debt) and (C) the ability of the holders of Second Lien Debt to purchase Senior Secured Debt in certain circumstances or (iii) have rights in respect of such indebtedness incurred by members of the Group as guarantee obligations that will be limited as set out in the Intercreditor Agreement (such indebtedness being the "**Senior Subordinated Debt**") including in respect of (A) when payments by members of the Group in respect of such indebtedness are permitted to be made, including the circumstances when payments in respect of Senior Subordinated Debt can be suspended (including through the issuance of a stop notice (and cure provisions in respect thereof)), (B) restrictions on when the holders of Senior Subordinated Debt can take enforcement action (including standstill provisions in respect of Senior Subordinated Debt); *provided* that the Intercreditor Agreement does not purport to restrict holders of Senior Subordinated Debt to take enforcement action against the issuer or borrower of the Senior Subordinated Debt or any person which is not a member of the Group and (C) the ability of the holders of Senior Subordinated Debt to purchase Senior Secured Debt and Second Lien Debt in certain circumstances.

As set forth in "*—Ranking and priority*" below, any Second Lien Debt will be subordinated to any Senior Secured Debt and any Senior Subordinated Debt guarantees granted by members of the Group will be subordinated to the Senior Secured Debt and the Second Lien Debt on the terms of the Intercreditor Agreement. Any Second Lien Debt must be bullet and its maturity date must be at least six months after the latest maturity date of any Senior Secured Debt (excluding under any hedging agreement) and the issuer or borrower of Second Lien Debt must be the Issuer or any holding company of the Issuer which is a member of the Group. Any Senior Subordinated Debt must be bullet and its maturity date must be at least six months after the latest maturity date of any Second Lien Debt, or if no such Second Lien Debt is in existence at that time, any Senior Secured Debt (excluding under any hedging agreement) and the issuer or borrower of any Senior Subordinated Debt must be the Parent or any holding company of the Parent.

By accepting a Note, the relevant holder thereof shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

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 discussion that follows, defines certain rights of the holders of the Notes.

Ranking and priority

The Intercreditor Agreement provides that (1) the liabilities owing to the holders of Senior Secured Debt rank *pari passu* in right and priority of payment between themselves and in priority to (A) the holders of Second Lien Debt, (B) the holders of Senior Subordinated Debt (including all liabilities under any loan that would made by any entity which is not a member of the Group for the purposes of on-lending the proceeds of any Senior Subordinated Debt (the "**Senior Subordinated Proceeds Loan**")) and (C) all intra-Group liabilities required to be subordinated as per the terms of the Intercreditor Agreement (the "**Intra-Group Liabilities**") and liabilities owed by the Company to any Company's subordinated creditor, (2) the liabilities owing to the holders of Second Lien Debt rank *pari passu* in right and priority of payment between themselves and in priority to the Senior Subordinated Debt (including all liabilities under any Senior Subordinated Proceeds Loan) and all Intra-Group Liabilities and liabilities owed by the Company to any Company's subordinated creditor and (3) the liabilities owing to the holders of Senior Subordinated Debt (including all liabilities under any Senior Subordinated Proceeds Loan) rank *pari passu* in right and priority of payment between themselves and in priority to all Intra-Group Liabilities and liabilities owed by the Company to any Company's subordinated creditor.

In addition, the Intercreditor Agreement provides that the liabilities owing to the holders of Senior Subordinated Debt rank in priority to all liabilities owed by the Parent to any Parent's subordinated creditor.

The Intercreditor Agreement does not purport to rank the Intra-Group Liabilities or the liabilities owed by the Company to any Company's subordinated creditor as between themselves.

The Intercreditor Agreement does not purport to rank the liabilities owed by the Parent to any Parent's subordinated creditor as between themselves.

The Intercreditor Agreement does not rank or restrict the payment by any Senior Subordinated Debt issuer or borrower of any liabilities arising under or in connection with any agreement or instrument in respect of Senior Secured Debt.

Guarantees and security

The lenders under the New Senior Facilities, the hedge counterparties, the holders of the Notes and other holders of Senior Secured Debt, any holders of the Second Lien Debt and the holders of Senior Subordinated Debt may subject to certain limits benefit from a common guarantee and security package (the "**Transaction Security**"). The liabilities owing to the New Senior Facilities lenders, the hedge counterparties, the holders of the Notes, the other holders of Senior Secured Debt, the holders of Second Lien Debt and the holders of Senior Subordinated Debt may, to the extent permitted under applicable law and subject to certain limits be guaranteed by the same debtors and will be secured by the same Transaction Security. To the extent permitted by the Indenture, holders of Senior Secured Debt, Second Lien Debt and/or Senior Subordinated Debt (together, the "**Secured Parties**") are entitled under the Intercreditor Agreement to receive the benefit of such Transaction Security on the basis set forth in "*—Ranking and priority*" above (the obligations secured by Transaction Security being referred to as the "**Secured Obligations**").

The Intercreditor Agreement contains covenants restricting holders of Senior Secured Debt, Second Lien Debt and/or Senior Subordinated Debt from taking any additional guarantees or security from the Group unless given for the benefit of the holders of the Notes subject to the Agreed Security Principles. Unless there is a legal restriction on doing so, the Security Agent shall hold the Transaction Security for the benefit of the Secured Parties to the extent each has the benefit of the relevant Transaction Security.

Priority of security

The Transaction Security shall rank and secure the liabilities in respect of Senior Secured Debt, Second Lien Debt and/or Senior Subordinated Debt (but only to the extent such Transaction Security is expressed to secure those liabilities and irrespective of the date on which such Transaction Security was created and/or perfected) in the following order: firstly the liabilities in respect of Senior Secured Debt *pari passu* and without any preference between them; secondly the liabilities in respect of the Second Lien Debt *pari passu* and without any preference between them; and thirdly the liabilities in respect of the Senior Subordinated Debt *pari passu* and without any preference between them, with the proceeds of the Transaction Security to be applied as described under "—*Application of recoveries*" below.

Restrictions on payments

Prior to the final discharge date of all Senior Secured Debt, there shall be no restrictions under the Intercreditor Agreement on payments to be made to holders of Senior Secured Debt, save that the Intercreditor Agreement contains provisions regulating payments in respect of hedging liabilities due to Hedge Counterparties following the occurrence of an acceleration event in respect of the liabilities.

Payments of liabilities to holders of Second Lien Debt by debtors shall be permitted (i) to the extent (A) the payment (w) is not prohibited from being made under the terms of any agreement or instrument in respect of Senior Secured Debt, (x) is made in accordance with any provision of any agreement or instrument in respect of Second Lien Debt relating to cancellation and repayment in relation to a single lender or noteholder, cancellation in relation to a defaulting lender or noteholder, tax gross up and indemnities or increased costs, (y) is of any amount due under any fee letter or syndication strategy letter relating to any Second Lien Debt in each case payable on the issue date or utilization date of the relevant Second Lien Debt or (z) cash interest in accordance with the terms of the relevant agreement or instrument in respect of Second Lien Debt (B) there is no payment event of default outstanding in respect of any Senior Secured Debt and (C) a period of 120 days has elapsed or, as the case may be, such other applicable period set out in the Intercreditor Agreement has elapsed following the occurrence of certain other material events of default in respect of any Senior Secured Debt (the occurrence of which has been notified by the relevant representative, agent and/or trustee of any Senior Secured Debt on or before the discharge of the Senior Secured Debt to the Issuer, the Security Agent and the agent and/or trustee of any Second Lien Debt); (ii) the payment is of any of the Second Lien Debt liabilities in accordance with any provision relating to illegality in respect of a lender/noteholder in the relevant agreement or instrument in respect of Second Lien Debt; (iii) the payment is by way of capitalization of interest or by the issuance of a non-cash pay financial instrument evidencing the same which is subordinated to the Senior Secured Debt liabilities pursuant to the Intercreditor Agreement on the same terms as the relevant Second Lien Debt liabilities; (iv) if the payment is of an amount which is outstanding as a result of the accrual of cash interest payable in respect of the Second Lien Debt during the time period referred to in (i)(C) above, (v) if the payment is made following the occurrence of an event of default which is continuing in respect of any Second Lien Debt, all (but not part) of any of the Second Lien Debt liabilities as a result of those Second Lien Debt liabilities being released or otherwise discharged solely in consideration for the issue of shares in the Parent or the Company (as applicable), to the extent that (A) no cash or cash equivalent is made in respect of this liabilities, (B) if at the level of the Issuer, any liability of the Issuer to the holders of any Second Lien Debt arising as a result of such payment constitute equity investment or Company's subordinated liabilities and are subordinated to the Senior Secured Debt in accordance with the terms of the Intercreditor Agreement, (C) no member of the Group becomes liable for or incur any material tax liability as a result of such payment and a tax report from a reputable accountant is provided to the Security Agent confirming that no such material tax lability has arisen or will arise; (D) no Change of Control would arise as a result of such payment and (E) at the time that payment becomes effective, no distressed disposal is due to occur which may be impeded by the occurrence of such payment, (vi) if the

50% majority of the holders of any Senior Secured Debt have provided their prior consent, (vii) if the payment is of any amounts in respect of fees, costs and expenses (including legal fees) payable to agent and/or trustee of any Second Lien Debt (or any adviser, receiver, delegate, attorney, agent or appointee thereof) pursuant to the terms of the relevant agreement or instrument in respect of Second Lien Debt; (viii) the payment is of necessary costs and expenses of any holder of Transaction Security in relation to the protection, preservation or enforcement of such Transaction Security in respect of Second Lien Debt, (ix) if the payment is of necessary consent and/or waiver fees in respect of any consent granted under, or waiver or amendment of any provision of, any agreement or instrument in respect of Second Lien Debt where an equivalent consent or waiver is obtained in respect of any Senior Secured Debt (provided that those fees do not exceed, on a percentage basis, the corresponding fees paid to the holders of any Senior Secured Debt), (x) if the payment is of commercially reasonable advisory or other work and professional fees, costs and expenses for restructuring advice and valuations (including legal advice and the advice of other appropriate financial and/or restructuring advisors) in an aggregate amount not exceeding €1,500,000 (or its equivalent in any other currency or currencies), but excluding any fees incurred in connection with any current, threatened or pending litigation against any holder of Senior Secured Debt (or any of their affiliate); and (xi) on or after final discharge of the Senior Secured Debt.

Payments of liabilities to holders of Senior Subordinated Debt by debtors shall be permitted (i) to the extent: (A) the payment is not prohibited from being made under the terms of any agreement or instrument in respect of Senior Secured Debt and Second Lien Debt and (B) there is no payment event of default outstanding in respect of any Senior Secured Debt and Second Lien Debt and (C) a period of 179 days has elapsed or, as the case may be, such other applicable period set out in the Intercreditor Agreement has elapsed following the occurrence of an event of default (excluding any payment event of default) in respect of any Senior Secured Debt and Second Lien Debt (the occurrence of which has been notified by the relevant representative, agent and/or trustee of any Senior Secured Debt or (on or after the final discharge of the Senior Secured Debt) any Second Lien Debt, to the Issuer, the Security Agent and the agent and/or trustee of the Senior Subordinated Debt and (to the extent there is any Second Lien Debt at that time) any Second Lien Debt); (ii) if the consent of the relevant instructing group is obtained as contemplated in the Intercreditor Agreement; (iii) the payment is for liabilities incurred by an agent and/or trustee of the Senior Subordinated Debt in its capacity as agent or trustee (as applicable) (iv) if the payment is of necessary consent and/or waiver fees in respect of any consent granted under, or waiver or amendment of any provision of, any agreement or instrument in respect of Senior Subordinated Debt where an equivalent consent or waiver is obtained in respect of any Senior Secured Debt and the Second Lien Debt (provided that those fees do not exceed, on a percentage basis, the corresponding fees paid to the holders of any Senior Secured Debt and the corresponding fees paid to the holders of Second Lien Debt), (v) if the payment is of commercially reasonable advisory or other work and professional fees, costs and expenses for restructuring advice and valuations (including legal advice and the advice of other appropriate financial and/or restructuring advisors) in an aggregate amount not exceeding €1,500,000 (or its equivalent in any other currency or currencies), but excluding any fees incurred in connection with any current, threatened or pending litigation against any holder of Senior Secured Debt (or any of their affiliate) or Second Lien Debt (or any of their affiliates); (vi) payments of costs, commissions, taxes, premiums and any expenses incurred in respect of any agreement or instrument in respect of Senior Subordinated Debt (including in relation to any reporting or listing requirements under the Senior Subordinated Debt finance documents) and in certain circumstances in connection with Senior Subordinated Debt; and (vii) on or after final discharge of the Senior Secured Debt and (to the extent there is any Second Lien Debt at that time) any Second Lien Debt.

Payments of Intra-Group Liabilities to intra-Group lenders and subordinated creditors shall be permitted to the extent expressly permitted in the circumstances contemplated by the

Intercreditor Agreement or if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement.

Payments of subordinated liabilities shall be restricted at the level of the Company in respect of any liabilities owed to certain shareholders of the Company and any other person that becomes a Company Subordinated Creditor (as defined below) under the Intercreditor Agreement (the "**Company Subordinated Liabilities**") and at the level of the Parent in respect of any liabilities owed to certain shareholder(s) of the Parent and any other person that becomes a Parent Subordinated Creditor under the Intercreditor Agreement (the "**Parent Subordinated Liabilities**"), *provided* that (i) payments under the Company Subordinated Liabilities shall be permitted to the extent not prohibited under the Senior Secured Debt finance documents or the Second Lien Debt finance documents, and payments under the Parent Subordinated Liabilities shall be permitted to the extent not prohibited under the Senior Subordinated Debt finance documents.

Entitlement to enforce Transaction Security

Subject to the Transaction Security having become enforceable in accordance with its terms and subject to the consultation requirements described below, an instructing group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as it sees fit.

Prior to the final discharge date of all Senior Secured Debt, the holders of Second Lien Debt may only take certain enforcement action against any member of the Group in respect of liabilities in relation to Second Lien Debt and/or any Transaction Security (i) if (A) an event of default under any agreement or instrument in respect Second Lien Debt is continuing (the occurrence of which has been notified to the relevant representative, agents and/or trustees of any Senior Secured Debt by the relevant agent and/or trustee of the Second Lien Debt) and (B) a period of 90 days has elapsed since the date of such notice referred to in (or such earlier time contemplated in the Intercreditor Agreement) and the applicable event of default referred to in (A) is continuing, (ii) in the circumstance where holders of Senior Secured Debt take enforcement action in relation to a particular guarantor of Second Lien Debt, *provided* that the applicable holders of Second Lien Debt may only take the same enforcement action in relation to such guarantor as taken by the applicable holders of Senior Secured Debt or (iii) if the consent of the majority of the holders of the Senior Secured Debt is obtained as contemplated in the Intercreditor Agreement.

Prior to the final discharge date of all Senior Secured Debt and (to the extent there is any Second Lien Debt at that time) all Second Lien Debt, the holders of Senior Subordinated Debt may only take certain enforcement action against any member of the Group in respect of liabilities in relation to Senior Subordinated Debt and/or any Transaction Security (i) if (A) an event of default under any agreement or instrument in respect of Senior Subordinated Debt is continuing (the occurrence of which has been notified to the relevant representative, agents and/or trustees of any Senior Secured Debt by the relevant agent and/or trustee of the Senior Subordinated Debt) and (B) a period of 179 days has elapsed since the date of such notice referred to in (A) (or such earlier time contemplated in the Intercreditor Agreement) and the applicable event of default referred to in (A) is continuing, (ii) in the circumstance where holders of Senior Secured Debt or Second Lien Debt (as the case may be) take enforcement action in relation to a particular guarantor of Senior Subordinated Debt, provided that the applicable holders of Senior Subordinated Debt may only take the same enforcement action in relation to such guarantor as taken by the applicable holders of Senior Secured Debt or Second Lien Debt (as the case may be), (iii) in respect of enforcement action in relation to a particular guarantor of Senior Subordinated Debt that is the subject of an insolvency event or (iv) if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement. For the avoidance of doubt, such provisions shall not restrict the requisite majority of the holders of Senior Subordinated Debt taking of any enforcement action against any Senior

Subordinated Debt issuer or borrower or any holding company of the Senior Subordinated Debt issuer or borrower.

Additional restrictions

The Intercreditor Agreement restricts (among other things) with respect to the Company and any other member of the Group:

- the ability of the hedge counterparties to take any enforcement action except for certain specified permitted enforcement actions;
- the ability of intra-Group debtors in respect of Intra-Group Liabilities to pay, prepay, repay, redeem, defease or discharge or acquire Intra-Group Liabilities except for certain specified permitted payments;
- the ability of the intra-Group lenders in respect of Intra-Group Liabilities to take any enforcement action except for certain specified permitted enforcement actions;
- the ability of the intra-Group lenders in respect of Intra-Group Liabilities to take the benefit of any guarantees or security;
- the ability of members of the Group to pay, prepay, repay, redeem, defease or discharge or acquire any liabilities owing to the subordinated creditors except for certain specified permitted payments;
- the ability of subordinated creditors to take enforcement action except for certain specified permitted enforcement action; and
- the ability of the subordinated creditors to take the benefit of any guarantees or security.

In addition, the Intercreditor Agreement provides that the Transaction Security and guarantees relating to Senior Secured Debt, Second Lien Debt and/or Senior Subordinated Debt will be released in certain circumstances described further below in "*—Release of Security and Guarantees—Non-Distressed disposals*" and "*—Release of Security and Guarantees—Distressed disposals*." Moreover, certain proceeds received by holders of Senior Secured Debt, Second Lien Debt and/or Senior Subordinated Debt must be turned over to the Security Agent pursuant to the Intercreditor Agreement for application in accordance with the Intercreditor Agreement. See further below in "*—Turnover*."

Effect of an insolvency event

After the occurrence of an insolvency event in relation to any member of the Group, any debtor, intra-Group lender in respect of Intra-Group Liabilities, subordinated creditor or holders of Second Lien Debt and Senior Subordinated Debt entitled to receive a distribution out of the assets of that member of the Group in respect of liabilities owed to it shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full.

After the occurrence of an insolvency event in relation to any member of the Group, each debtor, intra-Group lender in respect of Intra-Group Liabilities, subordinated creditor and holder of Second Lien Debt and Senior Subordinated Debt irrevocably authorizes the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) to:

(a) exercise any right it may otherwise have in respect of that member of the Group with respect to that member of the Group's liabilities to, amongst other things, accelerate any of that member of the Group's liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any liabilities;

(c) collect and receive any payment in respect of any liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for such liabilities owing to it.

Each of the holders of Second Lien Debt, Senior Subordinated Debt and the subordinated creditors shall (a) do all things the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) requests in order to give effect to the above actions and (b) if the Security Agent is not entitled to take any of the above actions or requests that such creditor takes that action, undertake that action itself in accordance with the instructions of the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) or grant a power of attorney to the Security Agent to enable it to take such actions.

Release of security and guarantees—non-distressed disposals

The Security Agent shall be permitted to release Transaction Security over any asset if, in respect of a disposal of an asset by a debtor or an asset which is subject to the Transaction Security (including if such asset consists of the shares of a debtor, the assets of the subsidiaries of such debtor which are subject to Transaction Security):

(a) prior to the discharge date in respect of the Senior Secured Debt, such disposal is not prohibited under the terms of any agreement or instrument in respect of Senior Secured Debt and the Issuer has confirmed to the Security Agent in writing that such disposal is not so prohibited;

(b) prior to the discharge date in respect of Second Lien Debt, such disposal is not prohibited under the terms of any agreement or instrument in respect of Second Lien Debt and the Issuer has confirmed to the Security Agent in writing that such disposal is not so prohibited;

(c) prior to the discharge date in respect of the Senior Subordinated Debt, such disposal is not prohibited under the terms of any agreement or instrument in respect of Senior Subordinated Debt and the Issuer has confirmed to the Security Agent in writing that such disposal is not so prohibited; and

(d) such disposal is not a distressed disposal (as set out more fully in "*—Release of Security and Guarantees—Distressed disposals*" below).

Release of security and guarantees—distressed disposals

In relation to the disposal of an asset of a member of the Group or of the Senior Subordinated Debt issuer or borrower which is being effected at the request of an instructing group in circumstances where the Transaction Security has become enforceable, (ii) being effected by the enforcement of the Transaction Security, (iii) being effected, following an acceleration of Senior Secured Debt, Second Lien Debt and/or Senior Subordinated Debt or the enforcement of any Transaction Security, by a Debtor to a person which is not a member of the Group (a "**Distressed Disposal**") or (iv) following a Foreclosure as a result of an enforcement of Transaction Security, the Security Agent is irrevocably authorized (at the cost of the relevant debtor or the Issuer and without any consent, sanction, authority or further confirmation from any creditor, subordinated creditor or debtor) to:

(a) 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) (i) if the asset subject to the Distressed Disposal or Foreclosure 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

(1) its borrowing liabilities;

(2) its guarantee liabilities; and

(3) its 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 a creditor of any Senior Subordinated Proceeds Loan, a subordinated creditor, intra-Group lender or another debtor over that debtor's assets or over the assets of any subsidiary of that debtor,

on behalf of the relevant creditors, subordinated creditors and debtors;

(ii) if the asset subject to the Distressed Disposal or Foreclosure 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:

(1) its borrowing liabilities;

(2) its guarantee liabilities; and

(3) its other liabilities;

(B) any Transaction Security granted by that holding company and any subsidiary of that holding company over any of its assets; and

(C) any other claim of a creditor of any Senior Subordinated Proceeds Loan, a subordinated creditor, intra-Group lender or another debtor over that holding company's assets and the assets of any subsidiary of that holding company,

on behalf of the relevant creditors, subordinated creditors and debtors;

(iii) if the asset subject to the Distressed Disposal or Foreclosure consists of shares in the capital of a debtor or the holding company of a debtor and the Security Agent decides to dispose of all or any part of:

(A) the liabilities; or

(B) the debtor liabilities,

owed by that debtor or holding company or any subsidiary of that debtor or holding company:

(C) (if the Security Agent does not intend that any transferee of those liabilities or debtor liabilities (the "**Transferee**") will be treated as a senior 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 or debtor liabilities provided that the transferee shall not be treated as a senior creditor or a secured party for the purposes of the Intercreditor Agreement; and

(D) (if the Security Agent does intend that any transferee will be treated as a holder of Senior Secured Debt, Second Lien Debt or, as applicable, Senior Subordinated Debt or as a secured party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of:

(1) all (and not part only) of the liabilities owed to the senior creditors; and

(2) all or part of any other liabilities and the debtor liabilities,

on behalf of, in each case, the relevant creditors, subordinated creditors and debtors;

(iv) if the asset subject to the Distressed Disposal or Foreclosure consists of shares in the capital of a debtor or the holding company of a debtor (the "**Disposed Entity**") and the Security Agent decides to transfer to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of:

(A) the Intra-Group Liabilities;

(B) the debtor liabilities; or

(C) the subordinated liabilities,

to execute and deliver or enter into any agreement to:

(D) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, debtor liabilities or subordinated liabilities on behalf of the relevant intra-Group lenders, debtors or, as the case may be, the subordinated creditor to which those obligations are owed and on behalf of the debtors which owe those obligations; and

(E) (provided the Receiving Entity is a holding company of the Disposed Entity) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, debtor liabilities or subordinated liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities, debtor liabilities or, as the case may be, subordinated liabilities are to be transferred.

The proceeds in connection with the realization or enforcement (or any transaction in lieu thereof) of any Transaction Security shall be paid to the Security Agent for application as described under "*—Application of recoveries*" below.

In the case of a Distressed Disposal (or a disposal of liabilities as described in paragraph (b)(iii)(D) above) effected by or at the request of the Security Agent, unless the requisite majority of holders of Senior Secured Debt otherwise agree, it is a further condition to any release or disposal described above that:

(a) the proceeds of such disposal are in cash (or substantially in cash);

(b) all claims of the holders of the Senior Secured Debt against any member of the Group and any subsidiary of that member of the Group which are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

(A) the applicable instructing group determine acting reasonably and in good faith that the holders of the Senior Secured Debt will recover more than if such claim was released or discharged; and

(B) the applicable instructing group serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent shall be entitled immediately to sell or dispose such claim to such purchaser (or an affiliate of such purchaser); and

(c) such sale or disposal is made:

(A) pursuant to a public auction; or

(B) a fairness opinion in respect of such sale or disposal is obtained and delivered to, amongst others, the Security Agent.

In the case of a Distressed Disposal (or a disposal of liabilities as described in paragraph (b)(iii)(D) above) effected by or at the request of the Security Agent at a time when any Senior Subordinated Debt/Second Lien Debt is outstanding, unless the requisite majority of holders of Senior Subordinated Debt/Second Lien Debt agree, it is a further condition to any release or sale or disposal described above pursuant to which any guarantees for any Senior Subordinated Debt/Second Notes Debt and/or any Transaction Security which is expressed to secure any Senior Subordinated Debt/Second Lien Debt and/or any shares of and/or any assets of a guarantor of any Senior Subordinated Debt/Second Lien Debt and/or any assets subject to Transaction Security expressed to secure any Senior Subordinated Debt/Second Lien Debt are to be released and/or sold or disposed of, that either:

(a) the applicable agent(s) and/or trustee(s) in respect of such Senior Subordinated Debt/ Second Lien Debt has approved that release or, as the case may be, sale or disposal; or

(b) where any shares of and/or any assets of a guarantor of any Senior Subordinated Debt/ Second Lien Debt and/or any assets subject to Transaction Security expressed to secure any Senior Subordinated Debt/Second Lien Debt are to be sold or disposed of (in each case, whether directly or indirectly):

   (A) (1) the proceeds of such disposal are in cash (or substantially in cash) or (2) the consideration in respect of such disposal does not comprise cash (or substantially all cash) in circumstances where the Security Agent determines that the cash consideration payable under the highest of the other bona fide and fully committed offers made in relation to that disposal is less than the outstanding Senior Secured Debt, in which case the non-cash consideration can, without limitation, take the form of the holders of Senior Secured Debt (or any of them acting alone or together) bidding by any appropriate mechanic all or part of their Senior Secured Debt (such that the Senior Secured Debt would, on completion, be discharged to the extent of an amount equal to the amount of the offer made by the relevant holders of Senior Secured Debt);

   (B) all claims of the holders of Senior Secured Debt against such guarantor and any subsidiary of such guarantor which are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged concurrently with such sale or disposal (and are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of such assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale or disposal, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

      (1) the applicable instructing group determine acting reasonably and in good faith that the holders of Senior Secured Debt will recover more than if such claim was released or discharged; and

      (2) the applicable instructing group serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent shall be entitled immediately to sell or dispose such claim to such purchaser (or an affiliate of such purchaser); and

(c) such sale or disposal is made:

   1. pursuant to a public auction; or

   2. a fairness opinion in respect of such sale or disposal is obtained and delivered to, amongst others, the Security Agent.

Turnover

Subject to certain exclusions, if at any time prior to the final discharge date, any subordinated creditor, intra-Group lender or any holder of any Second Lien Debt and any Senior

Subordinated Debt and any creditor of any Senior Subordinated Proceeds Loan receives or recovers:

- any amount which is not a permitted payment or made in accordance with the enforcement proceeds waterfall described below under "*—Application of recoveries*";
- any amount by way of set off in respect of any of the liabilities owed to it which does not give effect to a permitted payment;
- any amount on account of, or in relation to, or by way of set off in respect of any liabilities after an acceleration of Senior Secured Debt (other than under any hedging agreement), any Second Lien Debt or any Senior Subordinated Debt or enforcement of the Transaction Security or as a result of any litigation or other proceeding against a member of the Group (other than after the occurrence of an insolvency event in respect of such member of the Group) other than in accordance with the enforcement proceeds waterfall described below under "*—Application of recoveries*";
- the proceeds in connection with the realization or enforcement (or any transaction in lieu thereof) of any Transaction Security or any other Distressed Disposal and any Cash Proceeds other than in accordance with the enforcement proceeds waterfall described below under "*—Application of recoveries*;" or
- any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by an insolvent member of the Group, in each case where such payment is not made in accordance with the enforcement proceeds waterfall described below under "*—Application of recoveries*,"

or any holder of any Senior Secured Debt receives proceeds in connection with the realization or enforcement (or any transaction in lieu thereof) of any Transaction Security or any other Distressed Disposal and any Cash Proceeds other than in accordance with the enforcement proceeds waterfall described below under "*—Application of recoveries*,"

then that creditor or subordinated creditor will (a) in relation to receipts and recoveries not received or recovered by way of set-off, hold the relevant portion of an amount of that receipt or recovery on trust for the Security Agent and promptly pay the relevant portion of that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay the relevant portion of an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Other definitions

For the purposes of this section only, the defined terms used in this section will have the meaning assigned to them herein.

"**Cash proceeds**" means (a) proceeds of the asset which are in the form of cash and (b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the asset which are in the form of non-cash consideration.

"**Company shareholder debt**" means the aggregate principal amount outstanding (including any capitalized interest thereon) from time to time under Company Shareholder Debt Instruments.

"**Company shareholder debt instruments**" means the instruments and agreements constituting (and all other instruments or agreements evidencing) bonds issued, or shareholder loans incurred, by the Company and subscribed or made available (as applicable) by Company Shareholder Investors.

"**Company shareholder investors**" means on the date of the Intercreditor Agreement, the Original Company Shareholder Investors, and thereafter a Company Shareholder or any of their respective Affiliates having acquired or subscribed for Company Shareholder Debt issued by the Company from time to time in accordance with the terms of the Senior Secured Debt finance documents, the Second Lien Debt finance documents and the Senior Subordinated Debt finance documents.

"**Company shareholders**" means on the date of the Intercreditor Agreement, the Original Company Shareholders, and thereafter each person being a shareholder of the Company at any time in accordance with the terms of the Senior Secured Debt finance documents, the Second Lien Debt finance documents and the Senior Subordinated Debt finance documents.

"**Company subordinated creditor**" means the Company Shareholders and the Company Shareholder Investors and each other person which becomes a party to the Intercreditor Agreement in such capacity in accordance with the terms thereof, in each case unless such person has ceased to be a party thereto in accordance with the terms thereof.

"**Debt document**" means each of the Intercreditor Agreement, the Senior Secured Debt finance documents, the Second Lien Debt finance documents, the Senior Subordinated Debt finance documents, the Senior Subordinated Proceeds Loan documents, the Transaction Security Documents, any agreement evidencing the terms of the Intra-Group Liabilities, the Company Subordinated Liabilities or the Parent Subordinated Liabilities and any other document designated as such by the Security Agent and the Company.

"**Foreclosure**" means the foreclosure, appropriation or similar process in respect of the shares in the capital of a member of the Group by the Security Agent (or any receiver or delegate) which is effected (to the extent permitted under the relevant Transaction Security document) by enforcement of the Transaction Security.

"**Foreclosure date**" means the first date on which a Foreclosure in respect of a Transaction Security occurs.

"**Material senior secured event of default**" means (i) an event of default occurring under any of the section relating to a breach of financial covenant, *Cross default*, *Insolvency*, *Insolvency proceedings*, *Unlawfulness, invalidity* (but only to the extent the invalidity relates to a Transaction Security document or the Intercreditor Agreement) of the New Senior Facilities Agreement or any equivalent provision in any Senior Secured Debt facility agreement, (ii) a an acceleration event in relation to the revolving facility under the New Senior Facilities Agreement which is continuing, or any equivalent provision in any Senior Secured Debt facility agreement, as a result of a breach financial covenant, (iii) a breach (other than by a creditor under Senior Secured Debt) of any of the terms of the Intercreditor Agreement materially and adversely affecting the interests of the holders of Senior Secured Debt, or (iv) the New Senior Facilities agent or other agent in relation to Senior Secured Debt exercising any of its rights of acceleration and cancellation provided for under the New Senior Facilities Agreement or any equivalent provision in any Senior Secured Debt facility agreement; or (v) the applicable trustee under Senior Secured Debt notes (or any of the Senior Secured Debt noteholders) (in each case) in respect of the Notes or the relevant Senior Sauced Debt notes exercising any rights to accelerate amounts outstanding in respect of such senior secured notes or any acceleration provisions being automatically invoked (save to the extent waived under the applicable senior secured notes indenture), in each case, pursuant to, and in accordance with the terms of, the applicable senior secured notes indenture.

"**Original company shareholders**" means FPCI NAXICAP SECONDARY OPPORTUNITIES I; FPCI NAXICAP SECONDARY OPPORTUNITIES II; FPCI NAXICAP SECONDARY OPPORTUNITIES III; FPCI NAXICAP SECONDARY OPPORTUNITIES IV; FPCI NAXICAP OPPORTUNITIES I; FPCI NAXICAP OPPORTUNITIES II; FPCI NAXICAP OPPORTUNITIES III; FPCI NAXICAP OPPORTUNITIES V; FPCI NAXICAP COINVEST I; FPCI RIVES CROISSANCE I; NAXICAP RENDEMENT 2018 SAS; NAXICAP RENDEMENT 2022 SAS; FPCI CAPENTREPRENEURS II; FPCI NAXICAP INVESTMENT OPPORTUNITIES I; FPCI NAXICAP OPPORTUNITIES VIII; each represented by Naxicap Partners SA.

"**Original company shareholder investors**" means FPCI NAXICAP SECONDARY OPPORTUNITIES I; FPCI NAXICAP SECONDARY OPPORTUNITIES II; FPCI NAXICAP SECONDARY OPPORTUNITIES III; FPCI NAXICAP SECONDARY OPPORTUNITIES IV; FPCI NAXICAP OPPORTUNITIES I; FPCI NAXICAP OPPORTUNITIES II; FPCI NAXICAP OPPORTUNITIES III; FPCI NAXICAP OPPORTUNITIES V; FPCI NAXICAP COINVEST I; FPCI RIVES CROISSANCE I; NAXICAP RENDEMENT 2018 SAS; NAXICAP RENDEMENT 2022 SAS; FPCI CAPENTREPRENEURS II; FPCI NAXICAP INVESTMENT OPPORTUNITIES I; FPCI NAXICAP OPPORTUNITIES VIII; each represented by Naxicap Partners SA.

"**Parent**" means, as from the occurrence of a Specified Change of Control and its accession to the Intercreditor Agreement as Company Subordinated Creditor pursuant to the terms of the Intercreditor Agreement, the direct shareholder of the Company holding directly 100% of the share capital and voting right of the Company as a result of such Specified Change of Control.

"**Second lien payment default**" means an event of default arising by reason of non-payment under any Second Lien Debt finance document.

"**Senior secured payment default**" means an event of default arising by reason of non-payment under any Senior Secured Debt finance document.

Application of recoveries

Subject to certain exceptions, proceeds of enforcement (or any transaction in lieu thereof) of Transaction Security or any other Distressed Disposal, any other amounts received by the Security Agent from time to time pursuant to the provisions described under "*—Effect of an Insolvency Event*" and "*—Turnover*" above and any other amounts received by the Security Agent for such application (in addition to certain other amounts) shall be held by the Security Agent on trust and applied in the following order of priority:

(a) first, pro rata and *pari passu* to each representative, agent and/or trustee of Senior Secured Debt, Second Lien Debt and/or Senior Subordinated Debt and the Security Agent (including any receiver or delegate thereof) in respect of their costs and expenses and any other amounts due and payable to them at such time;

(b) third, pro rata and *pari passu* to (i) each trustee of the Notes on behalf of the holders of the Notes in respect of all amounts due and payable to them at such time, (ii) the agent of the New Senior Facilities, (iii) the Hedge Counterparties in respect of the hedging liabilities not designated as priority hedge liabilities due and payable to them at such time and (iii) (as applicable) the representative, agent and/or trustee of and on behalf of such other holders of Senior Secured Debt in respect of all amounts due and payable to them at such time;

(c) fourth, to the agent and/or trustee of and on behalf of such holders of Second Lien Debt in respect of all amounts due and payable to them at such time;

(d) fifth, to the agent and/or trustee of and on behalf of such holders of Senior Subordinated Debt in respect of all amounts due and payable to them at such time;

(e) sixth, to any person to whom the Security Agent is obliged to pay in priority to any debtor and then, to each of the relevant debtors;

(f) seventh, the balance, if any, in payment or distribution to the relevant Debtor.

Consultation and enforcement of transaction security

Subject to the paragraph below, before giving any instructions to the Security Agent to enforce the Transaction Security or take any other enforcement action, the agents and/or trustee of the creditors represented in the instructing group concerned shall consult with each other agent and/or trustee (other than any applicable agent and/or trustee in respect of Senior Subordinated Debt) and the Security Agent in good faith about the instructions to be given by the instructing group for a period of up to 10 business days (or such shorter period as each other agent and/or trustee and the Security Agent shall agree) (the "**Consultation Period**"), and only following the expiry of a Consultation Period, shall the instructing group be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other enforcement action.

No agent and/or trustee shall be obliged to consult in accordance with the above paragraph and the instructing group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other enforcement action prior to the end of a Consultation Period if:

(a) the Transaction Security has become enforceable as a result of an insolvency event; or

(b) the instructing group or any agent and/trustee of the creditors represented in the instructing group determines in good faith (and notifies each agent and/or trustee and the Security Agent) that to enter into such consultation and delay the commencement of enforcement of the Transaction Security could reasonably be expected to have a material adverse effect on:

(i) the Security Agent's ability to enforce any of the Transaction Security; or

(ii) the realisation proceeds of any enforcement of the Transaction Security.

Marshalling

Subject to the provisions of the following paragraph, the holders of Senior Secured Debt undertake for the benefit of the holders of Second Lien Debt and the holders of Senior Subordinated Debt not to enforce any pledge over a financial instrument account or any other security interest granted in their favor but not in favor of the holders of Second Lien Debt and the holders of Senior Subordinated Debt by any subsidiaries of the Issuer (the "**Lower Senior Securities**").

The senior secured creditors may enforce all or part of the Lower Senior Securities in the following cases:

(a) breach by a holder of Second Lien Debt or a holder of Senior Subordinated Debt of any obligation under the Intercreditor Agreement resulting in the enforcement of any pledge over a financial instrument account granted in favor of the holders of Senior Secured Debt, the holders Second Lien Debt and the holders of Senior Subordinated Debt becoming impossible;

(b) breach by a holder of Second Lien Debt or a holder of Senior Subordinated Debt of any obligation towards the holders of Senior Secured Debt under the Intercreditor Agreement; or

(c) enforcement of Transaction Security must be carried out in respect of shares of such entities and/or in respect of such businesses of members of the Group if in the reasonable opinion of the Security Agent (acting on behalf of all the secured parties) (as confirmed by an opinion from an independent internationally recognized investment bank appointed by the Security Agent acting on behalf of the secured parties (including the holders of Second Lien Debt and the holders of Senior Subordinated Debt) which should consider the enforcement methods to be used), enforcement of the Lower Senior Securities is reasonably expected to realize more value within a comparable timeframe for the secured parties as a whole than enforcement of security granted in favor of the holders Senior Secured Debt, the holders of Second Lien Debt and the holders of Senior Subordinated Debt (taking into account the expected enforcement costs, the timing of enforcement and sale and the recovery rights of the secured parties (including the holders of Second Lien Debt and the holders of Senior Subordinated Debt)).

Additional and refinancing indebtedness

In the event that any debtor incurs any additional indebtedness, or refinances existing indebtedness, that is permitted to be designated as Senior Secured Debt, Second Lien Debt or Senior Subordinated Debt under the terms of Senior Secured Debt finance documents, Second Lien Debt finance documents or Senior Subordinated Debt finance documents and entitled to be secured by the Collateral securing the Notes, the liabilities in respect of such additional ore refinancing liabilities, as the case may be, will share in the proceeds of any enforcement of the Collateral securing the Notes on a *pro rata* or lower ranking basis (as applicable) with the applicable group of creditors, provided that such creditor accedes to the Intercreditor Agreement (if not already a party thereto), and provided further that the Security Agent other relevant creditors' representatives shall be empowered to enter into promptly any new Transaction Security document or promptly amend or waive any terms of an existing Transaction Security document and/or promptly release any asset from Transaction Security for this purpose, *provided* that (i) in relation to the grant of new Transaction Security (over assets, rights or interests, or classes or types of assets, rights or interests not already the subject of an existing Transaction Security document) only, the obligations set out in this paragraph shall only extend to such Transaction Security that the Security Agent and relevant creditors' representative are permitted to take and hold under applicable law and/or the policies and rules of the Security Agent and relevant creditors' representative in effect at the time, and (ii) in relation to the release of existing Transaction Security, additional or lower ranking Transaction Security shall be sought instead of release being given in accordance with, and subject to, the terms of the Intercreditor Agreement.

Option to purchase

Following an acceleration event in respect of the Senior Secured Debt or the enforcement of any Transaction Security, any holder of Second Lien Debt shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of Senior Secured Debt at par.

Following an acceleration event in respect of the Senior Secured Debt or in respect of the Second Lien Debt or the enforcement of any Transaction Security, the holders of Senior Subordinated Debt holding more than 50% of Senior Subordinated Debt credit participations shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of Senior Secured Debt and the Second Lien Debt at par.

Other Existing Indebtedness

Other existing indebtedness that will remain on the Company's balance sheet after giving effect to the transactions, is primarily composed of vendor loans and shareholder loans granted to our operating companies in connection with various build-up acquisitions. As of March 31, 2019, €7.2 million was outstanding under such loans.

Non Recourse Factoring

On June 28, 2019, we entered into a €50,000,000 syndicated invoice discounting agreement between KBC Commercial Finance NV, ING Commercial Finance Belux NV and Belfius Commercial Finance NV as factors, KBC Commercial Finance NV as agent and Accent Jobs for People NV, Accent Construct NV, Now Jobs NV, Logi-Technic NV, Logi-Technic Infra NV and Logi-Technic Building NV as clients. For a description of our factoring arrangements, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Off-Balance Sheet Obligations*".

Description of the Notes

You will find definitions of certain capitalized terms used in this "*Description of the Notes*" under the heading "*Certain Definitions*". For purposes of this "*Description of the Notes*", references to the "**Issuer**" are to The House of Finance NV and not to any of its Subsidiaries, if any, the "**Company**" refers to House of HR NV and not to any of its Subsidiaries and "**Pledgeco**" refers to The House of Pledge NV and not to any of its Subsidiaries. References to "**we**" or "**us**" or "**our**" are to the Company and its Subsidiaries, taken as a whole.

The Issuer will issue €320 million aggregate principal amount of % Senior Secured Notes due 2026 (the "**Initial Notes**"). The Notes will be issued under an indenture to be dated as of July , 2019 (the "**Indenture**"), between the Issuer, Guarantors, Citibank, N.A., London Branch, as trustee (the "**Trustee**"), Citibank Europe plc, as paying agent (the "**Paying Agent**"), Citibank Europe plc, as transfer agent (the "**Transfer Agent**"), Citibank, N.A., London Branch, as registrar (the "**Registrar**") and Citibank, N.A., London Branch, as security agent (the "**Security Agent**"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Indenture and the Notes and refers to the Security Documents and the Intercreditor Agreement. It does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes, the Security Documents and the Intercreditor Agreement because they, and not this description, define your rights as Holders of the Notes. Copies of the Indenture, the forms of Notes, the Security Documents and the Intercreditor Agreement are available as set forth in this Offering Memorandum under the caption "*Listing and General Information*".

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below). The terms of the Intercreditor Agreement are important to understanding relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been, and will not be, registered under the U.S. Securities Act and are subject to certain transfer restrictions.

As of the Issue Date, all of our Subsidiaries will be "**Restricted Subsidiaries**" for purposes of the Indenture. However, under the circumstances described below under "*—Certain Definitions—"Unrestricted Subsidiary*", we will be permitted to designate certain of our Subsidiaries as "**Unrestricted Subsidiaries**". Any future Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

The Notes

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 expressly subordinated in right of payment to the Notes, including Indebtedness Incurred under the Senior 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 obligation of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness or obligation;
- be guaranteed by the Guarantors as described under "*—The Note Guarantees*";
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations owed to trade creditors;
- mature on , 2026; and
- be represented by one or more registered notes in global registered form, but in certain circumstances may be represented by Definitive Registered Notes (see "*Book-Entry, Delivery and Form*").

The Note Guarantees

General

The Notes will be guaranteed:

- on the Issue Date by the Company and Pledgeco (collectively, the "**Initial Guarantors**"); and
- within 120 days following the Issue Date by Accent Construct NV, Accent Jobs For People NV, Continu BV, Covebo Food BV, Covebo Logistiek BV, Covebo Metaal en Techniek BV, TimePartner Personalmanagement GmbH and Talent & Pro Nederland BV (collectively, the "**Post-Closing Guarantors**").

each of which will be an obligor under the Senior Facilities within the same timeframes as described above. In addition, if required by the covenant described under "*—Certain Covenants—Limitation on Additional Guarantees*," subject to the Intercreditor Agreement and the Agreed Security Principles, certain other Restricted Subsidiaries may provide a Note Guarantee in the future (the "**Additional Guarantors**" and, together with the Initial Guarantors and the Post-Closing Guarantors, the "**Guarantors**"). The Note Guarantees will be joint and several obligations of the Guarantors.

The Note Guarantee of each Guarantor will:

- be a general senior obligation of that Guarantor, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future Indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Note Guarantee, including Indebtedness Incurred under the Senior Facilities and certain Hedging Obligations;
- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Note Guarantee;
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness or obligation; and
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of such Guarantor that are not Guarantors, including obligations owed to trade creditors.

The obligations of a Guarantor under its Note Guarantee will be limited as necessary to prevent the relevant Note Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, "thin capitalization" rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be guaranteed by reference to the net assets and legal capital of the relevant Guarantor. Additionally, the Note Guarantees will be subject to certain corporate law procedures being complied with. The Note Guarantees will be further limited as required under the Agreed Security Principles which apply to and restrict the granting of guarantees and security in favor of obligations under the Senior Facilities and the Notes where, among other things, any such grant would be restricted by general statutory or other legal limitations or requirements and may be precluded if the cost of such grant is disproportionate to the benefit to the creditors, including the Holders, of obtaining the applicable guarantee. 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.

For the twelve-month period ended March 31, 2019, the Guarantors (each on an unconsolidated basis) in aggregate represented substantially all of our consolidated EBITDA. .

Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and Guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of non-Guarantor Restricted Subsidiaries generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Note Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders of non-Guarantor Restricted Subsidiaries (if any). Although the Indenture will limit the Incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*".

Note Guarantees Release

The Note Guarantee of a Subsidiary Guarantor (other than Pledgeco) will terminate and release:

(1) upon a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company of such Guarantor), if the sale or other disposition does not violate the Indenture and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(2) upon the sale or disposition (including by way of consolidation or merger) of all or substantially all the assets of the Guarantor (other than to the Company or any Restricted Subsidiary), if the sale or other disposition does not violate the Indenture;

(3) upon the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;

(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) upon the release of the Guarantor's Note Guarantee under any Indebtedness that triggered such Guarantor's obligation to guarantee the Notes under the covenant described in "*—Certain Covenants—Limitation on Additional Guarantees*";

(6) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement relating to the release of a Note Guarantee upon an enforcement sale or other disposal of such Guarantor;

(7) as described under "*—Amendments and Waivers*";

(8) in connection with the implementation of a Permitted Reorganization; or

(9) with respect to an entity that is not the successor Guarantor, as a result of a transaction permitted by "*—Certain Covenants—Merger and Consolidation*".

The Note Guarantee of the Company and Pledgeco will terminate and be released upon the occurrence of an event described in clauses (4), (6), (7) and (9) above.

The Trustee and the Security Agent shall take all necessary actions reasonably requested in writing by 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 and the Security Agent without the consent of or liability to the Holders or any other action or consent on the part of the Trustee or the Security Agent.

Principal, Maturity and Interest

On the Issue Date, the Issuer will issue €320 million in aggregate principal amount of Notes. The Notes will mature on , 2026. The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Interest on the Notes will accrue at the rate of % *per annum* and will:

- accrue from (and including) the Issue Date or, if interest has already been paid, from (and including) the interest payment date it was most recently paid;
- be payable in cash semi-annually in arrears on and , commencing on , 20 ;
- be payable to the holder of record of the Notes on and immediately preceding the related interest payment date;
- be computed on the basis of a 360-day year comprised of twelve 30-day months; and
- be calculated on the nominal amount of the Notes.

Interest on overdue principal, interest, premium or Additional Amounts will accrue at a rate that is 1% higher than the rate of interest otherwise applicable to the Notes.

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.

Additional Notes

From time to time, subject to the Issuer's compliance with the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*", the Issuer is permitted to issue additional Notes of the same or different series, which shall have terms substantially identical to the Notes except in respect of any of the following terms which shall be set forth in an Officer's Certificate supplied to the Trustee ("**Additional Notes**"):

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued;

(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 denominations of €100,000 and in 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, CUSIP or other securities identification numbers with respect to such Additional Notes; and

(9) any relevant limitation language with respect to Note Guarantees and Security Documents.

All series of 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 any applicable series; *provided*, that if the Additional Notes are not fungible with the Notes originally issued for U.S. federal income tax purposes, such Additional Notes will be issued with a separate ISIN, Common Code, CUSIP or other securities identification number, as applicable, from the Notes originally issued. 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. The phrase "Notes" refers also to the book-entry interest in the Notes as long as the Notes are deposited with the NBB-SSS (as defined below). For all purposes other than U.S. federal income tax purposes, Additional Notes may be designated to be of the same series as the Notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to the Notes initially issued on the Issue Date, and shall be deemed to form one series therewith, and references to the Notes shall be deemed to include the Notes initially issued on the Issue Date as well as any such Additional Notes.

Methods of Receiving Payments on the Notes

As long as the Notes are deposited with the NBB-SSS (as defined below), principal, interest, premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made to the Paying Agent for payment to the NBB-SSS to credit to Euroclear, Clearstream or any other direct Participant in the NBB-SSS (as applicable) which will in turn, distribute such payments in accordance with their relevant procedures.

Principal, interest and premium, and Additional Amounts, if any, on any certificated securities ("**Definitive Registered Notes**") will be payable at the specified office or agency of one or more Paying Agents. In addition, interest on the Definitive Registered Notes may be paid, at the option of the Issuer, by bank transfer to the Holder entitled thereto as shown on the register of Holders of Notes for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes*" below.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes (including the initial Paying Agent). The initial Paying Agent will be Citibank Europe plc (the "**Paying Agent**").The Issuer will also maintain a registrar (the "**Registrar**") and a transfer agent (the "**Transfer Agent**"). The initial Registrar will be Citibank, N.A., London Branch and the initial Transfer Agent will be Citibank Europe plc. 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. A register of the Notes shall also be maintained at the registered office of the Issuer. In case of inconsistency between the register of the Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Registrar shall prevail.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of the Notes. However, for so long as the Notes are listed on the Official List of the Exchange and the rules of the Exchange so require, the Issuer will notify the Exchange 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.

Transfer and Exchange

The Notes will be issued in the form of several registered notes in global form without interest coupons, as follows:

- each series of Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Global Notes**"). The 144A Global Notes will, on the Issue Date, be deposited by the Paying Agent on behalf of the Issuer with the NBB as operator of the NBB-SSS pursuant to an agreement between the Issuer, the Paying Agent and the NBB; and
- each series of Notes sold outside the United States pursuant to 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 144A Global Notes, the "***Global Notes***"). The Regulation S Global Notes will, on the Issue Date, be deposited by the Paying Agent on behalf of the Issuer with the NBB as operator of the NBB-SSS pursuant to an agreement between the Issuer, the Paying Agent and the NBB.

All interests in the Notes are subject to the procedures and requirements of the NBB-SSS. Ownership of interests in the Global Notes ("**Book-Entry Interests**") will be limited to persons that will hold such Notes in an exempt securities account (an "**X Account**") with the NBB-SSS (either directly or indirectly through a Participant in the NBB-SSS (including Euroclear Bank and Clearstream) (and for a full list of Participants as of the date of this Offering Memorandum, see https://www.nbb.be/doc/ti/20190315nbbsssparticipants.pdf). Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors*". In addition, transfers of Book-Entry Interests between Participants will be effected by such Participants pursuant to customary procedures and subject to the applicable rules and procedures established by the NBB-SSS and its respective Participants. Book-Entry Interests in the 144A Global Notes (the "**144A Book-Entry Interests**") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**") denominated in the same currency 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 in accordance with Regulation S under the Securities Act.

Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to 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 in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 and integral multiples of €1,000, in excess thereof, upon receipt by the Transfer Agent and the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Participants, as applicable, from the Participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors*".

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at the NBB-SSS (including that such transferee will hold the Notes in an X Account), where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the applicable Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of the applicable Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the registered Holder of a Note as the owner thereof for all purposes.

Security

General

The Notes will be secured by first-priority security interests ranking *pari passu* with the security interests securing the Senior Facilities and certain Hedging Obligations (subject to the provisions of the Intercreditor Agreement) over:

- on the Issue Date, (i) material bank accounts of the Issuer, the Company and Pledgeco in Belgium including the Distribution Escrow Account for the Issuer only (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Issuer, the Company and Pledgeco (including as a result of the certification pursuant to the Certification Agreement (as defined below)) and (iii) the shares and other securities of Pledgeco and the Issuer as well as the certificates issued by Pledgeco pursuant to the Certification Agreement; and

- within 120 days following the Issue Date and subject to certain Agreed Security Principles, (i) material bank accounts opened in the jurisdiction of incorporation of the relevant Post-Closing Guarantor, (ii) intragroup receivables (other than receivables arising from cash pooling arrangements) of the Post-Closing Guarantors and (iii) the shares and other securities of certain of the Post-Closing Guarantors (to the extent directly owned by a Guarantor) and the direct Restricted Subsidiaries of Pledgeco. As of the Issue Date, the direct Restricted Subsidiaries of Pledgeco are the Transferred Subsidiaries (as defined below).

On or about the Issue Date, an amendment to the certification agreement dated March 16, 2018 (as amended from time to time, the "**Certification Agreement**"), will be entered into between the Company and Pledgeco. Pursuant to the Certification Agreement, the Company has transferred and will transfer to Pledgeco on or before the Issue Date the Company's legal ownership in:

- the Capital Stock and other securities (if applicable) (the "**Securities**") held by it in all of its Restricted Subsidiaries directly owned by it, being: The House of Finance NV, Accent Jobs for People NV, Accent Construct NV, TEC Alliance NV, Vialegis International NV, Continu Group BV, Covebo Group BV, Redmore Holding BV, Zaquensis Holding GmbH, TP Group Services GmBH, Accent Group NV, Viapublic NV and Nowjobs BV and which will be part of the Collateral secured under the Security Documents (collectively, the "**Transferred Subsidiaries**"); and
- all intercompany loan receivables owed to the Company by any Restricted Subsidiary,

in exchange for certificates issued by Pledgeco which represent all economic rights to such Securities and intercompany loan receivables, as applicable. Pledgeco holds the legal ownership in the Securities and intercompany loan receivables for the account of the Company. The certification process will be repeated each time that the Company directly acquires additional or new Securities in any Restricted Subsidiary or any other Person or an intercompany loan receivable is owed to the Company by a Restricted Subsidiary or any other Person in the future in accordance with the terms of the Certification Agreement.

The Collateral will also secure the liabilities of the Issuer and the Guarantors under the Senior Facilities, certain Hedging Obligations and any Additional Notes and may also secure certain future Indebtedness, in each case on a *pari passu* basis with the Notes and the Note Guarantees. Any proceeds received upon any enforcement action over any Collateral will be applied *pro rata* in repayment of all obligations under the Indenture and the Notes, the Senior Facilities and any other Indebtedness permitted to be Incurred and secured on a *pari passu* basis with the Notes and Note Guarantees pursuant to the Indenture and the Intercreditor Agreement. The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations owed to the Holders of the Notes. No appraisals of the Collateral have been made in connection with this issuance of Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all.

Notwithstanding 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), in accordance with the Agreed Security Principles as described under "*Description of Other Indebtedness—New Senior Facilities*".

For further information regarding limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, see "*Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations*".

Priority

The relative priority with regard to the security interests in the Collateral that are created by the Security Documents (the "**Security Interests**" and each, a "**Security Interest**") as between (a) the lenders under the Senior Facilities, (b) the counterparties under certain Hedging Obligations, (c) the Trustee, the Security Agent and the Holders of the Notes under the Indenture and (d) the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, is established by the terms of the Intercreditor Agreement and the Security Documents, which provide, among other things, that the obligations under the Senior Facilities, certain Hedging Obligations and the Notes are secured equally and ratably by first priority Security Interests. In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See "*Description of Other Indebtedness—Intercreditor Agreement*", "*—Release of Liens*", "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Definitions—Permitted Collateral Liens*".

Security Documents

Under the Security Documents, the Issuer and the Guarantors have granted, or will grant, security over the Collateral to secure the payment when due and payable of the Issuer's and the Guarantors' payment obligations under the Notes, the Note Guarantees and the Indenture. The Security Documents have been, or will be, entered into by the relevant security provider and the Security Agent as agent for the secured parties or under the parallel debt as the case may be. When entering into the Security Documents, the Security Agent has acted in its own name, but for the benefit of the secured parties (including itself, the Trustee and the Holders of Notes from time to time). Under the Intercreditor Agreement, the Security Agent will also act as an agent of the lenders under the Senior Facilities and the counterparties under certain Hedging Obligations.

The Indenture and the Intercreditor Agreement provide that, to the extent permitted by the applicable laws, only the Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the Holders of the Notes. As a consequence of such contractual provisions, Holders of the Notes will not be entitled to take enforcement action in respect of the Collateral 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 respect of the enforcement of the Collateral. The Indenture and Security Documents will permit the Trustee and/or the agent for the Senior Facilities to instruct the Security Agent to take enforcement action under the Security Documents (following the occurrence of an event of default under such Indebtedness, such Indebtedness being declared due and payable and the Trustee having received, where required, the requisite approval or consent of the holders of such Indebtedness). See "*Description of Other Indebtedness—Intercreditor Agreement*".

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Notes and the Note Guarantees, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Notes, the Note Guarantees 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 "*—Release of Liens*".

Subject to the terms of the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Company, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes, to freely operate the property and assets constituting Collateral and to collect, invest and dispose of any income therefrom (including any and all dividends, distributions or similar cash and non-cash payments in respect of Capital Stock of the Guarantors that is part of the Collateral).

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement 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 Security Documents in certain circumstances upon enforcement by the lenders under the Senior Facilities or by certain hedge counterparties. The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement*".

The creditors under the Senior Facilities, the Holders of the Notes and the counterparties to Hedging Obligations secured by the Collateral will appoint the Security Agent to act as their respective agent under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. The creditors under the Senior Facilities and the counterparties to Hedging Obligations secured by the Collateral and the Trustee have authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the relevant Security Agent on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

To establish the relative rights of certain creditors of the Issuer and the Guarantors under certain financing arrangements, including the Notes, the Indenture and the Senior Facilities, the Issuer, the Guarantors, the Trustee, the agent under the Senior Facilities and the Security Agent will enter into the Intercreditor Agreement. Pursuant to the terms of the Intercreditor Agreement, any proceeds received upon any enforcement action over any Collateral will be applied *pro rata* in repayment of all obligations under the Indenture and the Notes, the Senior Facilities and any Indebtedness permitted to be incurred and secured on a *pari passu* basis with the Notes and Note Guarantees pursuant to the Indenture and the Intercreditor Agreement. The Indenture will provide that it will be subject to the provisions of the Intercreditor Agreement and that the Issuer and the Trustee will be authorized (without any further consent of the Holders of the Notes) to enter into the Intercreditor Agreement and to give effect to its provisions.

The Indenture will also provide that each Holder of the Notes, by accepting such Note, will be deemed 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 Security Documents;

(2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents; and

(3) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents.

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*".

Release of Liens

The Company and the Restricted Subsidiaries will be entitled to release the Security Interests in respect of the Collateral under any one or more of the following circumstances:

(1) in connection with any sale or other disposition of Collateral to a Person that is not the Company or a Restricted Subsidiary (but excluding any transaction subject to the covenant described under "*—Certain Covenants—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*" or is otherwise permitted in accordance with the Indenture;

(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*";

(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 Company designates any Restricted Subsidiary (other than Pledgeco and the Issuer) 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;

(6) in connection with the implementation of a Permitted Reorganization;

(7) in connection with the granting of Liens on such property or assets, which may include Collateral, or the sale or transfer of such property or assets, which may include Collateral, in each case pursuant to a Qualified Securitization Financing or Receivables Facility;

(8) in connection with any disposal of Collateral to the Company or a Restricted Subsidiary; *provided* that such release is followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets in a manner consistent with, and pursuant to applicable formalities under, the covenant described under "*—Certain Covenants—Impairment of Security Interest*"; or

(9) as otherwise permitted in accordance with the Indenture.

Notwithstanding the above, the provisions of clauses (1) (with respect to the Capital Stock of Pledgeco only), (5), (6), (7), (8) and (9) shall not apply with respect to any Collateral directly owned by the Company.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with the provisions of Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "*—Certain Covenants—Impairment of Security Interest*".

The Security Agent and the Trustee will take all necessary action reasonably requested in writing by the Issuer to effectuate any release of Collateral 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 Security Document subject to customary protections and indemnifications. 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).

Optional Redemption

Except as described below and except as described under "—*Redemption for Taxation Reasons*" the Notes are not redeemable until , 2026.

On and after , 2022, the Issuer may otherwise redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days' notice (except as permitted under "—*Selection and Notice*" below), at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable 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), if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Redemption Price
2022	%
2023	%
2024 and thereafter	100.000%

Prior to , 2022, the Issuer may on any one or more occasions redeem in the aggregate up to 35% of the original principal amount of the Notes (including the original principal amount of any Additional Notes of the same series), upon not less than 10 or more than 60 days' notice, with funds in an aggregate amount not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price (expressed as a percentage of principal amount) of % as of the date of the applicable redemption notice, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable 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); *provided* that:

(1) at least 55% of the original principal amount of the Notes (including the original principal amount of any Additional Notes of the same series) issued under the Indenture remain outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

Prior to , 2022, the Issuer may redeem all or, from time to time, a portion of the Notes upon not less than 10 nor more than 60 days' notice (except as permitted under "—*Selection and Notice*" below), at a redemption price equal to 100% of the principal amount of the Notes, plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable 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).

In addition, at any time prior to , 2022, upon not less than 10 nor more than 60 days' notice, the Issuer may redeem, during each twelve-month period commencing on the Issue Date, up to 10% of the original principal amount of the Notes (including the original principal amount of any Additional Notes of the same series) at a redemption price equal to 103.0% of the principal amount redeemed plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of the Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption upon Certain Tender Offers

In connection with any tender offer for, or other offer to purchase, all of the Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all of the Notes validly tendered and not validly withdrawn by such holders, then all holders will have been deemed to have consented to such tender or other offer and the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' notice following such purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price paid to each other holder in such tender offer (excluding any early tender or incentive fee), 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 (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

General

We may repurchase the Notes at any time and from time to time in the open market or otherwise. Notice of redemption will be provided as set forth under "*—Selection and Notice*".

If the Issuer effects an optional redemption of Notes, it will, for so long as Notes are listed on any securities exchange and the rules of such an exchange so require, inform the exchange of such optional redemption and confirm the aggregate principal amount of Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

In connection with any redemption of Notes (including with the proceeds from an Equity Offering), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent. In addition, the Issuer may provide in any notice of redemption that payment of the redemption price and the performance of its obligations with respect to such redemption may be performed by another Person; *provided*, *however*, that the Issuer will remain obligated to pay the redemption price and perform its obligations with respect to such redemption in the event such other Person fails to do so. Notice of any redemption in respect of an Equity Offering may be given prior to completion thereof.

If the Issuer elects to redeem the Notes or portions thereof and, in connection with a satisfaction and discharge or defeasance of the Indenture in accordance with the provisions set forth under "*—Defeasance*" or "*—Satisfaction and Discharge*", requests that the Trustee distribute to the Holders amounts deposited in trust with the Trustee (which, for the avoidance of doubt, will include accrued and unpaid interest to the date fixed for redemption) prior to the date fixed for redemption, the applicable redemption notice will state that Holders will receive such amounts deposited in trust with the Trustee (i) on or promptly after the date fixed for redemption or (ii) on such earlier payment date as selected by the Issuer.

Mandatory Redemption

The Issuer will not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee, the Paying Agent or the Registrar will select Notes for redemption on a *pro rata* basis or (or, in the case of Notes issued in global form, based on a method that most nearly approximates a pro rata selection as the Paying Agent or Registrar deems fair and appropriate and in accordance with rules of the NBB-SSS, Euroclear and Clearstream (as applicable), unless otherwise required by law or applicable stock exchange or depository requirements. None of the Trustee, the Paying Agent nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

For so long as the Notes are listed on the Exchange and the rules of the Exchange so require, the Issuer shall publish notice of redemption in accordance with the prevailing rules of the Exchange and in addition to such publication, not less than 10 nor more than 60 days prior to the redemption date (except as permitted below), mail such notice to Holders of the Notes by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar with a copy to the Trustee and the Paying Agent. In the case of Global Notes, such notice of redemption may also be sent in accordance with the rules and procedures of the NBB-SSS for communication thereof to Euroclear, Clearstream or any relevant Participant (as applicable), rather than mail. On and after the redemption date, interest ceases to accrue on the Notes or the part of the Notes called for redemption.

As long as the Notes are deposited with the NBB-SSS, notices may be given by delivery of the relevant notices to the NBB-SSS for communication thereof to Euroclear, Clearstream or any relevant direct Participants, or may be given to such direct Participants directly, for communication by such direct Participants to entitled account holders in substitution for the aforementioned mailing.

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. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice may, for the avoidance of doubt, state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived (provided that in no event shall such date of redemption be delayed to a date later than 60 days after the date on which such notice was sent, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture), or such redemption 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 redemption date, or by the redemption date so delayed.

Redemption for Taxation Reasons

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior written notice (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 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/Additional Amounts*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, 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 or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any change, or amendment to, the existing official written position or the introduction of an official written position regarding in the application, administration or interpretation of such laws, treaties, regulations or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published practice)

(each of the foregoing in clauses (1) and (2), a "**Change in Tax Law**"), a Payor (as defined below) is, or on the next interest payment date in respect of the Notes would be, required to pay 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 publicly 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 *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a change or amendment occurring after the time such successor Person becomes a party to the Indenture.

A 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 (a) earlier than 90 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the 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 so to redeem have been satisfied and that the Payor cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing and reasonably 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 on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes/Additional Amounts

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. 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 any Note Guarantee is made by or on behalf of the Payor or any political subdivision or governmental authority thereof or therein having the power to tax; 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 clauses (1) and (2), a "**Relevant Taxing Jurisdiction**"), will at any time be required by law to be made from any payments made by or on behalf of the Payor with respect to any Note or any Note Guarantee, as applicable, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such 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 deduction or withholding from such additional amounts), will equal the amounts which would have been received in respect of such payments on any such Note or Note Guarantee, as applicable, in the absence of such withholding or deduction (the "**Additional Amounts**"); *provided, however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, but for the avoidance of doubt not limited to, 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 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, a Note Guarantee, the Intercreditor Agreement, any Additional Intercreditor Agreement or a Security Document;

(2) any Taxes that are imposed, deducted or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a reasonable written request by the Payor addressed to the Holder, after reasonable notice (at least 30 days before any such withholding or deduction would be made), 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 statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction of, all or part of such Tax but only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after 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 under or with respect to the Notes or any Note Guarantee;

(5) any estate, inheritance, gift, value added, use, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(6) any Taxes imposed on or with respect to such Note or Note Guarantee to any Holder who is a fiduciary or a partnership (including any entity that is treated as a partnership for applicable tax purposes) or any person other than the beneficial owner of the Notes, to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership (or entity treated as a partnership for applicable tax purposes) or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Note directly;

(7) any Taxes imposed or withheld pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**"), as of the Issue Date (or any amended or successor version of such sections that are substantively comparable), any regulations promulgated thereunder, any official interpretations thereof, any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing and any law, regulation, or official interpretation

thereof implementing such intergovernmental agreement, or any agreements entered into pursuant to Section 1471(b)(1) of the Code;

(8) to a Holder of Notes, who at the time of acquisition of the Notes, was not an Eligible Investor or to a Holder of Notes who was an Eligible Investor at the time of acquisition of the Notes but, for reasons within the Holder's control, either ceased to be an Eligible Investor or, at any relevant time on or after the acquisition of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of August 6, 1993 relating to certain securities, or is an Eligible Investor but is not holding the Note in the NBB-SSS (except if not holding the Note in the NBB-SSS results from the conversion of the Note into Definitive Registered Notes following an Event of Default in relation to a Payor under the Indenture);

(9) to a Holder of Notes who is liable to such Taxes because the Notes were upon its request converted into Definitive Registered Notes and could no longer be cleared through the NBB-SSS (except if such request is made following an Event of Default in relation to a Payor under the Indenture) ; or

(10) any combination of the items (1) through (9) above.

For the avoidance of doubt, Additional Amounts will in any case be payable by the Payor to a Holder of Notes who is liable to such Taxes because the Notes were converted into Definitive Registered Notes and could no longer be cleared through the NBB-SSS following an Event of Default in relation to a Payor under the Indenture.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld to each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon reasonable request and will be made available at the offices of the relevant Paying Agent.

If any Payor becomes aware that it will be obligated to pay Additional Amounts under or 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 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 to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises or the Payor becomes aware 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 thereafter). The Trustee shall be entitled to rely solely 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) purchase prices in connection with a redemption of 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 indemnify the 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 (and in the case of enforcement, any jurisdiction) from the execution, delivery, registration, issuance, or enforcement of, or receipt of payments with respect to, the Notes, any Note Guarantee, the Indenture, the Security Documents or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Notes after the initial resales by the Initial Purchasers pursuant to this Offering and limited, solely in the case of Taxes attributable to the receipt of any payments with respect thereto, to any such Taxes imposed in a Relevant Taxing Jurisdiction that are not excluded under clauses (1) through (3) and (5) through (7) above or any combination thereof).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and any transfer by a Holder or beneficial owner, and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized or incorporated, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment with respect to the Notes (or any Note Guarantee) is made by or on behalf of such Payor, or any political subdivision or governmental authority thereof or therein having the power to tax.

Change of Control

If a Change of Control occurs, subject to the terms of the covenant described under this heading "*Change of Control*", each Holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof, if applicable; *provided* that Notes of €100,000 or less, as the case may be, may only be redeemed in whole and not in part) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obligated to repurchase Notes as described under this heading, "*Change of Control*", in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes and given notice of redemption as described under "*—Optional Redemption*" and that all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes and given notice of redemption as described under "*—Optional Redemption*" and all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "**Change of Control Offer**") to each Holder of the Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "**Change of Control Payment**");

(2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed (the "**Change of Control Payment Date**");

(3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer.

A Holder willing to tender Notes into the Change of Control Offer shall notify its account manager of its election, who shall in turn notify the Paying Agent and the Trustee of such Holder's election. Once such tender has been accepted by the Issuer and notified to the Paying Agent, the Paying Agent shall promptly credit the bank account of such Holder the Change of Control Payment for such Notes so tendered and deduct the corresponding amount of such Notes from such Holder's NBB-SSS, Euroclear or Clearstream (as applicable) account.

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. Holders' right to require the Issuer to repurchase Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if 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. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control and conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness at the option of each lender under the Senior Facilities.

In addition, certain events that may constitute a change of control under the Senior Facilities may not constitute a Change of Control under the Indenture. Future Indebtedness of the Company or its Subsidiaries may also contain prohibitions of certain events that 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, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The definition of Change of Control includes a disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all", 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 a disposition of "all or substantially all" of the assets of the Company and its Restricted 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 may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of 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 Holders of a majority in outstanding principal amount of the Notes.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Company and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if, on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof):

(a) the Fixed Charge Coverage Ratio would have been at least 2.0 to 1.0; and

(b) to the extent that the Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio would have been no greater than 3.81 to 1.0; and

(c) to the extent that the Indebtedness is Junior Secured Indebtedness, the Consolidated Net Leverage Ratio would have been no greater than 4.75 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness ("**Permitted Debt**"):

(1) Indebtedness Incurred by the Company or any Restricted Subsidiary under any Credit Facility (including in respect of letters of credit, guarantees and bankers' acceptances issued or created thereunder) in an aggregate principal amount at any one time outstanding not to exceed the sum of (a) €550 million *plus* (b) the greater of (i) €100.0 million and (ii) 45.0% of Consolidated EBITDA *plus* (c) the greater of (i) €110.0 million and (ii) 50.0% of Consolidated EBITDA, plus (d) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, accrued and unpaid interest, underwriting discounts, premiums (including tender premiums) and other costs and expenses Incurred in connection with such refinancing;

(2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary, so long as the Incurrence of such Indebtedness is permitted to be Incurred by another provision of this covenant; *provided* that, if the Indebtedness being guaranteed is subordinated to the Notes or a Note Guarantee, then the guarantee must be subordinated to the Notes or such Note Guarantee to the

same extent as the Indebtedness being guaranteed; or (b) without limiting the covenant described under "*—Limitation on Liens*", Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided*, however, that:

(a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the obligee is a Restricted Subsidiary that is not a Guarantor, such Indebtedness is unsecured and ((i) except in respect of intercompany current liabilities Incurred in connection with the cash pooling and other cash management operations of the Company and its Restricted Subsidiaries in the ordinary course of business, (ii) to the extent legally permitted (the Company and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness) and (iii) if the aggregate principal amount of such Indebtedness (other than Indebtedness that is outstanding for a period of less than 30 days) of the Issuer or such Guarantor owed to a Restricted Subsidiary that is not a Guarantor exceeds €5.0 million) expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary and any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Company or such Restricted Subsidiary, as the case may be;

(4) (a) Indebtedness represented by the Notes (other than any Additional Notes) and the related Note Guarantees and any related "parallel debt" obligations created under the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(b) any Indebtedness of the Company and its Restricted Subsidiaries (other than Indebtedness described in clauses (1), (2), (3) or (4)(a) of this paragraph) outstanding on the Issue Date, after giving *pro forma* effect to the Transactions; and

(c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses (4) and (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant;

(5) Indebtedness of any Person (i) outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary or (ii) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which any Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary; *provided* that, with respect to this clause (5), at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related Incurrence of Indebtedness,

(a) either (i) the Company would have been able to Incur €1.00 of additional Indebtedness pursuant to clause (a) of the first paragraph of this covenant or (ii) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness; and

(b) to the extent that Indebtedness Incurred pursuant to clause 5(ii) constitutes Senior Secured Indebtedness, either (i) the Company would have been able to Incur €1.00 of additional Indebtedness pursuant to clause (b) of the first paragraph of this covenant or (ii) the Consolidated Senior Secured Net Leverage Ratio would not be more than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness; and

(c) to the extent that Indebtedness Incurred pursuant to clause 5(ii) constitutes Junior Secured Indebtedness, either (i) the Company would have been able to Incur €1.00 of additional Indebtedness pursuant to clause (c) of the first paragraph of this covenant or (ii) the Consolidated Net Leverage Ratio would not be more than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness;

(6) Indebtedness of the Company or any Restricted Subsidiary under Hedging Obligations not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Company);

(7) Indebtedness of the Company or any Restricted Subsidiary consisting of:

(a) (i) Lease Obligations, mortgage financings, Purchase Money Obligations 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 or useful in a Similar Business or (ii) 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, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7)(a) and then outstanding, will not exceed at any time the greater of €25.0 million and 11.0% of Consolidated EBITDA; and

(b) Ordinary Course Lease Obligations;

(8) Indebtedness of the Company or any Restricted Subsidiary in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, completion, appeal, advance payment, customs, value added tax or other tax guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any governmental requirement, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement; *provided, however*, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business; and (d) any customary treasury and/or cash management services, including treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer, the collection of checks and direct debits, cash pooling and other cash management arrangement or netting or setting-off arrangements, in each case, in the ordinary course of business;

(9) Indebtedness of the Company or any Restricted Subsidiary arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts 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, in connection with a disposition, the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness 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 Company and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness of the Company or any Restricted Subsidiary arising from 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; *provided*, however, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) Indebtedness of the Company or any Restricted Subsidiary consisting of obligations owing under any customer or supplier incentive, supply, license or similar agreements entered into in the ordinary course of business;

(c) Indebtedness of the Company or any Restricted Subsidiary owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(d) Indebtedness of the Company or any Restricted Subsidiary Incurred by the Company or a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business;

(11) Indebtedness of the Company or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of €55.0 million and 25.0% of Consolidated EBITDA;

(12) Indebtedness of the Company or any Restricted Subsidiary in respect of Management Advances;

(13) Indebtedness of the Company or any Restricted Subsidiary 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 (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided*, however, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described under "—*Limitation on Restricted Payments*" to the extent the Company and its Restricted Subsidiaries Incur Indebtedness in reliance

thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Company or any Restricted Subsidiary makes a Restricted Payment under the first paragraph or clause (1), (6) or (10) of the third paragraph of the covenant described under "—*Limitation on Restricted Payments*" in reliance thereon;

(14) Guarantees of Indebtedness of Persons other than the Company or any Restricted Subsidiary, *provided* that the maximum principal amount of Indebtedness guaranteed pursuant to this clause (14) does not exceed the greater of €45.0 million and 20.0% of Consolidated EBITDA in the aggregate at any one time outstanding; and

(15) Indebtedness outstanding under local lines of credit or local facilities (including local bilateral facilities, working capital facilities or overdraft facilities) in an aggregate principal amount at any one time outstanding not to exceed the greater of €55.0 million and 25.0% of Consolidated EBITDA.

provided, however, that no more than the greater of €75.0 million and 35.0% of Consolidated EBITDA of Indebtedness at any time outstanding may be Incurred by a Restricted Subsidiary which is not a Guarantor pursuant to the first paragraph of this covenant and clauses (1), (5)(ii) and (11) under the second paragraph of this covenant.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) notwithstanding clause (1) above, all Indebtedness outstanding under the Senior Facilities and any refinancing Indebtedness in respect thereof shall be deemed Incurred under clause (1) of the second paragraph of this covenant and may not be reclassified;

(3) 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;

(4) 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 clause (1), (7), (11), (13) or (15) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Company 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;

(6) 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;

(7) for the purposes of determining "**Consolidated EBITDA**" in relation to the second paragraph of this covenant, Consolidated EBITDA shall be measured at the option of the Company on the most recent date on which new commitments are obtained or the date on which new Indebtedness is Incurred (in the case of revolving facilities) or the date on which new Indebtedness is Incurred (in the case of term facilities) and for the period of the most recent four consecutive fiscal quarters ending prior to such date for which such internal consolidated financial statements of the Company are available; and

(8) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness Incurred to refinance Indebtedness initially Incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Consolidated EBITDA at the time of Incurrence, if such refinancing would cause the percentage of Consolidated EBITDA restriction to be exceeded if calculated based on the percentage of Consolidated EBITDA on the date of such refinancing, such percentage of Consolidated 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 premiums (including tender premiums), defeasance costs and fees in connection with such refinancing; and

(9) 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 IFRS.

Accrual 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 of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. 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, or liquidation preference thereof, in the case of any other Indebtedness.

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 the covenant described under this "*—Limitation on Indebtedness*", the Company shall be in Default of this covenant).

For purposes of determining compliance with any Euro-denominated restriction on the Incurrence of Indebtedness, the Euro equivalent of the principal amount of Indebtedness denominated in a currency other than Euro shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower Euro Equivalent), in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than Euro, and such refinancing would cause the applicable Euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of Refinancing Indebtedness; (b) the Euro equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the Euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in Euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company 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.

Neither the Issuer nor any Guarantor will Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee, if any, on substantially identical terms; *provided, however*, 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 being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any Restricted Subsidiary) except:

  (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in Subordinated Shareholder Funding; and

  (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a pro rata basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) make any principal payment on, or 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 payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "—*Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, 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

(5) make any Restricted Investment in any Person,

(each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a "**Restricted Payment**"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Company is not able to Incur an additional €1.00 of Indebtedness pursuant to clause (a) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" 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 permitted below by clauses (4), (5), (10), (11) or (17) of the third paragraph of this covenant, but excluding all other Restricted Payments permitted by the third paragraph of this covenant) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from January 1, 2019 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (w) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Company, (x) 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 Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (1) or (6) of the third paragraph of this covenant, and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value of property or assets or marketable securities received by the Company or any Restricted Subsidiary upon such conversion or exchange);

(iv) (a) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) or (b) to the extent that any Investment that is a Restricted Payment made after the Issue Date is made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the fair market value of such Investments as of the date such entity becomes a Restricted Subsidiary or (c) upon the full and unconditional release of a Restricted Investment that is a Guarantee made by the Company or one of the Restricted Subsidiaries to any Person after the Issue Date, an amount equal to the amount of such Guarantee;

(v) in the event that an Unrestricted Subsidiary is designated as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Company or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Company or a Restricted Subsidiary, 100% of the amount received in cash and the fair market value (as determined in accordance with the next paragraph) of any property or assets or marketable securities received by the Company or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of Permitted Investment; and

(vi) 100% of any dividends or distributions received by the Company or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included in any of the foregoing clause (iv), (v) or (vi); *provided further* that (A) notwithstanding the foregoing, any amounts (such amounts, the "**Excluded Amounts**") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to the preceding clause (c) will be excluded to the extent (1) such amounts result from the receipt of Net Cash Proceeds or property or assets or marketable securities received in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control pursuant to the definition thereof, (2) the purpose of, or the effect of, the receipt of such Net Cash Proceeds or property or assets or marketable securities was to reduce the Consolidated Net Leverage Ratio so that there would be an occurrence of a Specified Change of Control Event that would not have been achieved without the receipt of such Net Cash Proceeds or property or assets or marketable securities and (3) no Change of Control Offer is made in connection with such Change of Control in accordance with the requirements of the Indenture; and (B) upon the occurrence of a Specified Change of Control Event, all amounts available calculated pursuant to the preceding clause (c) shall be reset to zero and all references to the Issue Date in the preceding clause (c) shall thereafter refer to the date of such Specified Change of Control Event

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined by an Officer of the Company or the Board of Directors of the Company in good faith.

The foregoing provisions will not prohibit any of the following (collectively, "**Permitted Payments**"):

(1) any Restricted Payment 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 or issuance (other than to a Subsidiary of the Company) of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided, however*, 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 Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the first paragraph of this covenant and will not be considered to be Net Cash Proceeds from an Equity Offering for the purposes of the "*Optional Redemption*" provisions of the Indenture; *provided*, *further* that notwithstanding the foregoing, any Excluded Amounts shall be excluded from the calculation of the amount of Permitted Payments pursuant to this clause;

(2) any purchase, repurchase, redemption, defeasance 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*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company 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*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness: (a) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*", but only (i) if the Company shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; (b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "**change of control**"), but only (i) if the Company shall have first complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or (c)(i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) 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 Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such transaction or series of transactions) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

(5) any dividends paid within, or redemption or repurchase consummated within, 60 days after the date of declaration or the giving of the redemption or repayment notice if at such date of declaration or notice such dividend or redemption or repayment, as the case may be, would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of, or declaration and payment of dividends or distributions on, Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), and loans, advances, dividends or distributions by the Company or any Restricted Subsidiary to any Parent or Special Purpose Vehicle to permit any Parent or Special Purpose Vehicle to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value or pay dividends or distributions on Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value, or payments of dividends or distributions on, Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), in each case from or to Management Investors; *provided* that such payments, loans, advances, dividends or distributions does not exceed an amount (net of repayments of any such loans or advances) equal to the greater of €10.0 million and 4.5% of Consolidated EBITDA in any calendar year (with unused amounts being carried over to the next two succeeding calendar years), *plus* (c) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof) *plus* (z) the net cash proceeds from key man life insurance policies, to the extent such net cash proceeds in (y) and (z) are not included in any calculation under clause (c)(ii) of the first paragraph of this covenant and are not Excluded Contributions or Excluded Amounts;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to, or on behalf of, any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

   (a) the amounts required for any Parent, without duplication, to pay any Parent Expenses or any Related Taxes; or

   (b) amounts constituting or to be used for purposes of making payments of fees and expenses Incurred (i) in connection with the Transactions or (ii) to the extent specified in clauses (2), (3), (5) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*";

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the

issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions) of the Company or contributed as Subordinated Shareholder Funding to the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (i) after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.25 to 1.0 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that in the case of this clause (ii) after giving *pro forma* effect to such loans, advances, dividends and distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.50 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €35.0 million and 16.0% of Consolidated EBITDA;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock; *provided*, however, that any such payment 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 by the Board of Directors or an Officer of the Company);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions (other than Excluded Amounts), or consisting of non-cash Excluded Contributions (other than Excluded Amounts), or Investments in exchange for or using as consideration Investments previously made under this clause (13);

(14) 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;

(15) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by such Parent or Affiliate, the issuance of Designated Preference Shares) of the Company or contributed as Subordinated Shareholder Funding to the Company, as applicable, from the issuance or sale of such Designated Preference Shares;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any Restricted Payment; *provided* that, on the date of any such Restricted Payment, the Consolidated Net Leverage Ratio for the Company and its Restricted Subsidiaries does not exceed 3.0 to 1.0 on a *pro forma* basis after giving effect thereto;

(18) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Company or a Restricted Subsidiary or any Parent to pay for the

purchase or other acquisition for value of Capital Stock of the Company or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Company or any Parent (other than Disqualified Stock or Designated Preference Shares); *provided*, however, that the total aggregate amount of Restricted Payments made under this clause (18) does not exceed €5.0 million in the aggregate outstanding at any time;

(19) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of, or payment of dividends or distributions on, Capital Stock of the Company from or to the former or current chief executive officer or chief financial officer of TimePartner Personalmanagement GmbH in an aggregate amount not to exceed €35.0 million; *provided*, however, that any Restricted Payment made under this clause (19) may only be made within 15 months following the Issue Date; and

(20) the Distribution.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company 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 shall be determined conclusively by the Board of Directors of the Company.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur, assume or suffer to exist any Lien upon any of its property or assets (including Capital Stock of Restricted Subsidiaries), 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 (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Note Guarantee in the case of Liens of Guarantors) are directly secured, subject to the Agreed Security Principles (but without regard to any Agreed Security Principles limiting the types of assets that may be pledged to secure the Notes and the Note Guarantees under the Indenture), equally and ratably with, or senior in priority to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Holders of Notes pursuant to clause (a)(2) of the preceding paragraph 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 under "*—Security—Release of Liens*".

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company 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:

(a) 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 Company or any Restricted Subsidiary;

(b) make any loans or advances to the Company or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its property or assets to the Company 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 Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Facilities) and any other agreement or instrument, in each case, in effect at or entered into on the Issue Date, (b) the Indenture, the Notes, the Intercreditor Agreement, the Security Documents or any related security documents or (c) any other agreement or instrument with respect to the Company and its Restricted Subsidiaries in each case, in effect on the Issue Date;

(2) 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 Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company 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 Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company (as defined under "*—Merger and Consolidation*"), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument that extends, renews, refinances or replaces any of the encumbrances or restrictions referred to in clauses (1) or (2) of this paragraph or this clause (3) (an "**Initial Agreement**") or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to the Company or 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 Board of Directors or an Officer of the Company);

(4) any encumbrance or restriction:

  (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 the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, charges, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (c) of the preceding paragraph, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) 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 property or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority or any governmental licenses, concessions, franchises or permits, including restrictions or encumbrances on cash or deposits (including assets in escrow accounts) paid on property;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers, suppliers or landlords, or as required by insurance, surety or bonding companies or indemnities, in each case, under agreements or policies entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Hedging Obligations;

(11) 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 provisions of the covenant described under "*—Limitation on Indebtedness*" if (A) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than (i) the encumbrances and restrictions contained in the Senior Facilities and the Indenture, together with the security documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Company) or (B) the Company determines at the time of the Incurrence of such Indebtedness 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 and the Issuer and Guarantors' ability to comply with their respective obligations under the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(12) restrictions created in connection with a Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Board of Directors or a

responsible accounting or financial officer of the Company, are necessary or advisable to effect such Qualified Securitization Financing or Receivables Facility;

(13) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*"; or

(14) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements; *provided* that the Company determines at the time of the Incurrence of such encumbrances 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 and the Issuer and Guarantors' ability to comply with their respective obligations under the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents.

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

(1) the consideration the Company or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the assets sold (as determined by the Board of Directors of the Company); and

(2) at least 75% of the consideration the Company or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

(a) cash (including any net cash proceeds received from the conversion, within 180 days of such Asset Disposition, of securities, notes or other obligations received in consideration of such Asset Disposition);

(b) Cash Equivalents;

(c) the assumption by the purchaser of (x) any liabilities of the Company or any Restricted Subsidiary recorded on the Company's consolidated balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Company nor any Restricted Subsidiary remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Company and each other Restricted Subsidiary are released from any guarantee of such Indebtedness as a result of such Asset Disposition;

(d) Replacement Assets;

(e) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Company or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;

(g) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of €30.0 million and 14.0% of

Consolidated EBITDA (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(h) a combination of the consideration specified in clauses (a) through (g) of this clause (2).

If the Company or any Restricted Subsidiary consummates an Asset Disposition, the Net Available Cash of the Asset Disposition, within 365 days of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Available Cash, may be used by the Company or such Restricted Subsidiary to:

(1) (i) prepay, repay, purchase or redeem Indebtedness that is secured in whole or in part by a Lien on the Collateral, which Lien ranks *pari passu* with the Liens securing the Notes and the Notes Guarantees or any refinancing Indebtedness in respect thereof; *provided* that (A) in connection with any prepayment, repayment, purchase or redemption of term Indebtedness Incurred pursuant to such clause (1), the Company or such Restricted Subsidiary will retire such term Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased or redeemed and (B) the Issuer makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of the Notes equal to the proportion that (x) the total aggregate principal amount of the Notes outstanding bears to (y) the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Indebtedness (other than the Notes); or (ii) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured by Liens on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Company or any Restricted Subsidiary);

(2) purchase the Notes pursuant to an offer to all Holders of Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) or by making an Asset Disposition Offer to all Holders of the Notes (in accordance with the procedures set out below) or redeem the Notes as described under "*—Optional Redemption*";

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) consummate any combination of the foregoing; or

(8) enter into a binding commitment to apply the Net Available Cash pursuant to clause (1), (3), (4), (5) or (6) of this paragraph or a combination thereof; *provided* that a binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period, if the investment has not been consummated by that date,

provided, however, if the assets disposed of constitute Collateral or constitute all or substantially all of the assets of a Restricted Subsidiary whose Capital Stock has been pledged as Collateral, the Company shall pledge or shall cause the applicable Restricted Subsidiary to pledge any Capital Stock or assets (to the extent such assets were of a category of assets included in the Collateral as of the Issue Date) acquired with the Net Available Cash from such disposition referred to in this covenant in favor of the Notes on a first-priority basis, subject to the Agreed Security Principles.

The amount of such Net Available Cash not so used as set forth in the previous paragraph constitutes "***Excess Proceeds***". Pending the final application of any such Net Available Cash, the Company may temporarily reduce revolving credit borrowings or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Indenture. On the 366th day after an Asset Disposition or such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds €15.0 million, the Issuer will be required to make within 30 Business Days thereof an offer (an "**Asset Disposition Offer**") to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness that is secured by a Lien on the Collateral on a *pari passu* basis with the Notes, to purchase, prepay or redeem the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any such Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, Additional Amounts and applicable prepayment or redemption premium, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, in minimum denominations €100,000 and in integral multiples of €1,000 in excess thereof (if applicable).

To the extent that the aggregate amount of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and such other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and such Pari Passu Indebtedness to be repaid or purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and such Pari Passu Indebtedness. 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 amounts into their Euro Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Company upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, insofar as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "**Asset Disposition Offer Period**"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "**Asset Disposition Purchase Date**"), the Company will purchase the principal amount of Notes and, to the extent it elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant (the "**Asset Disposition Offer Amount**") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer. On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof (if applicable). The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Paying Agent shall deliver to the Holders of Notes the purchase price of Notes validly tendered and not withdrawn and arrange for the deduction of the appropriate amounts of Notes from such Holders' accounts with NBB-SSS, Euroclear or Clearstream (as applicable). Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Limitation on Affiliate Transactions

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, 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 Company (any such transaction or series of related transactions being an "**Affiliate Transaction**") involving aggregate value in excess of €10.0 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company 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;

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €20.0 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Company resolving that such transaction complies with clause (1) above; and

(3) in the event such Affiliate Transaction involves an aggregate value in excess of €60.0 million, a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair from a financial point of view taking into account all relevant circumstances or (ii) on terms not materially less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*", any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the third paragraph of the covenant described under

"—*Limitation on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in clauses (1)(b), (2) and (11) of the definition thereof);

(2) any issuance, transfer 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 Company or any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, profit sharing plans, stock appreciation rights plans, participation 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 or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), between or among Restricted Subsidiaries or between or among the Company or any Restricted Subsidiary and any Securitization Subsidiary in connection with a Qualified Securitization Financing;

(5) the payment of reasonable 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, officers, consultants or employees of the Company or any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) (i) the Transactions, (ii) the entry into and performance of obligations of the Company or any Restricted Subsidiary under the terms of any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced 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 in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;

(7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Company or any Restricted Subsidiary is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; *provided*, that payments under such agreement or arrangement shall not exceed, and shall not be duplicative of, the amounts described under clause (2) of the definition of "Related Taxes" and that the related tax liabilities of the Company or relevant Parent and the Restricted Subsidiaries are relieved thereby;

(8) transactions with customers, clients, suppliers or purchasers, sellers of goods or services, providers of employees or other labor or lessors of real estate in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Company 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 Person;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate (other than an Unrestricted Subsidiary) of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company 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;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; provided that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Company in their reasonable determination and (b) any amendment, waiver or other transaction, including satisfying payment obligations, 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;

(11) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed €2.0 million per year and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital market transactions, acquisitions or divestitures, which payments (or agreements providing for such payments) in respect of this clause (11) are approved by the Board of Directors of the Company in good faith;

(12) any transactions for which the Company or a Restricted Subsidiary delivers a written letter or opinion to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Company or such Restricted Subsidiary from a financial point of view or (ii) on terms not materially less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;

(13) pledges of Capital Stock of Unrestricted Subsidiaries;

(14) any transaction effected as part of a Qualified Securitization Financing or Receivables Facility, or any disposition or repurchase of Securitization Assets, Receivables Assets or related assets in connection with any Qualified Securitization Financing or Receivables Facility;

(15) any participation in a public tender or exchange offer for securities or debt instruments issued by the Company or any Restricted Subsidiary that are conducted on arm's-length terms and provide for the same price or exchange ratio, as the case may be, to all holders accepting such tender or exchange offer;

(16) any contribution to the capital of the Company in exchange for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares); and

(17) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Company solely because a director of which is also a director of the Company or any Parent of the Company; *provided*, *however*, that such director abstains from voting as a director of the Company or such Parent, as the case may be, on any matter involving such other Person.

Reports

So long as any Notes are outstanding, the Company will furnish to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2019, annual reports containing: (i) an operating and financial discussion of the audited financial statements, including a discussion of the financial condition and results of operations, and a discussion of liquidity and capital resources, material commitments and contingencies and critical accounting policies of the Company (including disclosure of the amount outstanding as of the most recent balance sheet of Ordinary Course Lease Obligations); (ii) unaudited *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations 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 clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Company will provide, in the case of a material acquisition, acquired company financial information; (iii) the audited consolidated balance sheet of the Company as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Company 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; (iv) a description of the management and shareholders of the Company, all material affiliate transactions and a description of all material debt instruments; (v) a description of material operational risk factors and material subsequent events and (vi) adjusted EBITDA for the year; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;

(2) (a) within 90 days following the end of the fiscal quarter ending June 30, 2019 and (b) within 60 days following the end of each of the first, second and third fiscal quarters in each fiscal year of the Company, beginning with the fiscal quarter ending September 30, 2019, unaudited quarterly financial statements containing the following information: (i) the Company'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 and 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 Company, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Company will provide, in the case of a material acquisition, acquired company financial information; (iii) an operating and financial discussion of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations and material changes in liquidity and capital resources of the Company (including disclosure of the amount outstanding as of the most recent balance sheet of Ordinary Course Lease Obligations); (iv) a discussion of material changes in material debt instruments since the most recent report; and (v) material subsequent events and any material changes to the operational risk factors disclosed in the most recent annual report; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Company announces publicly or any acquisition, disposition or restructuring, merger or similar transaction

that is material to the Company and its Restricted Subsidiaries, taken as a whole, or a senior executive officer or director change at the Company or a change in auditors of the Company, a report containing a description of such event.

Following an Initial Public Offering of the Capital Stock of an IPO Entity and/or the listing of such Capital Stock on a recognized European, United Kingdom or United States stock exchange, the requirements of clause (1), (2) and (3) above shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange; *provided* that (x) the IPO Entity shall provide financial statements consistent with the requirements of clause (2)(i)above for the first three quarterly periods in each fiscal year after the Issue Date pursuant to clause (2) and (y) to the extent such IPO Entity relies on such stock exchange reporting requirements to fulfill the requirements of clauses (1), (2) and (3) above, a reasonably detailed description of such material differences between the financial statements of such IPO Entity and the financial statements of the Company shall be included for any period after the Issue Date.

So long as Notes are outstanding, after furnishing to the Trustee the annual and quarterly reports required by clauses (1) and (2) of the first paragraph of this covenant, the Company will promptly hold a conference call to discuss such reports and the results of operations for the relevant reporting period.

Any person who requests or accesses such financial information or seeks to participate in any conference calls required by this covenant may be required to provide its email address, employer name and other information reasonably requested by the Company and represent to the Company (to the Company's reasonable good faith satisfaction) that:

(1) it is a holder of the Notes, a beneficial owner of the Notes, a bona fide prospective investor in the Notes, a bona fide market maker in the Notes affiliated with any Initial Purchaser or a bona fide securities analyst providing an analysis of investment in the Notes;

(2) it will not use the information in violation of applicable securities laws or regulations;

(3) it will keep such provided information confidential and will not communicate the information to any Person; and

(4) it (a) will not use such information in any manner intended to compete with the business of the Company and its Subsidiaries and (b) is not a Person (which includes such Person's Affiliates) that (i) is principally engaged in a Similar Business or (ii) derives a significant portion of its revenues from operating or owning a Similar Business.

In addition, the Company 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.

The Company shall also make available to Holders and prospective holders of the Notes copies of all reports furnished to the Trustee on the Company's website. All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS 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 IFRS, present earlier periods on a basis that applied to such periods. No report need include separate financial statements for any Subsidiaries of the Company. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles.

At any time that any of the Company's subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a

Significant Subsidiary of the Company, then the quarterly and annual financial information required by the first paragraph of this "*Reports*" 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 Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

All reports provided pursuant to this "*Reports*" covenant shall be made in the English language.

In the event that (i) the Company 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) of the Exchange Act with the SEC, or (ii) the Company elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Company) 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 Company will make available to the Trustee such annual reports, information, documents and other reports that the Company is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Company will be deemed to have complied with the provisions contained in the preceding paragraphs.

Merger and Consolidation

The Issuer

The Issuer will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity, or the resulting, surviving or transferee Person (the "**Successor Issuer**") will be a Person organized and existing under the laws of any member state of the European Union, the United Kingdom, any State of the United States of America or the District of Columbia, Canada or any province of Canada, or Switzerland and the Successor Issuer (if not the Issuer) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and, (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) such transaction does not adversely affect the rights of the Holders of the Notes under the Collateral and the Certification Agreement;

(3) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been Incurred by the Successor Issuer or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(4) immediately after giving effect to such transaction, either (a) the Issuer or the Successor Issuer would be able to Incur at least an additional €1.00 of Indebtedness pursuant to clause (a) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio for the most recently ended four full fiscal quarters for which financial statements are available immediately preceding the date on which the transaction is consummated would not be less than it was immediately prior to giving effect to such transaction; and

(5) the Issuer or the Successor Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any is required in connection with such transaction) comply with the Indenture, and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Issuer (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

The Company

The Company will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Company and the Restricted Subsidiaries as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Company is the surviving entity, or the resulting, surviving or transferee Person (the "**Successor Company**") will be a Person organized and existing under the laws of any member state of the European Union, the United Kingdom, any State of the United States of America or the District of Columbia, Canada or any province of Canada or Switzerland and the Successor Company (if not the Company) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes Guarantee and the Indenture and (b) all obligations of the Company under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Company or the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to clause (a) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio for the most recently ended four full fiscal quarters for which financial statements are available immediately preceding the date on which the transaction is consummated would not be less than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any is required in connection with such transaction) comply with the Indenture, and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Successor Issuer and the Successor Company, as the case may be, will succeed to, and be substituted for, and may exercise every right and power of, the Issuer and the Company, as the case may be, under the Indenture, but in the case of a lease of all or substantially all of its assets, the predecessor company will not be released from its obligations under the Indenture or the Notes or the Notes Guarantee, as the case may be.

The Subsidiary Guarantors

No Subsidiary Guarantor (other than a Subsidiary Guarantor whose Note Guarantee is to be released in accordance with the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement) may:

(1) consolidate with or merge with or into any Person (whether or not such Subsidiary Guarantor is the surviving corporation);

(2) sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of such Guarantor and its Subsidiaries which are Restricted Subsidiaries as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into it

unless:

(a) the other Person is the Company, the Issuer or any Restricted Subsidiary that is a Subsidiary Guarantor or becomes a Subsidiary Guarantor substantially concurrently with such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposal;

(b) (1) either (x) a Guarantor or the Issuer is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Subsidiary Guarantor under its Note Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of the Subsidiary Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable; and (2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and be continuing; or

(c) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor or the sale or disposition of all or substantially all of the assets of a Subsidiary Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the Indenture;

provided, however, that the prohibition in clauses (1), (2) and (3) under the heading "*—The Subsidiary Guarantors*" above shall not apply to the extent that compliance with clauses (a) and (b)(1) could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws, rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors 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 or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses.

The provisions set forth in this "*Merger and Consolidation*" 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 a

Guarantor; (ii) any consolidation or merger of the Issuer with and into any Subsidiary Guarantor; *provided* that if the Issuer is not the surviving entity of such merger on consolidation, the relevant Subsidiary Guarantor will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, and clauses (1) and (5) under the heading "*—The Issuer*" shall apply to such transaction; or (iii) any Guarantor (other than Pledgeco) 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, however*, that clauses (1), (2) and (4) under the heading the "*—The Company*", and clause (3)(b) under the heading "*—The Subsidiary Guarantors*", as the case may be, shall apply to any such transaction. In the event the Successor Issuer is Pledgeco, then beginning on that day the provisions set forth under "*—Limitation on Pledgeco Activities*" shall apply and the provisions set forth under "*—Limitation on Issuer Activities*" will no longer apply and any related default provision will cease to be effective.

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.

Notwithstanding anything to the contrary set forth herein, the Company and its Restricted Subsidiaries may implement a Permitted Reorganization.

Limitation on Company Activities

(1) The Company shall not trade, carry on business, own assets or incur liabilities except for any Permitted Holding Company Activity.

(2) The Company shall procure that any investments to be made available by it in any member of the Group under the form of intercompany loans be first made available to the Issuer with a subsequent downstream of the proceeds thereof by the Issuer to the relevant member of the Group, and that any intercompany loan receivables owed by the Issuer to the Company as a result thereof be transferred by the Company within 10 Business Days of the date of completion of such transaction to Pledgeco, and be certified on such date pursuant to the certification regime provided for under the Belgian law of July 15, 1998 and article 503 of the Old Belgian Companies Code and as from its applicable effective date, article 7:61 of the New Belgian Companies Code in accordance with the terms of the Certification Agreement by entry into an addendum thereto, it being provided that any intercompany loan receivables transferred to Pledgeco as a result thereof and any additional certificates issued by Pledgeco as a consequence thereof be subject to Collateral pursuant to Security Documents entered into by Pledgeco and the Company on the date of the relevant transfer and certification in accordance with the Agreed Security Principles.

(3) The Company shall procure that any securities or other interests (including shareholder loans) which would be acquired or subscribed for in any member of the Group (or, for the avoidance of doubt, any entity which will become upon acquisition a member of the Group) or any other Person by the Company or Pledgeco whether in the context of a Permitted Investment or a Permitted Reorganization, if completed by the Company, be transferred within ten Business Days of the date of completion of any such transaction to Pledgeco, and such acquired or subscribed securities and other interests be certified on such date pursuant to the certification regime provided for under the Belgian law of July 15, 1998 and article 503 of the Old Belgian Companies Code and as from its applicable effective date, article 7:61 of the New Belgian Companies Code in accordance with the terms of the Certification Agreement by entry into an addendum thereto, it being provided that any securities and/or other interests transferred to, or acquired or subscribed for by, Pledgeco or the Company (as applicable) as a result thereof and any additional certificates issued by Pledgeco as a consequence thereof be

subject to Collateral pursuant to Security Documents entered into by Pledgeco on the date of the relevant transfer and certification in accordance with the Agreed Security Principles.

(4) The Company shall not cease to own legally and beneficially and control, in each case, directly 100% of the share capital and voting rights of Pledgeco.

(5) The Company shall not cease to own legally and beneficially and control, in each case, directly 100% of the certificates issued by Pledgeco in accordance with the Certification Agreement.

(6) The Company shall not cease to own, directly or indirectly, all of the Capital Stock of the Issuer other than as a result of a transaction that complies with the covenant described under "*—Merger and Consolidation*" above.

Limitation on Pledgeco Activities

Pledgeco shall not trade, carry on any business, own any assets or incur any liabilities (including any Indebtedness or balance sheet liabilities), except only for:

(1) the direct and indirect ownership of the securities and intra-Group loan receivables issued or borrowed by any members of the Group; and

(2) Incurring Indebtedness (or other items that are specifically excluded from the definition of Indebtedness) permitted under the Indenture (including activities reasonably incidental thereto, including performance of the terms and conditions of such Indebtedness (or such other items that are specifically excluded from the definition of Indebtedness), to the extent such activities are otherwise permissible under the Indenture).

Limitation on Issuer Activities

The Issuer will not engage in any business activity, except any activity (i) related to the offering, sale, issuance and servicing, listing, purchase, redemption, amendment, exchange, refinancing, Incurring or retirement of the Notes (including any Additional Notes) or other Indebtedness of the Issuer permitted under the Indenture (or other items that are specifically excluded from the definition of Indebtedness) and distributing, lending or otherwise advancing funds to the Company or any of its Restricted Subsidiaries and any other activities in connection therewith or complementary or useful thereto (including in connection with the Transaction); (ii) undertaken with the purpose of fulfilling any other obligations under any Indebtedness of the Issuer (including, the Notes, the Indenture, the Security Documents and the Senior Facilities) permitted under the Indenture (or other items that are specifically excluded from the definition of Indebtedness) (including for the avoidance of doubt, any repurchase or purchase, repayment, redemption or prepayment of such Indebtedness or entering into and termination of Hedging Obligations permitted under the Indenture); (iii) undertaken with the purpose of, and directly related to, fulfilling the obligations of the Issuer under any Security Document to which it is a party or any other document relating to the Notes (including Additional Notes) or related to the granting of Permitted Liens and Permitted Collateral Liens over its assets if the grant of such Liens were otherwise permitted by the Indenture; (iv) related or reasonably incidental to the establishment and/or maintenance of the Issuer's corporate existence or otherwise to comply with applicable law; (v) related to investing amounts received by the Issuer in such manner not otherwise prohibited by the Indenture (other than investing such amounts received in Capital Stock); (vi) involving the provision of administrative, legal or accounting services, cash pooling, cash management and/or treasury services and the ownership of assets necessary to provide such services; (vii) related to any purchase agreement, engagement letter, placement agency agreement, underwriting agreement, dealer manager agreement, solicitation agency agreement and/or any other document (including the Intercreditor Agreement) entered into in connection with the issuance of the Notes or any other Indebtedness permitted under the Indenture and referred to in paragraph (i) above;

(viii) related to the acquisition, holding or disposition of assets permitted to be held by it under the Indenture or reasonably related to its function as a financing entity, including investing amounts received by the Issuer in such manner not otherwise prohibited by the Indenture (other than investing such amounts received in Capital Stock); (iv) reasonably related to the foregoing; and (x) not specifically enumerated above that is *de minimis* in nature.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the "**Reversion Date**"), the provisions of the Indenture summarized under the following captions will not apply to the Notes:

(1) "*—Limitation on Restricted Payments*";

(2) "*—Limitation on Indebtedness*";

(3) "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";

(4) "*—Limitation on Affiliate Transactions*";

(5) "*—Limitation on Sales of Assets and Subsidiary Stock*";

(6) "*—Limitation on Additional Guarantees*"; and

(7) the provisions of clause (4) under "*—Merger and Consolidation—The Issuer*" and clause (3) under "*—Merger and Consolidation—The Company*".

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The "*Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*". In addition, the Indenture will also permit, without causing a Default or Event of Default, the Company or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. The Company shall notify the Trustee in writing that the conditions set forth in the first paragraph under this caption have been satisfied; *provided* that no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Impairment of Security Interest

The Company will not, and will not cause or 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 Collateral (it being understood, subject to the paragraph below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interests with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company will not, and will not cause or 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 Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral.

Notwithstanding the foregoing, (i) the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens, (ii) the Collateral may be discharged and released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement; (iii) the applicable Security Documents may be amended from time to time to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein; (iv) the Company and its Restricted Subsidiaries may discharge and release Security Interests with respect to the Collateral in connection with the implementation of a Permitted Reorganization, (v) the applicable Security Documents may be amended in any manner that does not adversely affect the rights of the Security Agent, the Trustee or the Holders of Notes in any material respects; and (vi) the Security Interests, and the related Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets); *provided, however*, that in the case of clause (vi) above, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced; unless, contemporaneously with any such action, the Company delivers to the Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an Independent Financial Advisor confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person, in form and substance reasonably satisfactory to the Trustee, which confirms the solvency of the Person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, as so amended, extended, renewed, restated, supplemented, released, modified or replaced, are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, to which such Lien or Liens were not otherwise subject immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Company complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to each of the Trustee and the Security Agent being indemnified, secured and/or prefunded to its satisfaction) consent to such amendments without the need for instructions from the Holders.

Limitation on Additional Guarantees

No Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the Senior Facilities, any Credit Facility or any other Public Debt, in each case, of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor on the date on which such Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Note Guarantee; *provided, however*, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Note Guarantee is contrary to the Agreed Security Principles.

Future Note Guarantees granted pursuant to this provision shall be released as set forth under "*—Note Guarantees Release*". A Note Guarantee of a future Guarantor (other than the Post-Closing Guarantors) may also be released at the option of the Company 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 if such Guarantor had not been designated as a Guarantor. The Trustee and the Security Agent shall each take all necessary actions, 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 each of the Trustee and the Security Agent being indemnified, secured and/or prefunded to its satisfaction.

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Company, in connection with the Incurrence by the Company or its Restricted Subsidiaries of any (1) Indebtedness permitted pursuant to the covenant described under "*—Limitation on Indebtedness*" and (2) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (1), the Company and 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), including containing substantially the same terms with respect to release of Note Guarantees and priority and release of the Security Interests; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture also will provide that, at the direction of the Company and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, mistake, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Company 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), (3) add Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. In formulating its opinion on such matters, the Trustee and the Security Agent shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Officer's Certificate and an Opinion of Counsel. The Company shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*", and the Company 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 Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and the Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of Subordinated Indebtedness; *provided, however*, that such transaction would comply with the covenant described under "*—Limitation on Restricted Payments*" and the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement.

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.

Listing

The Issuer will use its reasonable efforts to (i) obtain the listing of 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 as promptly as practicable after the Issue Date and (ii) maintain such listing and admission to trading for so long as such Notes are outstanding; *provided* that if the Issuer is unable to obtain such listing, or if maintenance of such listing becomes unduly onerous, it will, prior to the delisting of the Notes from the Official List of the Exchange, use its reasonable best efforts to obtain and maintain a listing of such Notes on another "recognised stock exchange" as defined in section 1005 of the Income Tax Act 2007 of the United Kingdom.

Payments for Consent

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to such amendment in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude Holders of Notes in any jurisdiction or any category of Holders of Notes where (1) the solicitation of such consent, waiver or amendment, including in connection with any tender or exchange offer, or (2) the payment of the consideration therefor could reasonably be interpreted as requiring the Company or any Restricted Subsidiary to file a registration statement, prospectus or similar document under any applicable securities laws or listing requirements (including, but not limited to, the United States federal securities laws and the laws of the European Union or any of its member states), which the Company in its sole discretion determines (acting in good faith) (a) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction) or (b) such solicitation would otherwise not be permitted under applicable law in such jurisdiction or with respect to such category of Holders of Notes.

Financial Calculations for Limited Condition Acquisition

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with any Limited Condition Acquisition, the date of determination of the applicable basket or ratio and of any Default or Event of Default shall, at the option of the Company, be the date the definitive agreements for such Limited Condition Acquisition are entered into and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such Limited Condition Acquisition (and not for purposes of any subsequent availability of any basket or ratio). For the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated EBITDA of the Company or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition and the related transactions are permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions; *provided*, further, that if the Company elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any Incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition.

Events of Default

Each of the following is an "**Event of Default**" under the Indenture:

(1) default in any payment of interest on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or any Guarantor to comply with the covenant described under "*—Certain Covenants—Merger and Consolidation*";

(4) failure by the Company or any Restricted Subsidiary to comply for 60 days after written notice to the Issuer by the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes with its other agreements contained in the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(5) 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 Company or any Restricted Subsidiary (or the payment of which is Guaranteed by the Company or any Restricted Subsidiary), other than Indebtedness owed to the Company or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("**payment default**"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "**cross acceleration provision**"),

and in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €30.0 million or more;

(6) other than on a solvent basis, certain events of bankruptcy, insolvency or court protection of the Company, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that taken together (as of the latest audited consolidated financial statements for the Company), would constitute a Significant Subsidiary (the "**bankruptcy provisions**");

(7) failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €30.0 million (exclusive of any amounts for which a solvent insurance company has acknowledged liability), which judgments are not paid,

discharged or stayed for a period of 60 days after the judgment becomes final (the "**judgment default provision**");

(8) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) with respect to Collateral having a fair market value in excess of €15.0 million 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 Security Documents or any such security interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable, and any such Default continues for 10 days (the "**security default provision**");

(9) any Note Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Note Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Note Guarantee and any such Default continues for 10 days (the "**guarantee provision**");

(10) the articles of association of Pledgeco or the Certification Agreement are modified in a way which would be adverse to the rights or interests of the Holders of the Notes;

(11) the certificates issued by Pledgeco and owned by the Company are terminated or cancelled, or Pledgeco is wound-up, liquidated or otherwise terminated; and

(12) the certification regime provided for under the Belgian law of July 15, 1998 and article 503 of the Old Belgian Companies Code and as from its applicable effective date, article 7:61 of the New Belgian Companies Code ceases to be valid or enforceable for any reason, without being substituted within ten Business Days by a regime having an equivalent effect.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee, by notice to the Issuer, or the Holders of at least 25% in principal amount of the outstanding Notes under the Indenture, by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest 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 (5) under the definition of Events of Default 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 clause (5) 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, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest 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 of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture by notice to the Trustee may, on behalf of all Holders, waive any past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any, the waiver of which shall require the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes affected) and rescind any acceleration with respect to the Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, 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 or security and/or prefunding satisfactory to the Trustee 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 notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security, indemnity and/or prefunding satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such security, indemnity and/or prefunding; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a 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 a majority 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, 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 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, prefunding and/or other security satisfactory to it in its sole discretion against all losses, liabilities and expenses caused by taking or not taking such action. Prior to the occurrence of an Event of Default, the Trustee will have no obligation to monitor compliance by the Company with the Indenture. The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed in writing of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 60 days after being so notified by the Company. 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 determines in good faith that withholding notice is in the interests of the Holders.

The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "**Initial Default**"), then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the 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 entitled "*—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 notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified, secured and/or prefunded to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and Waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified 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) and, subject to certain exceptions, 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); *provided* that, if any amendment, supplement, other modification or waiver will only amend, supplement or waive one series of the Notes, only the consent of a majority in aggregate principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes affected, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder or, if any amendment, waiver or other modification will only amend, supplement, modify or waive one series of the Notes, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of such series of Notes affected, with respect to any such series of Notes held by a non-consenting Holder:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described under "*—Optional Redemption*";

(5) make any Note payable in a currency other than that stated in the Note;

(6) impair the right of any Holder of any outstanding Note to bring suit for the enforcement of any payment of principal of, or interest or Additional Amounts, if any, on or with respect to such Holder's Notes on or after the due dates therefor;

(7) make any change in the provision of the Indenture described under "*—Withholding Taxes/Additional Amounts*" 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 Issuer agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all of the security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(10) release all or substantially all of the Guarantors from their obligations under the Note Guarantees or the Indenture, except in accordance with the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement; or

(11) make any 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, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Notes Documents:

(1) to cure any ambiguity, omission, defect, error or inconsistency;

(2) to provide for the assumption by a successor Person of the obligations of the Company, the Issuer or any Restricted Subsidiary under any Notes Document;

(3) to add to the covenants or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;

(4) to make any change that would provide additional rights or benefits to the Trustee, the Security Agent or the Holders or that does not adversely affect the rights of or benefits to the Trustee, the Security Agent or any of the Holders in any material respect under the Notes Documents;

(5) to make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Company) for the issuance of Additional Notes;

(6) to provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Additional Guarantees*", 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 (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to conform the text of the Indenture, the 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 verbatim recitation of a provision of the Indenture, the Security Documents or the Notes;

(8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor

trustee or security agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Notes Document;

(9) in the case of the 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 Facilities Agreement, in any property which is required by the Security Documents or the Senior Facilities Agreement (as in effect on the Issue Date) 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 Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with;

(10) as provided in "*—Certain Covenants—Additional Intercreditor Agreements*";

(11) to provide for or facilitate the issuance of uncertificated Notes in addition to or in place of certificated Notes; *provided that* the uncertificated Notes are issued in registered form for the purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are not treated as "**registration-required obligations**" under Section 163(f)(2)(A) of the Code;

(12) to comply with the rules of any applicable depositary; or

(13) to 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 the Notes or, if Incurred in compliance with the Indenture, Additional Notes; *provided* that compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities laws and regulations and such amendment does not materially and adversely affect the rights of Holders to transfer Notes.

In formulating its decision on such matters, the Trustee shall be entitled to require and rely on such evidence as it deems necessary, 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 of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Notwithstanding anything to the contrary in the paragraphs above, in order to effect an amendment authorized by clause (3) above 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 and the Trustee.

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Company or by any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Company will be disregarded and deemed not to be outstanding; *provided* that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned shall be so disregarded.

To the extent permitted by applicable law, neither the Holders (or any relevant percentage thereof) nor the Trustee or the Security Agent will be entitled to convene a meeting of Holders and the Issuer will not be required to convene such meeting even if requested to do so by the Holders (or any relevant percentage thereof) or by the Trustee or the Security Agent.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and each Guarantor under the Notes and the Indenture ("**legal defeasance**") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust (as defined below), 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, registration 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 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 Company at any time may terminate its and its Restricted Subsidiaries' obligations under the covenants described under "*Certain Covenants*" (other than clauses (1) and (2) under "*—Certain Covenants—Merger and Consolidation—The Issuer*" and clauses (1) and (2) of *"—Certain Covenants—Merger and Consolidation—The Company*") 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 with respect to any Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*—Events of Default*" ("**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 such 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 (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Issuer*" and clauses (1) and (2) of *"—Certain Covenants—Merger and Consolidation—The Company*"), (4), (5), (6) (with respect only to the Significant Subsidiaries or any group of Restricted Subsidiaries that, when taken together (as of the latest audited consolidated financial statements for the Company), would constitute a Significant Subsidiary), (7), (8) or (9) under "*—Events of Default*".

In order to exercise either defeasance option, the Issuer 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 Euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, *provided* that, if requested by the Issuer, the Trustee will distribute any amounts deposited in trust to the Holders prior to the Stated Maturity or redemption date, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders and beneficial owners of the relevant Notes 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 in the United States must be based on a ruling received by the Issuer from, or published by, the U.S. Internal Revenue Service or change in applicable U.S. federal income tax law);

(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;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and qualifications), 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; and

(4) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding 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 Paying Agent for cancellation; or (b) all Notes not previously delivered to the Paying Agent 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 reasonably satisfactory to the Trustee for the giving of notice of redemption; (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 or Euro-denominated European Government Obligations , or a combination thereof, as applicable in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest 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; (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 (subject to the succeeding sentences), and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (*provided* that such counsel may not be an employee of the Issuer or its Subsidiaries) each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" 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)). The Trustee or the Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) shall distribute any amounts deposited pursuant to this paragraph to the Holders on the date specified in writing (in the above referenced notice of redemption or Officer's Certificate or otherwise) by the Issuer at least two Business Days prior to the specified date of distribution, which date of distribution may in the Issuer's discretion be prior to the Stated Maturity or the redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to Holders prior to the redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of the clearing system.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Company or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes 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 and Certain Agents

Citibank, N.A., London Branch is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, 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.

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, the Paying Agent, the Transfer Agent, the Registrar, the Security Agent and any other 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 then 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 or acquires 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 or 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.

Notices

Notices, warnings, summonses and other communications to the holders of the Notes from the Trustee shall be sent via NBB-SSS with the request that its Participants are informed with a copy to the Issuer, and the listing agent, for the purpose of sending to the Exchange (to the extent required by the rules of the Exchange). Any such notice or communication shall be deemed to be given or made when sent from NBB-SSS, Euroclear or Clearstream (as applicable). The Issuer's written notifications to the holders of Notes shall be sent through the NBB-SSS with the request that its Participants are informed, with a copy to the Trustee and the Exchange (to the extent required by the rules of the Exchange).

Prescription

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Notes will be prescribed 10 years after the applicable due date for payment thereof.

Claims against the Issuer and the Guarantors for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Currency Indemnity

The sole currency of account and payment for all sums payable by the Issuer with respect to the Notes is Euro. Any amount received or recovered in a currency other than Euro, (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 Company, any Subsidiary or otherwise) by the holder in respect of any sum expressed to be due to it from the Issuer will constitute a discharge of the Issuer only to the extent of the Euro amount, 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 possible to make that purchase on that date, on the first date on which it is possible to do so). If that Euro amount is less than the Euro amount, expressed to be due to the recipient under any Note, the Issuer will indemnify the recipient against any loss sustained by it as a result. In any event the Issuer will indemnify the recipient against the cost of making any such purchase.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any Euro -denominated restriction herein, the Euro Equivalent for purposes hereof that is denominated in a currency other than Euro 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.

Certain Information Reporting Provisions

Mutual Undertaking Regarding Information Reporting and Collection Obligations

Each Party to the Indenture (a "**Party**") shall, within ten business days of a written request by another Party, supply to that other Party such forms, documentation and other information relating to it, its operations, or the Notes as that other Party reasonably requests for the purposes of that other Party's compliance with Applicable Law and shall notify the relevant other Party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such Party is (or becomes) inaccurate in any material respect; provided, however, that no Party shall be required to provide any forms, documentation or other information pursuant to this paragraph to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such Party and cannot be obtained by such Party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such Party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality. For purposes of this paragraph, "Applicable Law" shall be deemed to include (i) any rule or practice of any competent regulatory, prosecuting, Tax or governmental authority by ("**Authority**") which any Party is bound or with which it is accustomed to comply; (ii) any agreement between any Authorities; and (iii) any agreement between any Authority and any Party that is customarily entered into by institutions of a similar nature.

Notice of Possible Withholding Under FATCA

The Issuer shall notify the Paying Agent in the event that it determines that any payment to be made by the Paying Agent under the Notes is a payment which could be subject to any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA Withholding**") if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Issuer's obligation under this paragraph shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, the Notes, or both.

Paying Agent Right to Withhold

Notwithstanding any other provision of the Indenture, the Paying Agent shall be entitled to make a deduction or withholding from any payment which it makes under the Notes for or on account of any Taxes, if and only to the extent so required by Applicable Law, in which event the Paying Agent shall make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld or, at its option, shall reasonably promptly after making such payment return to the Issuer the amount so deducted or withheld, in which case, the Issuer shall so account to the relevant Authority for such amount. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this paragraph.

Issuer Right to Redirect

In the event that the Issuer determines in its sole discretion that any deduction or withholding for or on account of any Taxes will be required by Applicable Law in connection with any payment due to any of the agents on any Notes, then the Issuer will be entitled to redirect or reorganise any such payment in any way that it sees fit in order that the payment may be made without such deduction or withholding provided that, any such redirected or reorganised payment is made through a recognised institution of international standing and otherwise made in accordance with the Indenture. The Issuer will promptly notify the agents and the Trustee of any such redirection or reorganisation. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this paragraph.

Enforceability of Judgments

Since substantially all the assets of the Issuer and the Guarantors 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. See "*Risk Factors—Risks Relating to the Notes—The Note Guarantees and the security interests over the Collateral may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability*" and *"Limitations on Validity and Enforceability of the Note Guarantees and the Collateral and Certain Insolvency Law Considerations*".

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 of New York, County and State of New York, United States.

Governing Law

The Indenture and the Notes, 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. The Intercreditor Agreement, will be governed by the law of England and Wales. The Security Documents are and will be governed by and construed in accordance with the laws of various jurisdictions.

Certain Definitions

"**Acquired Indebtedness**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) 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 (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Except as otherwise set forth in the Indenture, Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**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.

"**Agreed Security Principles**" means the agreed security principles appended to the Senior Facilities Agreement, as of the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Company.

"**Applicable Premium**" means, the greater of:

(1) 1% of the principal amount of such Note; and

(2) as of any redemption date, the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) the redemption price of such Note at , 2022 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "*—Optional Redemption*" (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Note to and including such date (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(b) 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, Registrar, Transfer Agent or any Paying Agent.

"**Asset Disposition**" means any direct or indirect sale, lease (other than an Ordinary Course Lease Obligation entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than Ordinary Course Lease Obligations entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "**disposition**") by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary or an issuance, transfer or other disposition of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, trading stock, equipment or other assets in the ordinary course of business;

(4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance, transfer or other disposition of Capital Stock (i) 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 Company or (ii) relating to directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) an issuance, transfer or other disposition of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined by the Board of Directors or an Officer of the Company) of less than the greater of €15.0 million and 7.0% of Consolidated EBITDA;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of the second paragraph under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*", asset sales, the proceeds of which are used to make such Restricted Payments, Permitted Payments or Permitted Investments;

(9) the granting of Liens not prohibited by the covenant described above under the caption "*—Certain Covenants—Limitation on Liens*";

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Company or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Company or any Restricted Subsidiary;

(11) the licensing, sub-licensing, lease or assignment of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) sales or dispositions 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;

(15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(16) any issuance, transfer or other disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom a Restricted Subsidiary was acquired, or from whom a Restricted Subsidiary acquired its business and assets, 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;

(17) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(18) any disposition of assets to a Person who is providing services related to such assets, the provision of which has been or is to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors of the Company shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and the Restricted Subsidiaries (considered as a whole); *provided, further,* that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (18), does not exceed the greater of € 10.0 million and 4.5% of Consolidated EBITDA;

(19) an issuance or sale by a Restricted Subsidiary of Preferred Stock or Disqualified Stock that is permitted by the covenant described above under "*—Certain Covenants—Limitation on Indebtedness*";

(20) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition are applied in accordance with the "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" covenant;

(21) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture;

(22) any disposition in connection with the entry into a Lease Obligation; and

(23) an issuance or sale by a Restricted Subsidiary of Excluded Instruments.

"**Associate**" means (i) any Person engaged in a Similar Business of which the Company or its 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 Company or any Restricted Subsidiary.

"**Belgian Companies Code**" means the Belgian *Wetboek van Vennootschappen*/Code des Sociétés dated 7 May 1999, as the same may be amended or replaced from time to time (the **Old Belgian Companies Code**), including with effect from its applicable effective date, the Belgian *Wetboek van vennootschappen en verenigingen*/Code des sociétés et des associations dated 23 March 2019, as amended from time to time (the **New Belgian Companies Code**).

"**Banque Populaire Développement SA**" means Banque Populaire Développement SA, a société anonyme incorporated under the laws of France, whose registered office is at 5/7 rue de Monttessuy, 75007 Paris, France, and registered under registration number 378 537 690 R.C.S. Paris

"**Board of Directors**" means (1) with respect to any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such 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 the Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). Unless the context requires otherwise, Board of Directors means the Board of Directors of the Company.

"**Bund Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(a) "**Comparable German Bund Issue**" means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to , 2022 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to , 2022; *provided, however*, that, if the period from such redemption dated to , 2022 is not equal to the fixed maturity of the German *Bundesanleihe* security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German *Bundesanleihe* securities for which such yields are given, except that if the period from such redemption date to , 2022, is less than one year, a fixed maturity of one year shall be used;

(b) "**Comparable German Bund Price**" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) "**Reference German Bund Dealer**" means any dealer of German *Bundesanleihe* securities appointed by the Issuer in good faith; and

(d) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3.30 p.m. Frankfurt, Germany, time on the third Business Day preceding the redemption date.

"**Business Day**" means (i) each day that is not a Saturday, Sunday or other day on which banking institutions in Belgium, London, United Kingdom or a place of payment under the Indenture are authorized or required by law to close and (ii) each day that is not a Saturday, Sunday or other day that the NBB-SSS is authorized or required by law to close and (iii) in respect of any payment to be made as long as the Notes are deposited with the NBB-SSS, provided that such day is a TARGET Settlement Day.

"**Capital Stock**" of any Person means any and all shares of, rights to purchase, warrants or options 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 such equity.

"**Cash Equivalents**" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government, a member state of the European Union, the United Kingdom, Japan, Norway or Switzerland 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), having maturities of not more than two years from the date of acquisition;

(2) 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 party to the Senior Facilities or by any bank or trust company;

  (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P 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

  (b) (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;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named Rating Agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, the United Kingdom, any province of Canada, any member state of the European Union, Japan, Norway or Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB−" or higher from S&P or "Baa3" or higher from Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, the United Kingdom, Canada, a member state of the European Union, Japan, Norway or Switzerland eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of Asset Disposition, the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

"**Change of Control**" means the occurrence of any of the following:

(1) the Company becoming aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) that 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, is or becomes the "**beneficial owner**" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Company becoming a wholly-owned Subsidiary of a Successor Parent (subject to any directors' qualifying shares or shares required by any applicable law or regulation to be held by a person other than the Company or another wholly-owned Subsidiary that are held by a Person other than such Successor Parent); or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders; or

(3) the adoption by the shareholders of the Company of a plan relating to the liquidation or dissolution of the Company other than in a transaction that complies with the provisions described under "*—Certain Covenants—Merger and Consolidation*";

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"**Clearstream**" means Clearstream Banking Frankfurt, as currently in effect, or any successor securities clearing agency.

"**Collateral**" means any and all assets from time to time in which a security interest has been or will be granted pursuant to any Security Document to secure the obligations under the Indenture, the Notes and/or any Note Guarantee.

"**Commodity Agreement**" means any commodity futures contract, commodity swap, commodity option or other similar agreement or arrangement entered into by the Company or any Restricted Subsidiary designed to protect the Company or any Restricted Subsidiary against fluctuations in the price of commodities actually used, produced or sold in the ordinary course of business of the Company and its Restricted Subsidiaries.

"**Consolidated EBITDA**" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Fixed Charges;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization (excluding amortization of a prepaid cash charge or expense that was paid in a prior period) or impairment expense;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), joint venture, disposition, recapitalization or the Incurrence, issuance, redemption or refinancing of any Indebtedness permitted by the Indenture or any amendment, waiver, consent or

modification to any document governing such Indebtedness (whether or not successful) (including any such fees, expenses or charges related to the Transactions), any management equity or stock option plan, any management or employee benefit plan, any stock subscription of any shareholders agreement, in each case, as determined by the Board of Directors or an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*";

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by the Company as special, extraordinary, exceptional, unusual or non-recurring items less other non-cash items of income increasing Consolidated Net Income (other than non-cash items increasing Consolidated Net Income pursuant to clauses (1) to (14) of the definition of Consolidated Net Income and excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period);

(9) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(10) payments received or that become receivable with respect to expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income; and

(11) any Securitization Fees and the amount of loss or discount on the sale of Securitization Assets, Receivables Assets and related assets in connection with any Qualified Securitization Financing or Receivables Facility.

For the purposes of determining "**Consolidated EBITDA**" for any basket or ratio under the Indenture on any date of determination, Consolidated EBITDA shall be calculated for the period of the most recent four consecutive fiscal quarters for which internal financial statements of the Company are available immediately preceding such date of determination and *pro forma* effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio for the Company and its Restricted Subsidiaries.

"**Consolidated Income Taxes**" means Taxes or other payments, including deferred taxes, based on income, profits or capital of any of the Company and its Restricted Subsidiaries, whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (2) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company'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 Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have

been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*", any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes and the Indenture, the Senior Facilities Agreement, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary, and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions permitted under the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*"), except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than a Guarantor), to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiary (including pursuant to any sale and leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any investments), acquisition costs, business optimization, start up (including entry into new markets/channels and new product offerings), ramp up, system establishment, software or information technology implementation or development costs, costs related to or resulting from governmental or regulatory investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(5) the cumulative effect of a change in accounting principles;

(6) any 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, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity-based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*";

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(11) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Company or its Subsidiaries;

(12) any goodwill or other intangible asset amortization charge, impairment charge or write-off or write-down;

(13) consolidated depreciation and amortization expense to the extent in excess of net capital expenditures for such period, and Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"**Consolidated Net Leverage**" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries that is Incurred under the first and second paragraphs of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (excluding clauses (6), (8), (9) and (10) of the second paragraph thereof) less cash and Cash Equivalents of the Company and its Restricted Subsidiaries, as of the relevant date of calculation on a consolidated basis on the basis of IFRS. In determining the Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included in the calculation of Consolidated Net Leverage to the extent that such cash or Cash Equivalents are the proceeds of Indebtedness Incurred on the date of determination in respect of which the calculation of the Consolidated Net Leverage Ratio is to be made. With respect to the cash and Cash Equivalents credited on the Distribution Escrow Account, until the Distribution Interim Date the amount of cash and Cash Equivalents to be taken into account for purposes of this definition at any determination date shall be limited to an amount corresponding to €67.0 million as reduced by any amounts (if any) already distributed (or to be distributed on such determination date) out of the Distribution Escrow Amount in connection with a Distribution in excess of €233.0 million.

"**Consolidated Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available. In the event that the Company or any Restricted Subsidiary Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than Incurrences or repayments of ordinary working capital borrowings) subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the

Consolidated Net Leverage Ratio is made (the "**Calculation Date**"), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect (as determined by a responsible accounting or financial officer of the Company) including in respect of anticipated cost savings, expense reductions and cost synergies reasonably expected to occur within 18 months) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable reference period; *provided, however*, that (except with respect to calculations made pursuant to clause (17) of the third paragraph under "*—Certain Covenants—Limitation on Restricted Payments*") the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than clause 5(ii) of the second paragraph of the covenant described under*—Certain Covenants—Limitation on Indebtedness*") or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*".

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

(1) acquisitions or Investments (each, a "**Purchase**") that have been made by the Company or any Restricted Subsidiary, including through mergers or consolidations, or by any Person or any Restricted Subsidiary acquired by the Company or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial Officer of the Company), including in respect of anticipated cost savings, expense reductions and cost synergies reasonably expected to occur within 18 months, as if they had occurred on the first day of the four-quarter reference period*; provided* that, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect to such Purchase (including anticipated cost savings, expense reductions and cost synergies reasonably expected to occur within 18 months) as if such Purchase had occurred on the first day of such period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from any such disposal, as determined by a responsible accounting or financial officer of the Company);

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Company or any Restricted Subsidiary following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Company's functional currency, that Indebtedness for purposes of the calculation of Consolidated Net Leverage shall be treated in accordance with IFRS; and

(7) the full run-rate effect of cost savings, expense reductions and cost synergies (as determined in good faith by a responsible accounting or financial officer of the Company) that have occurred during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date or that are reasonably expected to occur within 18 months shall be included as though such cost savings, expense reductions and cost synergies had been achieved on the first day of the relevant period, net of the amount of actual benefits realized during such period from such actions, *provided* that such cost savings, expense reductions and cost synergies (A) are reasonably identifiable and factually supportable and (B) are not duplicative of any cost savings, expense reductions and cost synergies already included for such period.

provided that at any time the aggregate amount of anticipated cost savings, expense reductions and cost synergies calculated pursuant to clauses (1) and (7) hereof shall only represent with respect to any four quarter period in the aggregate 10.0% of Consolidated EBITDA.

"**Consolidated Senior Secured Net Leverage**" means, as of any date of determination, the sum of the aggregate outstanding Senior Secured Indebtedness and Lease Obligations of the Company and its Restricted Subsidiaries, *less* cash and Cash Equivalents of the Company and its Restricted Subsidiaries, as of the relevant date of calculation on a consolidated basis on the basis of IFRS; *provided, however*, that the *pro forma* calculation of Consolidated Senior Secured Net Leverage Ratio shall not give effect to (i) any Indebtedness incurred on the relevant date of calculation pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than clause 5(ii) of the second paragraph of the covenant described under*—Certain Covenants—Limitation on Indebtedness*") or (ii) the discharge on the relevant date of calculation of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*". In determining the Consolidated Senior Secured Net Leverage Ratio, no cash or Cash Equivalents shall be included in the calculation of Consolidated Senior Secured Net Leverage to the extent that such cash or Cash Equivalents are the proceeds of Indebtedness Incurred on the date of determination in respect of which the calculation of the Consolidated Senior Secured Net Leverage Ratio is to be made. With respect to the cash and Cash Equivalents credited on the Distribution Escrow Account, until the Distribution Interim Date the amount of cash and Cash Equivalents to be taken into account for purposes of this definition at any determination date shall be limited to an amount corresponding to €67.0 million as reduced by any amounts (if any) already distributed (or to be distributed on such determination date) out of the Distribution Escrow Amount in connection with a Distribution in excess of €233.0 million.

"**Consolidated Senior Secured Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) the Consolidated Senior Secured Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any Ordinary Course Lease Obligation, 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:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds: (a) for the purchase or payment of any such primary obligation; or (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) 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.

"**Credit Facility**" means one or more debt facilities, arrangements, instruments, trust deeds or indentures (including the Senior Facilities or any other commercial paper facilities and overdraft facilities) with banks, institutions 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, institutions or investors and whether provided under the original Senior Facilities 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 (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**Designated Non-Cash Consideration**" means the fair market value (as determined by the Board of Directors or an Officer of the Company) of non-cash consideration received by the Company or any 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, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of 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 compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*".

"**Designated Preference Shares**" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as

"**Designated Preference Shares**" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*".

"**Disqualified Stock**" means any Capital Stock (other than Excluded Instruments) that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a change of control or an asset disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption "*—Certain Covenants—Limitation on Restricted Payments*". For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. 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.

"**Distribution**" means (i) the making of any Restricted Payments of the nature described in sections (1) and (2) of the first paragraph of the covenant "*Limitations on Restricted Payment*" and (ii) the payment of all taxes due in respect of such payments (including any withholding taxes), in each case, by the Company provided that:

(1) the Distribution shall be exclusively financed by amounts standing to the credit of the Distribution Escrow Account (and not for the avoidance, any other funding sources available to the Company) and such payments in aggregate would not exceed the Distribution Escrow Amount;

(2) the amount of the Restricted Payments referred to in limb (i) of the first paragraph above shall be net of the aggregate amount of any taxes to be paid or remaining to be paid (as applicable) by the Company and referred to in limb (ii) of the first paragraph above (in the latter case, in the good faith determination of the Company);

(3) the aggregate amount of all payments made in respect of the Distribution shall not exceed:

   (a) for any such payments made by the Company on or before the Distribution Interim Date, the lesser of the two following amounts: (x) the Distribution Escrow Amount and (y) €233.0 million plus an additional amount which does not cause the Consolidated Senior Secured Net Leverage Ratio to exceed 3.81 to 1.0 on a *pro forma* basis after giving effect to such payment; and

(b) for any such payments made by the Company after the Distribution Interim Date, the lesser of the two following amounts: (x) the Distribution Escrow Amount minus the aggregate amount of any payments already made under paragraph (3)(a) above and (y) a maximum amount which does not cause the Consolidated Senior Secured Net Leverage Ratio to exceed 3.81 to 1.0 on a *pro forma* basis after giving effect to such payment; and

(4) the Restricted Payments referred to in limb (i) of the first paragraph above shall be paid entirely by the Company on or before the Distribution Final Date;

provided that, in respect of paragraphs (3)(a) and (b) above, the Consolidated Senior Secured Net Leverage as referred to therein will be determined as at the date which is no more than 5 Business Days before such payment is made;

"**Distribution Escrow Account**" means the dedicated bank account on which the Distribution Escrow Amount will be credited on the Closing Date, opened in the name of the Issuer in the books of the Security Agent, ING Bank N.V. (or any of its Affiliates) or any other financial institution acceptable to it (including any of its Affiliates), and subject to a Security Document.

"**Distribution Escrow Amount**" means €300.0 million.

"**Distribution Final Date**" means the date which is the earlier of:

(1) the date which is 12 months following the Issue Date;

(2) the date on which there is no amount standing to the credit of the Distribution Escrow Account; and

(3) any earlier date notified by the Company to the Security Agent.

"**Distribution Interim Date**" means the date which is the earlier of:

(1) November 15, 2019; and

(2) the date on which the Company remits its quarterly financial statements for the fiscal quarter ending September 30, 2019 under the Senior Facilities Agreement.

"**Dutch Banking Association**" means the *Nederlandse Vereniging van Banken* of the Netherlands.

"**Eligible Investors**" refers to those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) which include:

(1) Belgian resident companies referred to in article 2, §1, 5°, b) of the Belgian Income Tax Code 1992 ("BITC");

(2) without prejudice to the application of article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in article 2, § 3, of the law of 9 July 1975 on the supervision of insurance companies, other than those referred to in (1) and (3);

(3) the semi-public ("*parastatale*") social security agencies, or agencies equivalent thereto, referred to in article 105, 2°, of the Royal Decree implementing the BITC ("RD/BITC");

(4) the non-resident investors referred to in article 105, 5° of the RD/BITC;

(5) the investment funds recognized in the framework of pension savings referred to in article 115 of the RD/BITC;

(6) the taxpayers referred to in article 227, 2°, of the BITC who are subject to the tax on non-residents in accordance with article 233 of the BITC and who have used the income producing capital for the exercise of their professional activity in Belgium;

(7) the Belgian State, for its investments which are exempt from the withholding tax on income from movable assets, in accordance with article 265 of the BITC;

(8) collective investment undertakings governed by foreign law which are an indivisible estate managed by a management company on behalf of the participants, provided that the fund units are not publicly issued in Belgium and are not traded in Belgium; and

resident companies not referred to under (1) above, when their activities exclusively or principally consist of the granting of credits and loans.

"**Equity Offering**" means (x) a sale of Capital Stock of the Company (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 (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions) of the Company or any Restricted Subsidiary.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts 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 accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**Euro Equivalent**" means with respect to any monetary amount in a currency other than Euro, at any time of determination thereof, the amount of Euro obtained by converting such foreign currency involved in such computation into Euro at the average of the spot rates for the purchase and sale of Euro with the applicable foreign currency as quoted on or recorded in any recognized source of foreign exchange rates at least two Business Days (but not more than five Business Days) prior to such determination.

"**Euroclear**" means Euroclear Bank SA/NV, as currently in effect, or any successor securities clearing agency.

"**European Government Obligations**" means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, The Federal Republic of Germany or any other country that is a member of the European Monetary Union on the Issue Date, 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 the European Union as of the Issue Date.

"**Exchange**" means The International Stock Exchange Authority Limited.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Excluded Instruments**" means (1) any Capital Stock issued pursuant to (a) the shareholders agreement relating to the Company dated January 14, 2019 between the Company and certain of its shareholders party thereto on the terms as in effect on the Issue Date (or on terms not less favorable in any material respect to the Holders) and (b) any other agreement on substantially the same terms (or on terms not less favorable in any material respect to the Holders) as the agreement described in the foregoing clause (a) (in the good faith determination of the Company) and (2) any profit sharing certificates.

"**Excluded Contribution**" means Net Cash Proceeds or property or assets or marketable securities received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company substantially concurrently with the contribution.

"**fair market value**" wherever such term is used in this "*Description of the Notes*" or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this "*Description of the Notes*" or the Indenture), the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, and may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors setting out such fair market value as determined in good faith by such Officer or such Board of Directors of the Company.

"**Fitch**" means Fitch Ratings, Ltd, and its successors.

"**Fixed Charges**" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(5) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a Restricted Subsidiary, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Company;

(6) the consolidated interest expense that was capitalized during such period;

(7) cash interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person; and

(8) interest accrued on any Indebtedness of a Parent that is guaranteed by the Company or any Restricted Subsidiary to the extent (x) serviced directly or indirectly by the Company or any Restricted Subsidiary and (y) not already included in calculating Fixed Charges;

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, in each case, to the extent included in interest expense under IFRS, (iii) any Additional Amounts with respect to the Notes included in interest expense under IFRS or other similar tax gross up on any Indebtedness included in interest expense under IFRS. Fixed Charges shall not include any interest expenses relating to (A) Subordinated Shareholder Funding, (B) penalties and interest related to taxes, (C) 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 (D) any expensing of bridge, commitment or other financing fees.

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available to (y) the Fixed Charges for such four fiscal quarters.

In the event that the Company or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Incurrences or repayments of ordinary working capital borrowings) subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "***Calculation Date***"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Company), including in respect of anticipated cost savings, expense reductions and cost synergies reasonably expected to occur within 18 months, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*."

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) a Purchase that has been made by the Company or any of its Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Restricted Subsidiaries acquired by the Company or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated cost savings, expense reductions and cost synergies reasonably expected to occur within 18 months, as if they had occurred on the first day of the four-quarter reference period; *provided* that, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect to such Purchase (including anticipated cost savings, expense reductions and cost synergies reasonably expected to occur within 18 months) as if such Purchase had occurred on the first day of such period, even if the Purchase has not yet been consummated as of the date of determination;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if

such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from such disposition, as determined in good faith by a responsible accounting or financial officer of the Company);

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Company or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness) and if any Indebtedness is not denominated in the Company's functional currency, that Indebtedness for purposes of the calculation of Fixed Charges shall be treated in accordance with IFRS;

(7) interest on a Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible accounting or financial officer of the Company to be the rate of interest implicit in such Lease Obligation in accordance with IFRS; and

(8) the full run-rate effect of cost savings, expense reductions and cost synergies (as determined in good faith by a responsible accounting or financial officer of the Company) that have occurred during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date or that are reasonably expected to occur within 18 months shall be included as though such cost savings, expense reductions and cost synergies had been achieved on the first day of the relevant period, net of the amount of actual benefits realized during such period from such actions, *provided* such cost savings, expense reductions and cost synergies (A) are reasonably identifiable and factually supportable and (B) are not duplicative of any costs savings, expense reductions or cost synergies already included for the period;

provided that at any time the aggregate amount of anticipated cost savings, expense reductions and cost synergies calculated pursuant to clauses (1) and (8) hereof shall only represent with respect to any four quarter period in the aggregate 10.0% of Consolidated EBITDA.

"**FPCI Capentrepreneurs II**" means Capentrepreneurs II FPCI, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Naxicap Coinvest I**" means Naxicap Coinvest I FPCI, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Naxicap Investment Opportunities I**" means Naxicap Investment Opportunities I FPCI, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Naxicap Opportunities I**" means Naxicap Opportunities I FPCI, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Naxicap Opportunities II**" means Naxicap Opportunities II FPCI, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Naxicap Opportunities III**" means Naxicap Opportunities III FPCI, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Naxicap Opportunities V**" means Naxicap Opportunities V FPCI, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Naxicap Opportunities VIII**" means Naxicap Opportunities VIII FPCI, *a fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**FPCI Rives Croissance I**" means FPCI Rives Croissance I, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**Group**" means the Company and the Restricted Subsidiaries.

"**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:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by agreements to keep-well, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) 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, however*, that the term "**Guarantee**" will not include endorsements for collection or deposit in the ordinary course of business. The term "**Guarantee**" used as a verb has a corresponding meaning.

"**Guarantors**" means (i) the Company, (2) the Subsidiary Guarantors and (3) any Restricted Subsidiary that Guarantees the Notes, in each case until such Note Guarantee is released in accordance with the terms of the Indenture.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodity Agreement or Currency Agreement.

"**Holder**" means a Person in whose name a Note is registered on the Registrar's books.

"**IFRS**" means International Financial Reporting Standards (formerly International Accounting Standards) endorsed by the European Union as in effect from time to time or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any time after the Issue Date, the Company may elect to establish that IFRS shall mean IFRS as in effect on or prior to the date of such election.

"**Incur**" means issue, create, assume, enter into any Guarantee of, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, 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**", "**Incurring**" 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.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness

and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property or assets (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than two years after the date of placing such property in service or taking final delivery and title thereto;

(5) Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to the redemption repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) 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, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined by the Board of Directors or an Officer of the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person;

(9) 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 termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "**Indebtedness**" shall not include (i) Subordinated Shareholder Funding, (ii) deferred or prepaid revenues including prepayments or deposits received from clients or customers in the ordinary course of business, (iii) any asset retirement obligations or (iv) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date by the Company or any Restricted Subsidiary in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9)) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS. Indebtedness represented by loans, notes or other debt instruments shall not be included to the extent funded with the proceeds of Indebtedness which the Company or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(1) (a) Contingent Obligations Incurred in the ordinary course of business, (b) obligations under or in respect of Qualified Securitization Financings or Receivables Facilities, (c) obligations in connection with reverse factoring arrangements of trade payables or expenses, *provided* that any such obligation is paid within one year of Incurrence and (d) accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;

(2) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, 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 within 45 days thereafter;

(3) 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 or under any Tax Sharing Agreement;

(4) any accrued expenses and trade payables;

(5) Excluded Instruments;

(6) any Indebtedness that arises or results from the commitment to make or pay the Distribution; and

(7) (a) any liability in respect of any members of the Group incorporated in The Netherlands arising under a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) as referred to in Section 2:403 of the Dutch Civil Code and (b) any liability arising as a result of a fiscal unity (*fiscale eenheid*) solely between members of the Group incorporated in The Netherlands.

"**Indenture**" means the indenture in respect of the Notes to be dated the Issue Date, as amended from time to time.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third-party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Company.

"**Initial Investors**" means (1) the Sponsor or Conny Vandendriessche; and (2) any other entity that, directly or indirectly, held more than 10% of the Capital Stock of the Company on the Issue Date, including any Capital Stock of the Company which such entity has an option or right to acquire and does so acquire within 120 days of the Issue Date, and/or their Affiliates and any funds, accounts or limited partnerships managed or advised by any of such Persons, but excluding, in the case of both (1) and (2), any controlled portfolio company of such Persons.

"**Initial Public Offering**" means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (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.

"**Initial Purchasers**" means J.P. Morgan Securities plc, ING Bank N.V., London Branch and KBC Bank NV.

"**Intercreditor Agreement**" means the Intercreditor Agreement dated on or prior to the Issue Date, by and among, *inter alios*, the Issuer, the Guarantors, the Security Agent and the Trustee, as amended from time to time.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business or 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 (excluding any notes thereto) prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company 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 Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under the caption "*—Certain Covenants—Limitation on Restricted Payments*".

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(1) "**Investment**" will include the portion (proportionate to the Company'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; and

(2) 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 Board of Directors or an Officer of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States, the United Kingdom or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, Japan, Norway or Switzerland or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB−" or higher from S&P or "Baa3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's 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 Company and its Subsidiaries;

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

"**Investment Grade Status**" shall occur when the Notes receive the following from two of the three Rating Agencies:

(1) a rating of "BBB−" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; and

(3) a rating of "BBB" or higher from Fitch,

or the equivalent of such rating by either such rating organization or, if no rating of Moody's, S&P or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"**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.

"**Issue Date**" means July , 2019.

"**Junior Secured Indebtedness**" means Secured Indebtedness that is not Senior Secured Indebtedness.

"**Lease Obligation**" means an obligation that is required to be classified and accounted for as a lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to appear on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"**Limited Condition Acquisition**" means any acquisition, including by way of merger, amalgamation or consolidation, by the Company or one or more of its Restricted Subsidiaries the consummation of which is not conditioned upon the availability of, or on obtaining, third-party financing; *provided* that Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios and baskets in connection with the Limited Condition Acquisition and the related transactions, shall not include any Consolidated Net Income of or attributable to the target company or assets involved in any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

"**Management Advances**" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving-related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding €10.0 million in the aggregate outstanding at any time.

"**Management Investors**" means any directors, officers, managers and employees of the Company or any Restricted Subsidiary (excluding Conny Vandendriessche or any of her Related

Persons for purposes of clauses (6) and (19) of the third paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*") who are shareholders of the Company as at the Issue Date or who hold stock options in the Company and any other directors, officers, managers or employees of the Company or any Restricted Subsidiary (who are direct or indirect shareholders of the Company) from time to time and each of their successors, executors, administrators or personal representatives of their estate as a result of the death of any of them or Subsidiaries thereof.

"**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.

"**Naxicap Partners SA**" means Naxicap Partners SA, a *société anonyme à directoire et conseil de surveillance* (limited company with a management Board and a supervisory Board) incorporated under the laws of France, whose registered office is at 5/7 rue de Monttessuy, 75007 Paris, France, and registered under registration number 437 558 893 R.C.S. Paris

"**Naxicap Rendement 2018 SAS**" means Naxicap Rendement 2018 SAS, a *société par actions simplifiée* incorporated under the laws of France, whose registered office is at 5/7 rue de Monttessuy, 75007 Paris, France, and registered under registration number 522 212 182 R.C.S. Paris.

"**Naxicap Rendement 2022 SAS**" means Naxicap Rendement 2022 SAS, a *société par actions simplifiée* incorporated under the laws of France, whose registered office is at 5/7 rue de Monttessuy, 75007 Paris, France, and registered under registration number 820 371 979 R.C.S. Paris.

"**Naxicap Secondary Opportunities I**" means FPCI Naxicap Secondary Opportunities I, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**Naxicap Secondary Opportunities II**" means FPCI Naxicap Secondary Opportunities II, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**Naxicap Secondary Opportunities III**" means FPCI Naxicap Secondary Opportunities III, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**Naxicap Secondary Opportunities IV**" means FPCI Naxicap Secondary Opportunities IV, a *fonds professionnel de capital investissement* managed by Naxicap Partners SA.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"**NBB**" means the National Bank of Belgium as operator of the NBB-SSS or any successor thereof.

"**NBB-SSS**" means the NBB securities settlement system operated by the NBB and any successor thereto.

"**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 installment 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:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;

(2) other than for purposes of the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*", all payments made on any Indebtedness which (a) is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or (b) which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition, including pension and other post- employment benefits liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such transaction.

"**Net Cash Proceeds**", means the cash proceeds net of related 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 payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

"**Note Guarantee**" means the guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"**Notes**" means the Initial Notes and any Additional Notes.

"**Notes Documents**" means the Notes (including Additional Notes), the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"**Offering Memorandum**" means the offering memorandum dated July   , 2019 relating to the sale of the Notes offered hereby or any offering memorandum relating to a subsequent issuance of Notes.

"**Officer**" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "**Officer**" for the purposes of the Indenture by the Board of Directors of 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 from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of, or counsel to, the Company or its Subsidiaries.

"**Ordinary Course Lease Obligation**" means Lease Obligations relating to property or assets in which a significant portion of the risks and rewards of ownership are not transferred to the Company or any Restricted Subsidiary as lessee and are Incurred in the ordinary course of business (in the good faith determination of the Company).

"**Parent**" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"**Parent Expenses**" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent 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, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses solely to the extent relating directly or indirectly to activities of the Company and its Subsidiaries, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any Restricted Subsidiary (including, without limitation, accounting, legal, audit corporate reporting, and administrative expenses and other reasonable and normal course expenses required to maintain such Parent's corporate existence or its holding of the Capital Stock of the Company), (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent, (c) costs and expenses with respect to the maintenance of any equity incentive or compensation plan, (d) any Taxes and other fees and expenses required to maintain such Parent's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, directors, officers and employees of such Parent and (e) to reimburse reasonable out-of-pocket expenses of the Board of Directors of such Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Company, in an amount not to exceed €2.0 million in any fiscal year;

(7) fees and expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness (whether or not completed); (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary; (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed; and

(8) costs and expenses equivalent to those set out in clauses (1) to (7) above with respect to a Special Purpose Vehicle.

"**Pari Passu Indebtedness**" means Indebtedness of the Issuer or any Guarantor which does not constitute Subordinated Indebtedness.

"**Participant**" means, with respect to the NBB-SSS, a Person (including Euroclear and Clearstream) who has an account with the NBB-SSS.

"**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 Collateral Liens**" means Liens on the Collateral:

(1) that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23), (24), (31), (32), (33), (37) and (38) of the definition of Permitted Liens and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(2) to secure:

(a) the Notes (other than any Additional Notes) and any related Note Guarantees;

(b) Senior Secured Indebtedness and Junior Secured Indebtedness permitted to be Incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(c) Indebtedness described under clause (1) of "*—Permitted Debt*";

(d) Indebtedness described under clause (2) of "*—Permitted Debt*", to the extent Incurred by the Issuer or a Guarantor and to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens;

(e) Indebtedness described under clause (5) of "*—Permitted Debt*" and that is Incurred by the Issuer or a Guarantor;

(f) Indebtedness described under clause (6) of "*—Permitted Debt*";

(g) Indebtedness described under clauses (7) (other than with respect to Lease Obligations), (11), (13) or (15) of "*—Permitted Debt*", in the case of clause (7), of the Company or a Restricted Subsidiary, and in the case of clauses (11), (13) and (15), of the Issuer or a Guarantor; and

(h) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (a) to (g) (and Refinancing Indebtedness in respect of Refinancing Indebtedness);

provided, further, that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided, further* that subject to the Agreed Security Principles all property and assets (including, without limitation, the Collateral) of the Company or any Restricted Subsidiary securing such Indebtedness (including any Guarantees thereof) or Refinancing Indebtedness secure the Notes and related Note Guarantees and the Indenture on a senior or *pari passu* basis.

"**Permitted Holding Company Activity**" means:

(1) the ownership of assets that are *de minimis* in nature; *provided* that the Company may from time to time receive in a transaction otherwise permitted under the Indenture and the Security Documents, properties and assets (including without limitation cash, Cash Equivalents, Temporary Cash Investments, Investment Grade Securities, shares of Capital Stock of another Person and/or Indebtedness and other obligations) for the purpose of transferring such properties and assets to any Parent, any Subsidiary or any other Person, so long as in any case such further transfer is made promptly by the Company and, after giving effect thereto, the Company is again in compliance with this clause;

(2) making Investments in the Notes or other Indebtedness permitted under the Indenture;

(3) making any payment under the Certification Agreement;

(4) Incurring Indebtedness (or other items that are specifically excluded from the definition of Indebtedness) permitted under the Indenture, giving any Guarantee or

granting Collateral, in each case, subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement and the other terms of this "*Description of the Notes*" or the Indenture (including activities reasonably incidental thereto, including performance of the terms and conditions, servicing, purchase, redemption, amendment, exchange, refinancing or retirement, in each case, in respect of such Indebtedness (or other items that are specifically excluded from the definition of Indebtedness), to the extent such activities are otherwise permissible under the Indenture);

(5) acquiring and holding securities and intercompany loan receivables and other Investments in any member of the Group or any Person that becomes a member of the Group to the extent not prohibited under the terms of this "Description of the Notes" or the Indenture;

(6) maintaining any intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts (in each case, subject to and in accordance with the Agreed Security Principles, provided subject to the Collateral);

(7) granting any guarantee in respect of the obligations of a member of the Group to the extent not prohibited under the terms of this "Description of the Notes" or the Indenture;

(8) granting any Lien permitted under the covenant described above under the caption "*—Limitation on Liens*," subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement;

(9) activities undertaken with the purpose of, and directly related to, fulfilling its obligations or exercising its rights under the Notes Documents, the Finance Documents (as defined in the Senior Facilities Agreement) or such documents evidencing other Indebtedness (or any item specifically excluded from the definition of Indebtedness) permitted to be incurred by the Company in accordance with Clause (2) above;

(10) holding cash, Cash Equivalents, Temporary Cash Investments and Investment Grade Securities;

(11) making a Permitted Payment or other Restricted Payments permitted under the covenant described above under the caption "*—Certain Covenants—Limitation on Restricted Payments*";

(12) providing to members of the Group management and administrative services (including treasury services), including legal, accounting, marketing and development services, of a type customarily provided by a holding company to its subsidiaries and the ownership of assets necessary to provide such services, employing employees whose services are required for the operation of the Group and seconding those employees to members of the Group;

(13) incurring liability to pay Taxes and paying such Taxes;

(14) entering into hedging arrangements that are not prohibited under the terms of this "Description of the Notes" or the Indenture;

(15) entering into arrangements regarding Subordinated Shareholder Funding and receiving amounts or incurring Indebtedness in respect of Subordinated Shareholder Funding;

(16) the taking of any administrative actions necessary to maintain its or its Subsidiaries' existence;

(17) taking action in connection with any litigation or court or other similar proceedings;

(18) any rights or liabilities arising by operation of law;

(19) having any liabilities in connection with the payment of salaries of management and employees of the Group;

(20) where necessary to comply with tax or other legislation, any conversion of loans between members of the Group into distributable reserves or, if required to so comply, registered share capital, provided that where a loan converted into share capital of a member of the Group is subject to existing Collateral, the shares resulting from such conversion shall upon conversion be subject to Collateral under Security Documents entered into by the relevant shareholders of the issuing member of the Group; and

(21) other activities not specifically permitted by the above terms that are *de minimis* in nature.

"**Permitted Holders**" means, collectively, (1) the Initial Investors; (2) the Management Investors; (3) any Related Person of any Persons specified in clauses (1) and (2); (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent, or the Company, acting in such capacity; and (5) 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 or any Persons mentioned in the following sentence are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors and Management Investors and such Persons referred to in the following sentence, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Company or any of its direct or indirect parent companies owned by such group. 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 in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investment**" means (in each case, by the Company or any Restricted Subsidiary):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) (a) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business and Investments in connection with any Qualified Securitization Financing or Receivables Facility and (b) distributions or payments of Securitization Fees and purchases of Securitization Assets or Receivables Assets in connection with a Qualified Securitization Financing or Receivables Facility;

(5) Investments in payroll, travel, relocation, entertainment 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;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received (a) in settlement of debts created in the ordinary course of business and owing to the Company or any 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 (b) in compromise or resolution of litigation, arbitration or other disputes;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) Investments by the Company and its Restricted Subsidiaries in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (a) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(10) Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €50.0 million and 23.0% of Consolidated EBITDA; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*", such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) above and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business 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*";

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted by 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 (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Guarantees 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;

(16) Investments in loans under the Senior Facilities, in the Notes and any Additional Notes or in any other Indebtedness of the Company or any Restricted Subsidiary that ranks senior or *pari passu* in right of payment to the Notes;

(17) Investments acquired after the Issue Date as a result of the acquisition by the Company or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Company or any Restricted Subsidiary in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger and Consolidation*" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(18) Investments of cash held on behalf of merchants or other business counterparties in the ordinary course of business in bank deposits, time deposit accounts, certificates of deposit, bankers' acceptances, money market deposits, money market deposit accounts, bills of exchange, commercial paper, governmental obligations, investment funds, money market funds or other securities;

(19) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in each case, in the ordinary course of business and in accordance with the Indenture;

(20) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility, workers' compensation, performance and other similar deposits, in each case, in the ordinary course of business; and

(21) Investments in joint ventures in a Similar Business or in Unrestricted Subsidiaries having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (21) that are at the time outstanding, not to exceed the greater of €50.0 million and 23.0% of Consolidated EBITDA; *provided* that, if an Investment is made pursuant to this clause in a Person and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "**Permitted Investments**" and not this clause.

"**Permitted Liens**" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(2) pledges, deposits or Liens under workmen's compensation laws, 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 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 surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other similar 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;

(4) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, 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 Company and its Restricted Subsidiaries or to the ownership of its properties 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 Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under clause (6) of the second paragraph of the covenant described under the caption "*—Certain Covenants—Limitation on Indebtedness*";

(8) 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;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default and notices of *lis pendens* and associated rights so long as 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 or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Company 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 to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions or customary standard terms relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts (including any Lien created or subsisting over any asset held in any securities depository or any clearing house pursuant to the standard terms and procedures of the relevant securities depository or clearing house applicable in the normal course of trading) or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding Ordinary Course Lease Obligations entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(14) 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 Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided*, 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;

(15) Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture (other than in respect of Liens initially incurred pursuant to clause (28) of this definition); *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 being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Lease Obligation;

(18) (a) mortgages, liens, security interest, 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 Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) 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;

(21) Liens created or arising in connection with a Qualified Securitization Financing or Receivables Facility;

(22) (a) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) Liens 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 pre-fund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods or assets entered into in the ordinary course of business;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(26) any security granted over the marketable securities portfolio described in clause (9) of the definition of Cash Equivalents in connection with the disposal thereof to a third party;

(27) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(28) Liens provided that the maximum amount of Indebtedness secured in the aggregate at any one time outstanding pursuant to this clause (28) does not exceed the greater of €30.0 million and 14.0% of Consolidated EBITDA;

(29) Liens created or subsisting in order to secure any pension liabilities or partial retirement liabilities;

(30) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(31) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(32) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(33) Liens on any proceeds loan made by the Company or any Restricted Subsidiary in connection with any future Incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness;

(34) Liens encumbering cash deposits in bank accounts established to provide cash collateral to letters of credit, guarantees and similar instruments that were issued prior to the Issue Date;

(35) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Company or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 15% of the net proceeds of such disposal;

(36) in respect of the Company or any of its Restricted Subsidiaries, any Lien arising under clause 24 or 25 of the general banking conditions (*algemene bankvoorwaarden*) of any member of the Dutch Banking Association;

(37) pledges of goods, the related document of title and/or other related documents arising or created in the ordinary course of the Company's or any Restricted Subsidiary's business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which the pledge exists; and

(38) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (37); *provided* that any such extension, renewal or replacement shall not extend in any material respect to any additional property or assets.

"**Permitted Reorganization**" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, redomiciliation, winding up or corporate reconstruction involving any Restricted Subsidiary of the Company (other than Pledgeco) and the assignment, transfer or assumption of intragroup receivables and payables among the Restricted Subsidiaries of the Company in connection therewith (a "**Reorganization**") that is made on a solvent basis; *provided* that after giving effect to such Reorganization: (a) all of the business and assets of the Restricted Subsidiaries of the Company remain owned by the Restricted Subsidiaries of the Company, (b) any payments or assets distributed in connection with such Reorganization remain within the Company and its Restricted Subsidiaries, (c) if any shares or other assets form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral, subject to the Agreed Security Principles, and (d) the Company will provide to the Trustee and the Security Agent an Officer's Certificate confirming that no Default is continuing or would arise as a result of such Reorganization.

"**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.

"**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 (other than Excluded Instruments).

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A 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 Market**" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"**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 Securitization Financing**" means any Securitization Facility that meets the following conditions: (1) the Board of Directors or a responsible accounting or financial officer of the Company 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 Company and the Restricted Subsidiaries, (2) all sales of Securitization Assets and related assets by the Company or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made for fair consideration (as determined in good faith by the Company), (3) the financing terms, covenants, termination events and other provisions thereof shall be fair and reasonable terms (as determined in good faith by the Board of Directors or a responsible accounting or financial officer of the Company) and may include Standard Securitization Undertakings and (4) is non-recourse to the Company or any Restricted Subsidiary (other than a Securitization Subsidiary) except to the extent of any Standard Securitization Undertaking.

"**Rating Agencies**" means Moody's, S&P or Fitch's, or in the event Moody's, S&P or Fitch's no longer assigns a rating to the Notes, any other Nationally Recognized Statistical Rating Organization selected by the Company as a replacement agency.

"**Receivables Assets**" means (a) any accounts receivable owed to the Company 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 Company 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 Company or a Restricted Subsidiary and a counterparty pursuant to which (a) the Company or such Restricted Subsidiary, as applicable, sells (directly or indirectly) accounts receivable owing by customers (whether now existing or arising in the future), together with Receivables Assets related thereto, (b) the obligations of the Company or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Company 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 Company) 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 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 date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the Stated Maturity of the Indebtedness being refinanced or, if shorter, the maturity date of the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness (including tender premiums) and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Note Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, further, however, that Refinancing Indebtedness shall not include (i) Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

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; *provided* that it is used to refinance amounts thereunder or other Indebtedness within six months of the relevant termination, discharge or repayment date.

"**Related Fund**" means, in relation to a trust, fund or other entity (the "**first fund**"), another trust, fund or other entity which has the same fund manager or asset manager as the first fund or, if managed by a different fund manager or asset manager, a trust, fund or other entity whose fund manager or asset manager is an Affiliate of the fund manager or asset manager of the first fund or is owned by the same person as the first fund.

"**Related Person**" with respect to any Permitted Holder, means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or controlling partner or controlling member of such Person; or

(2) in the case of an individual, any 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, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) 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 beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored, advised, owned or controlled by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"**Related Taxes**" means:

(1) 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 (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such taxes are in fact paid) by any Parent by virtue of its:

   (a) being incorporated 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 Company or any Restricted Subsidiary);

   (b) issuing or holding Subordinated Shareholder Funding;

   (c) being a holding company, directly or indirectly, of the Company or any Restricted Subsidiary;

   (d) receiving permitted dividends from or other permitted distributions in respect of the Capital Stock of, directly or indirectly, the Company or any Restricted Subsidiary; or

   (e) having made or received any payment with respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to "*—Certain Covenants—Limitation on Restricted Payments*;" or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and any Restricted Subsidiary that is a member of such group would have been required to pay on a separate company basis or on a consolidated basis if the Company and such Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and such Restricted Subsidiaries; reduced by any amounts paid directly by the Company and such Restricted Subsidiaries with respect to such Taxes.

"**Replacement Assets**" means non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or non-current properties and assets that will be used in the Company's business or in that of a Restricted Subsidiary or any and all other businesses that in the good faith judgment of the Board of Directors or any Officer of the Company are related thereto.

"**Representative**" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"**Restricted Investment**" means any Investment other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"**S&P**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Secured Indebtedness**" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that is secured on the Collateral and that is Incurred under the first and second paragraphs of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (excluding clauses (6), (8), (9) and (10) of the second paragraph thereof).

"**Securities Act**" means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Securities Settlement System**" means, the settlement system recognized or approved in accordance with Articles 3 to 13bis of the Law of January 2, 1991 on the market of public debt securities and the monetary policy instruments, as amended, and the Law of August 6, 1993 on transactions in certain securities and its implementing decrees as amended from time to time which is currently the Securities Settlement System operated by the NBB.

"**Securitization Asset**" means (a) any accounts receivable, mortgage receivables, loan receivables, royalty, 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 receivable or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with such receivable or asset in connection with a receivables 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 Company 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, off set 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 Company 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 Documents**" means the 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 Collateral as contemplated by the Indenture.

"**Security Interest**" has the meaning provided under "*—Security—Priority*".

"**Senior Facilities**" means the term and revolving credit facilities made available pursuant to the Senior Facilities Agreement.

"**Senior Facilities Agreement**" means the term and revolving credit facilities agreement dated on or prior to the Issue Date among, *inter alios*, the Company, the Issuer, ING Bank N.V. as agent, Citi N.A. London Branch as Security Agent, and the Senior Mandated Lead Arrangers, Coordinator and the Active Bookrunner (each as defined therein).

"**Senior Secured Indebtedness**" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that is secured by a first-priority Lien on the Collateral and that is Incurred under the first and second paragraphs of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (excluding clauses (6), (8), (9) and (10) of the second paragraph thereof).

"**Significant Subsidiary**" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to such Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"**Similar Business**" means (a) any businesses, services or activities engaged in by the Company or any Restricted Subsidiary or any Associates on the Issue Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Special Purpose Vehicle**" means an entity (including any trust) established by any Parent for the purpose of maintaining an equity incentive or compensation plan for Management Investors.

"**Specified Change of Control Event**" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that immediately prior to the occurrence of such event and immediately thereafter and giving *pro forma* effect thereto, the Consolidated Net Leverage Ratio of the Company and its Restricted Subsidiaries would have been less than (x) 3.80 to 1.0 if the event occurs within the first 24 months of the Issue Date, and (y) 3.30 to 1.0 thereafter. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture.

"**Sponsor**" means Naxicap Partners SA, Banque Populaire Développement SA, Naxicap Secondary Opportunities I, Naxicap Secondary Opportunities II, Naxicap Secondary Opportunities III, Naxicap Secondary Opportunities IV, FPCI Naxicap Opportunities I, FPCI Naxicap Opportunities II, FPCI Naxicap Opportunities III, FPCI Naxicap Opportunities V, FPCI Naxicap Opportunities VIII, FPCI Naxicap Coinvest I, FPCI Rives Croissance I, Naxicap Rendement 2018 SAS, Naxicap Rendement 2022 SAS, FPCI Capentrepreneurs II, FPCI Naxicap Investment Opportunities I and any other funds managed or advised by Naxicap Partners (or any Affiliate thereof).

"**Standard Securitization Undertakings**" means representations, warranties, covenants and indemnities (and any guarantees of such warranties, covenants and indemnities) entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Qualified Securitization Financing or Receivables 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.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations, including those described in "*—Change of Control*" and the covenant under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*", to repay, redeem or repurchase any such principal prior to the date originally scheduled for the final payment thereof.

"**Subordinated Indebtedness**" means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or any Note Guarantee pursuant to a written agreement.

"**Subordinated Shareholder Funding**" means, collectively, any funds provided to the Company by any Parent, any Affiliate of any Parent 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, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to six 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 Company or any funding meeting the requirements of this definition) or the making of any such payment prior to six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(2) does not require, prior to 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 six-month anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control 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 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 six months after the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Restricted Subsidiaries; and

(5) pursuant to its terms or to the Intercreditor Agreement or an Additional Intercreditor Agreement, is fully subordinated and junior in right of payment to the Notes 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 Issue Date with respect to the "Company Subordinated Liabilities" (as defined therein).

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which: (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise; and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Subsidiary Guarantors**" means (A) (1) on the Issue Date, Pledgeco and (2) in addition to Pledgeco, within 120 days following the Issue Date, Accent Construct NV, Accent Jobs For People NV, Continu BV, Covebo Food BV, Covebo Logistiek BV, Covebo Metaal en Techniek BV, TimePartner Personalmanagement GmbH and Talent & Pro Nederland BV; and (B) any other Subsidiary of the Company that executes a Note Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"**Successor Parent**" with respect to any Person means any other Person more than 50% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another wholly-owned Subsidiary) of which is, at the time the first Person becomes a Subsidiary of such other Person, "**beneficially owned**" (as defined below) by one or more Persons that "**beneficially owned**" (as defined below) more than 50% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another wholly-owned Subsidiary) of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "**beneficially own**" has the meaning correlative to the term "**beneficial owner**", as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto.

"**Tax Sharing Agreement**" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture, and any arrangements or transactions made between the Issuer and/or any of its Subsidiaries and any Parent in order to satisfy the obligations arising under any such Tax Sharing Agreement (including, for the avoidance of doubt, distributions for purposes of compensating accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any Parent to enable a Parent to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a Parent under any such profit and loss pooling agreement).

"**Taxes**" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"**Temporary Cash Investments**" means any of the following:

(1) any investment in: (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Japan, Switzerland or Norway, (iv) the United Kingdom, (v) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (vi) any agency or instrumentality of any such country or member state; or (b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P 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 or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) 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: (a) any lender under the Senior Facilities; (b) any institution authorized to operate as a bank in any of the countries or member states referred to in clause (1)(a) above; or (c) 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 "A-3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its 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 "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 or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, the United Kingdom, Canada, any European Union member state or Japan, Switzerland or Norway or by any political subdivision or taxing

authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB−" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, the United Kingdom, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) 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 "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds (a) complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended, or (b) rated "AAA" by S&P or "Aaa" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization).

"**Transactions**" have the meaning assigned to such term in the Offering Memorandum (as described under "*Use of Proceeds*").

"**U.S. GAAP**" means generally accepted accounting principles in the United States of America as in effect from time to time.

"**Uniform Commercial Code**" means the New York Uniform Commercial Code.

"**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (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:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary comply with "*—Certain Covenants—Limitation on Restricted Payments*".

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(a) the Company could Incur at least €1.00 of additional Indebtedness under clause (a) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"**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.

Limitations on Validity and Enforceability of the Security and the Note Guarantees and Certain Insolvency Law Considerations

Set out below is a summary of certain limitations on the enforceability of the Note Guarantees and the security interests in each of the jurisdictions in which Note Guarantees or Collateral are being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions 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.

Also set out below is a brief description of certain aspects of insolvency law in EU jurisdiction and Belgium, Germany and the Netherlands. In the event that any one or more of the Issuer or the Guarantors, 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.

European Union

Pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings, recast (the "**Insolvency Regulation**"), which applies within the European Union (other than Denmark), the courts of the Member State in which a debtor's "center of main interests" (as that term is used in Article 3(1) of the Insolvency Regulation) is situated have jurisdiction to commence main insolvency proceedings relating to such debtor.

The center of main interest is defined as the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties. In the case of a debtor or legal person, the place of the registered office shall be presumed to be the center of its main interests in the absence of proof to the contrary. That presumption shall only apply if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings (as defined in Article (4) of the Insolvency Regulation).

The determination of where a debtor has its center of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

A debtor's center of main interests is not a static concept and may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to commence insolvency proceedings at the time of the filing of the insolvency petition. In that respect, factors such as where board meetings are held, the location where the debtor conducts the majority of its business and the perception of the debtor's creditors as regards to the local center of the debtor's business operations may all be relevant in the determination of the place where the debtor has its "center of main interests". Accordingly, and as the presumption that the registered office is the center of main interests is rebuttable, the relevant court of a Member State must carefully assess whether the center of the debtor's main interests is genuinely located in that Member State. It may be possible to rebut this presumption where the debtor's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual center of management and supervision and of the management of its interests is located in that other Member State.

If the center of main interests of a debtor is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the debtor under the

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 Insolvency Regulation with these proceedings being governed by the *lex fori concursus*, i.e. the local laws of the court opening such main insolvency proceedings. Insolvency proceedings commenced in one Member State under the Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be commenced in another Member State.

If the center of main interests of a debtor is in a Member State (other than Denmark), under Article 3(2) of the Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to commence secondary territorial insolvency proceedings against that debtor only if such debtor has an "establishment" (within the meaning and as defined in Article 2(10) of the Insolvency Regulation) in the territory of such other Member State. An "establishment" is defined to mean a place of operations where the debtor carries on non-transitory economic activity with human means and goods.

Where main proceedings have been commenced in the Member State in which the debtor has its center of main interests, any proceedings commenced subsequently in another Member State in which the debtor has an establishment (secondary proceedings) are limited to "winding up proceedings" listed in Annex A of the Insolvency Regulation. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State.

Where main proceedings in the Member State in which the debtor has its center of main interests have not yet been commenced, territorial 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 debtor's center of main interests is situated under that Member State's law; or (b) the territorial 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 opening of territorial proceedings is requested, or (ii) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings. Irrespective of whether the insolvency proceedings are main or secondary 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.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. The insolvency administrator appointed by a court in a Member State which has jurisdiction to commence main proceedings (because the debtor's center of main interests is 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.

Following the entry into force of the Insolvency Regulation, there is an increased scrutiny in situations where there has been a recent center of main interests shift. Where a company's center of main interests has shifted in the preceding 3 months the rebuttable presumption that its center of main interests is at the place of its registered office will no longer apply. Also, the opening of secondary proceedings in another EU Member State—which will no longer be limited only to "winding-up proceedings"—will be possible not only if the debtor has an establishment in such EU Member State at the time of the opening of main insolvency proceedings, but also if the debtor had an establishment in such EU Member State in the three-month period prior to the request of opening of main insolvency proceedings.

In the event that any one or more of the Issuer, the Guarantors or any of the Guarantors' subsidiaries experience 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 and the security of the Issuer and the Guarantors.

Belgium

Insolvency

Some Guarantors are incorporated under the laws of Belgium (the "**Belgian Guarantors**"). Provided Belgium is the territory in which the center of a Belgian Guarantor's main interests is situated, main insolvency proceedings may be initiated in Belgium. This also applies to any debtor for which Belgium is the territory in which the center of such debtor's main interests is situated. Such proceedings would then be governed by Belgian law. Under certain circumstances, Belgian law also allows bankruptcy proceedings to be opened in Belgium over the assets of companies whose center of main interests is not situated in Belgium.

The following is a brief description of certain aspects of the Belgian insolvency law of 11 August 2017 (as incorporated in Book XX ("*Insolvency of* Undertakings") of the Belgian Code of Economic Law, hereafter the Belgian Insolvency Law). The Belgian Insolvency Law provides for two insolvency proceedings: judicial reorganization proceedings (*gerechtelijke reorganisatie/réorganisation judiciaire*) and bankruptcy proceedings (*faillissement/faillite*). Note that in addition, Belgian law allows for liquidation in deficit (*deficitaire vereffening/liquidation déficitaire*). The latter proceedings will not be further discussed.

Judicial reorganization

A debtor may (and in limited circumstances, its creditors, interested third parties or the public prosecutor) file a petition for judicial reorganization if the continuity of the enterprise is at risk, whether immediately or in the future. If the net assets of the company have fallen under 50% of the company's registered capital, the continuity of the enterprise is presumed to be at risk. A state of bankruptcy of the debtor does not exclude that a petition for judicial reorganization is filed.

As from the filing of the petition with the competent commercial court overseeing the judicial reorganization and for as long as such court has not issued a judgment thereon, the debtor cannot be declared bankrupt or wound up by court order. Furthermore, during this period, with limited exceptions, none of the debtor's assets may be realized by any of its creditors as a result of the enforcement of any security interests that such creditors may hold with respect to such assets.

Within a period of 15 days as from the filing of the petition, the court will examine such petition, and within 8 days following such examination and subject to the satisfaction of the filing conditions, the court may decide to open the judicial reorganization procedure, thereby, granting a temporary moratorium to the debtor for a period of maximum six months. At the request of the debtor (or of the judicial trustee in case of a procedure of transfer under judicial authority) and pursuant to the report issued by the delegated judge, the moratorium period can thereafter be extended (once or several times) up to a total maximum period of twelve months as from the judgment opening the judicial reorganization. In exceptional circumstances (such as due to the size of the business, the complexity of the case or the impact of the procedure on employment), and in the interest of the creditors, the court may order an additional extension of the moratorium period for six months. Special rules apply when a debtor has already requested and obtained a judicial reorganization procedure in the last 3 years before the new request.

The granting of the temporary moratorium operates as a stay. No enforcement measures with respect to pre-existing claims (i.e. for debts incurred before the judgment opening the judicial reorganization proceedings) in the moratorium can be continued or initiated against any of the debtor's moveable and immovable assets from the time that the moratorium is granted until the end of the period, with limited exceptions. During the moratorium, no attachments can be made with regard to pre-existing claims. During the moratorium, the debtor can also not be declared bankrupt, except upon declaration of the debtor itself and, if the debtor is a legal entity, judicial dissolution will not be possible during this period.

Conservatory attachments that existed prior to the opening of the judicial reorganization retain their conservatory character, but the court may order their release, provided that such release does not have a material adverse effect on the situation of the creditor concerned. If the date for the forced sale of moveable or immoveable property has already been set, such sale may, under certain conditions, be continued.

If receivables are pledged by the debtor in favor of a creditor prior to the opening of the judicial reorganization proceedings, such pledge will not be affected by the moratorium (provided the receivables are pledged specifically to that creditor from the moment the pledge is created) (note that a pledge of a business or other universality including receivables is not considered as a pledge specifically with respect to receivables), and the holder of such pledged receivables is permitted to take enforcement measures against the estate of the initial counterparty of the debtor (e.g., the debtor's customers) during the moratorium. A pledge on financial instruments within the meaning of the Belgian Collateral Act (*Wet Financiële Zekerheden/Loi sur les Sûretés Financières*) can be enforced notwithstanding the enforcement prohibition imposed by the moratorium, subject to limited exceptions. Personal guarantees granted by third parties in favor of the debtor's creditors are not covered by the enforcement prohibition imposed by the moratorium, nor are the debts payable by co-debtors, subject to certain exceptions or qualifications in respect of guarantees granted by individuals. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium, to the extent such payment is necessary for the continuity of the enterprise. However, in respect of an enforcement over pledged cash falling within the scope of the Belgian Collateral Act, the enforcement prohibition applies, with limited exceptions (notably in the event of a payment default), if the judicial reorganization procedure affects (i) a corporate debtor which is not a public or financial legal entity in the meaning of the Belgian Collateral Act or (ii) a public or financial legal entity but the creditor is not such an entity.

During judicial reorganization proceedings, the board of directors and management of the debtor continue to exercise their management functions, albeit under the limited supervision of the court. However, upon request of the debtor, the court may appoint, a company mediator (*ondernemingsbemiddelaar/médiateur d'entreprise)* to assist the debtor during the moratorium and to facilitate the reorganization of the company or of all or part of its assets or activities. The court may also appoint a judicial administrator (*gerechtsmandataris/mandataire de justice*), upon request of any interested party or the public prosecutor, in the event of manifestly grave shortcomings or bad faith of the debtor or any of its corporate bodies threatening the continuity of the enterprise facing difficulties or its economic activities and provided such measure can preserve such continuity, to either exercise particular tasks indicated by the court, or to replace the debtor or any of its corporate bodies for the duration of the moratorium. In addition, in the event of manifestly gross error or manifest bad faith, a court appointed temporary director (*voorlopig bestuurder/administrateur provisoire*) may be appointed.

The reorganization procedure aims to preserve the continuity of a company as a going concern. Consequently, the initiation of the judicial reorganization proceedings does not terminate any contracts, and contractual provisions which provide for the early termination or acceleration of the contract upon the initiation or approval of a reorganization procedure, and certain contractual terms such as default interest, may not be enforceable during such a procedure. Such enforcement prohibition applies, with a few exceptions, to close-out netting provisions as well, if the judicial reorganization procedure affects (i) a corporate debtor which is not a public or financial legal entity in the meaning of the Belgian Collateral Act or (ii) a public or financial legal entity but the creditor is not such an entity. Moreover, the Belgian Insolvency Law provides that a creditor may not terminate a contract on the basis of a debtor's default that occurred prior to the reorganization procedure if the debtor remedies such default within a 15-day period following the notification of such default.

As an exception to the general rule of continuity of contracts, the debtor may cease performing a contract during the reorganization proceedings, provided that the debtor notifies the creditor and that such default is necessary for the debtor to be able to propose a reorganization plan to its creditors or to transfer all or part of the enterprise or its assets. The exercise of this right does however not prevent the creditor from suspending in turn the performance of its own obligations. The creditor can however not terminate the agreement solely on the ground that the debtor has suspended the performance of its own obligations.

Judicial reorganization by collective agreement, by amicable settlement or by court ordered transfer of enterprise

Judicial reorganization proceedings may result in an amicable settlement between the debtor and two or more of its creditors, a collective agreement or a transfer of (part of) its activities.

The type of reorganization may change during the proceedings and may also depend on the position of the court and all parties involved. In the case of an amicable settlement, only the parties to such amicable settlement will be bound by the terms they have agreed. Such in-court agreement requires unanimity among the creditors concerned. The debtor may petition the court to grant a grace period in respect of its payment obligations, *e.g.*, in relation to interest payments, pending the negotiation of the agreement. Once agreement is reached, the court will record it. The court order confirming the existence of an amicable settlement will be published, without disclosing the content of the agreement, and its terms will only be binding upon the creditors that have agreed to it.

In the case of a judicial reorganization by collective agreement, the creditors agree to a reorganization plan during the reorganization procedure. The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations and the swap of debt into equity (the Belgian Insolvency Law contains certain limitations, primarily in view of protecting employees of the debtor). It must be filed with the electronic registry managed by the Belgian bar association (www.regsol.be) at least 20 days in advance of the date on which the creditors will vote on the approval of the reorganization plan. The court needs to ratify the reorganization plan prior to it taking effect. A reorganization plan approved by a double majority of the creditors (both in headcount and in value of the claims) and by the court will bind all creditors, including those who voted against it or did not vote. The reorganization plan can bind creditors who have a contractual lien over specific assets, pledgees, mortgagees and the so-called creditor-owners, provided that (i) interest is paid on the principal amount of their outstanding debts, and (ii) their rights are not suspended for more than 24 months as of the filing of the petition. No other measures can be imposed on such creditors without their individual agreement. The court may refuse ratification if the conditions of the judicial reorganization act were not met, or if the proposed reorganization plan violates public policy.

Within a period of eight days following the judgment opening the judicial reorganization proceedings, the debtor must inform each of its creditors individually of the amount of its claims against the debtor as recorded in the books of the debtor, as well as of the capacity of the creditor as extraordinary creditor and of details regarding security interests. Creditors with pre-existing claims, as well as any other interested party that claims to be a creditor, can challenge the amounts and the ranking of the secured claims declared by the debtor at the latest one month prior to the day on which the creditors vote on the reorganization plan. The court can determine the disputed amounts and the ranking of such claims on a preliminary basis for the purpose of the reorganization procedure, or definitively, on the condition that it has jurisdiction in that respect but that the decision relating to the dispute cannot be taken in a sufficiently short time frame. In addition, the court can at any moment, in the event of absolute necessity and upon the request of the debtor or the creditor, change its decision determining the amount or the ranking of the claim on the basis of new elements. If a creditor has not challenged the amount and the ranking of its claim at least 1 month in advance of the date on which the creditors will vote on the approval of the reorganization plan, the amount of its claim will remain unchanged for voting purposes as well as for the purposes of the reorganization plan.

The debtor must use the moratorium period to complete and finalize a reorganization plan, with the assistance of the court appointed judicial administrator (*gerechtsmandataris/mandataire de justice*), as the case may be. The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations and the swap of debt into equity and may be based on a limited (justified) differentiated treatment of certain various categories of liabilities.

The court ordered transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It may also be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances.

The court-ordered transfer will be organized by one or more judicial administrators. Following the transfer, the recourse of the creditors will in most cases be limited to the transfer price.

Bankruptcy

Bankruptcy proceedings may be initiated by the debtor, by unpaid creditors or upon the initiative of the Public Prosecutor's office, by the provisional administrator of the debtor's assets, by the liquidator of the debtor's assets or by the liquidator of 'main insolvency proceedings' opened in another EU member state (other than Denmark) in accordance with the Insolvency Regulation. Once the court ascertains that the requirements for bankruptcy are met, the court will establish a date by which all creditors' claims must be submitted to the court for verification.

Conditions for a bankruptcy order (*faillietverklaring/declaration de faillite*) are that the debtor must be in a situation of sustained cessation of payments (*op duurzame wijze opgehouden hebben te betalen/cessation de paiements de manière persistante*) and be unable to obtain further credit (*wiens krediet geschokt is/ébranlement du crédit*). Cessation of payments is generally considered as the inability of the debtor to pay its debts as they fall due. Such situation must be persistent and not merely temporary. In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The bankruptcy receiver (*curator/curateur*), appointed by the court, becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the receiver. Creditors may oppose the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business.

In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The bankruptcy receiver (*curator/curateur*), appointed by the court, becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. Subject to what follows, the rights of creditors in the process are in principle limited to being informed of the course of the bankruptcy proceedings on a regular basis by the bankruptcy trustee. Creditors may oppose to the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business.

The receiver must decide whether or not to temporarily continue performance under ongoing contracts (*i.e.*, contracts existing before the bankruptcy order). The receiver may elect to continue the business of the debtor, provided the 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 a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (*i.e.*, contracts whereby the identity of the other party constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment since the debtor is no longer responsible for the management of the company. Parties can however agree to continue to perform under such contracts.

The bankruptcy receiver may elect not to perform the obligations of the bankrupt party which are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy if such decision is necessary for the management and the liquidation of the bankrupt estate. The counterparty to an ongoing contract may summon the receiver to take a decision within 15 days. If no extension of the 15 days term is agreed upon or if the received does not take any decision, the ongoing contract is presumed to be terminated after the expiration of the 15 days term. The counterparty to that agreement may make a claim for damages in the bankruptcy and such claim will rank *pari passu* with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not seek injunctive relief or require specific performance of the contract.

As a general rule, the enforcement rights of individual creditors are suspended upon the rendering of the court order opening bankruptcy proceedings, and after such order is made, only the bankruptcy receiver may proceed against the debtor and liquidate its assets. However, such suspension does not apply to a pledge of financial instruments or cash held on account, falling with the scope of the Belgian Collateral Act. Further exceptions exist with regard to estate credits (*boedelschulden / dettes de la masse*).

For creditors with claims secured by movable assets (other than financial collateral), such suspension would normally be limited to the period required for the verification of the claims. At the request of the bankruptcy receiver, the suspension period may be extended for up to one year from the bankruptcy judgment. Such extension requires a specific order of the court which can only be made if the further suspension will allow for a realization of the assets in the interest of all creditors without prejudicing the secured creditors and provided that those secured creditors have been given the opportunity to be heard by the court. However, a pledge on financial instrument or cash held on accounts can be enforced during the suspension period.

For creditors with claims secured by immovable assets, the intervention of the bankruptcy receiver is necessary to pursue the sale of the assets. The receiver will do so upon an order of the court, given either at its request or at the request of a mortgagee. A first-ranking mortgagee will generally be entitled to pursue the enforcement of its mortgage as soon as the report of claims has been finalized; the court may suspend such enforcement for a period of not more than one year from the date of the bankruptcy if the suspension will allow for a realization of the assets without prejudicing the mortgagee provided that the mortgagee has been given the opportunity to be heard by the court.

If a security, such as a pledge, has been granted over assets that, at the time of opening of an insolvency proceeding, are located in another EU Member State, the rights the creditor has under such security shall, in accordance with the Insolvency Regulation, not be affected by the opening of such insolvency proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt, or debts secured by a general privilege, such as tax administration or social security.

The debts of the bankrupt estate generally will be ranked as to priority on the basis of complex rules. The following is a general overview of such rules:

- Estate debt: Costs and indebtedness incurred by the receiver during the bankruptcy proceedings, the so-called "estate debts", have a senior priority. In addition, if the receiver has contributed to the realization and enforcement of secured assets, such costs will be paid to the receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors.
- Security interests: Creditors that hold a security interest have a priority right over the secured asset (whether by means of appropriation of the asset or on the proceeds upon realization).
- Privileges: Creditors may have a particular privilege on certain or all assets (e.g., tax claims, claims for social security premiums, etc.). Privileges on specific assets rank before privileges on all assets of the debtor. Certain privileges prevail over the security interests.
- *Pari passu:* Once all estate debts and creditors having the benefit of security interests and privileges have been satisfied, the proceeds of the remaining assets will be distributed by the receiver among the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated).

Limitations on Enforcement of the Notes, the Guarantees and Security Interests

The grant of a guarantee or collateral by a Belgian company for the obligations of another group company must fall within the grantor's legal and corporate purpose and be for the own corporate benefit of the granting company.

If the granting of a guarantee or the creation of a security interest does not fall within the grantor's corporate purpose, then such guarantee or security interest could, upon certain conditions, be held null and void. The assessment of whether or not the grant of a guarantee or security interest is in each of the Belgian guarantor's own corporate interest, is largely dependent on factual considerations and is to be determined on a case-by-case basis by the board of directors or manager(s) of each of the Belgian guarantors at the time of the granting of the guarantees, in anticipation of their enforcement and to be reviewed ultimately on a case-by-case basis at the time of the enforcement by the competent courts. Consideration has to be given to any direct and/or indirect benefit that such Belgian guarantor would derive from the transaction; this is particularly relevant for upstream or cross-stream guarantees and security interests. It is generally considered by legal scholars that at least the following principles apply to such evaluation: (i) the risk taken by the Belgian guarantor in issuing the guarantee must be proportional to the direct and/or indirect benefit derived from the transaction; and (ii) the financial support granted by the Belgian guarantor should not exceed its financial capabilities. The responsibility for such assessment lies with the board of directors or manager(s) of the Belgian guarantors.

If the corporate benefit requirement is not met, the board of directors or manager(s) of the Belgian guarantor may be held liable (i) by the company for negligence in the management of the company and (ii) by third parties in tort. Moreover, the guarantee or security interest could be declared null and void and, under certain circumstances, the creditor that benefits from the guarantee or security interest may also be held liable on the basis of the principles of tort liability. Alternatively, the guarantee or security interest could be reduced to an amount corresponding to the corporate benefit and, under certain circumstances, the creditor could be held liable on the basis of the principles of tort liability for any guarantee amount in excess of such amount. These rules have however seldom been tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee or security interest to secure liabilities of a direct or indirect parent or sister company without the risk of violating Belgian rules on corporate benefit, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries incorporated or established in Belgium. Accordingly, the Indenture and the New Senior Facilities Agreement (or the accession documents thereto) will contain limitation language on the basis of which the total maximum guarantee liabilities of certain Belgian guarantors (in case of an upstream or cross stream guarantee) under the Secured Debt Documents will be limited.

For the purpose of this section relating to the guarantees that will be granted by the Belgian guarantors, "Secured Debt Documents" means the New Senior Facilities Agreement, the Indenture, and any other related agreement having the benefit of the Collateral.

The secured liabilities under the Security Documents granted by a Belgian guarantor will be subject to the same limitations.

Financial Assistance

Any guarantee or security interest granted by a Belgian Guarantor which constitutes a breach of the provisions on financial assistance as defined by article 329 and 629 of the Belgian Companies Code or Article 5:152 or 7:22 of the Belgian Code of Companies and Associations, whichever is applicable, might not be enforceable.

Hardening Periods and Fraudulent Transfer

In the event that bankruptcy proceedings are governed by Belgian law, certain transactions may be declared ineffective against third parties if concluded or performed by the debtor during the so-called "hardening period" (*verdachte periode/période suspecte*).

In principle, the cessation of payments (which constitutes a condition for filing for bankruptcy) is deemed to have occurred as of the date of the bankruptcy order. The court issuing the bankruptcy order may determine, based on serious and objective indications, that the cessation of payments occurred on an earlier date. Such earlier date may not be earlier than six months before the date of the bankruptcy order, except in the case where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors, in which case the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the "hardening period".

The transactions entered into or performed during the hardening period which may be declared ineffective against third parties include, among others, (i) gratuitous transactions or transactions entered into at an undervalue or on extremely beneficial terms for the counterparty, (ii) payments for debts which are not due (iii) payments other than in cash for debts due, and (iv) security interests provided for pre-existing debts.

The Belgian bankruptcy receiver may request the court to declare payments of a Belgian Guarantor during the hardening period for debts due ineffective against third parties provided that it can be proven that the creditor concerned was aware of the cessation of payment of the company. If the guarantee or security interests granted by a Belgian Guarantor were successfully held ineffective (based on the above), noteholders would cease to have any claim in respect thereof and would be under an obligation to repay any amounts received pursuant to such guarantee or the realization of the security. Finally, regardless of any declaration by the commercial court of a hardening period, transactions for which it can be demonstrated that they have been entered into with fraudulent prejudice to a third creditor, may be declared ineffective against third parties.

Recognition and Enforcement

The granting of security interests over movable or immovable, tangible or intangible, assets may be subject to validity and/or enforceability conditions. The breach of any of such conditions may render such security interests invalid or unenforceable. The foreclosure of security interests may be subject to formalities (e.g. judicial or non-judicial consent) and may be time consuming in the event that the foreclosure takes place under judicial control or in the event of a legal dispute. Courts may condition the enforcement of a security interest and/or guarantee upon the evidence that the creditor has a final and undisputed claim triggering the foreclosure of the security interest and/or guarantee. Enforcement of security interests and/or guarantees may be hindered by conflict of law and/or conflict of jurisdiction issues and may not breach any public policy provision and/or mandatory legal provisions. Courts may require a sworn translation in French or Dutch of the English documents which they may review.

Germany

Insolvency

One of the Guarantors is organized under the laws of Germany, has its registered offices in Germany and, except for shareholding interests in certain subsidiaries, substantially all of its assets are located in Germany (the "***German Guarantor***"). Consequently, any insolvency proceedings with regard to the German Guarantor are likely to be initiated in Germany and, if the German Guarantor was held to have its center of main interests within the territory of Germany at the time the application for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed, German insolvency law would most likely govern such proceedings. The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may not be as favorable to creditors as the insolvency laws of other jurisdictions, including, *inter alia*, in respect of priority of creditors' claims, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit the ability of creditors to recover payments due on the Notes Guarantees, as applicable, to an extent exceeding the limitations arising under other insolvency laws.

The following is a brief description of certain aspects of the insolvency laws of Germany.

Under German insolvency law, there is no group insolvency concept, which generally means that, despite the economic ties between various entities within one group of companies, there will be one separate insolvency proceeding for each of the entities if and to the extent there exists an insolvency reason on the part of the relevant entity. Each of these insolvency proceedings will be legally independent from all other insolvency proceedings (if any) within the group. In particular, there is no consolidation of assets and liabilities of a group of companies in the event of insolvency and no pooling of claims among the respective entities of a group. Recently, the German legislator adopted an act to facilitate the handling of group insolvencies (*Gesetz zur Erleichterung der Bewältigung von Konzerninsolvenzen*) which entered into force on April 21, 2018. However, this act mainly provides for coordination of and cooperation between insolvency proceedings of group companies. The act does 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 amongst the respective entities of a group, but rather stipulates four key amendments of the German Insolvency Code in order to facilitate an efficient administration of group insolvencies: (i) a single court may be competent for each group entity insolvency proceeding; (ii) the appointment of a single person as insolvency administrator for all group companies is facilitated; (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 "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*).

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but require that the debtor 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 that the debtor is unable to pay its debts as and when they fall due

(*Zahlungsunfähigkeit*). 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*) at least for the current and the subsequent fiscal year (*positive Fortführungsprognose*). As a guideline, the debtor is deemed illiquid if it is unable to pay 10% or more of its due and payable liabilities during the subsequent three weeks, unless it is virtually certain that the company can close the liquidity gap shortly thereafter (*demnächst*) and it can be deemed acceptable to the creditor to continue to wait for the payments owed by such debtor. If a stock corporation (*Aktiengesellschaft—AG*), a European law stock corporation based in Germany (*Societas Europaea—SE*) or a limited liability company (*Gesellschaft mit beschränkter Haftung—GmbH*)—such as the German Guarantor—or any company not having an individual as personally liable shareholder becomes illiquid and/or over-indebted, the management of such company and, under certain circumstances, its shareholders are obliged to file for the opening of insolvency proceedings without undue delay, however, at the latest within three (3) weeks after the mandatory insolvency reason, *i.e.*, illiquidity and/or over-indebtedness, occurred. Non-compliance with these obligations exposes management to both severe damage claims as well as sanctions under criminal law. Once illiquidity or over-indebtedness occurred, any payments, including any payments under the Notes, may be voidable. In addition, imminent illiquidity (*drohende Zahlungsunfähigkeit*) is a valid insolvency reason under German law which exists if the company currently is able to service its payments obligations, but will presumably not be able to continue to do so at some point in time within a certain prognosis period. However, only the debtor, but not the creditors, is entitled (but not obliged) to file for the opening of insolvency proceedings if the debtor is likely to not be able to pay its debts as and when they fall due.

The insolvency proceedings are administered 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 (*vorläufige Maßnahmen)* to secure the property of the debtor during the preliminary proceedings *(Insolvenzeröffnungsverfahren).* The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings. In addition, the court will generally also appoint a preliminary insolvency administrator *(vorläufiger Insolvenzverwalter),* unless the debtor has petitioned for debtor-in-possession status *(Eigenverwaltung*)—an insolvency process in which the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a preliminary custodian *(vorläufiger Sachwalter*)—provided that no circumstances are known which lead to the expectation that debtor-in-possession status will place the creditors at a disadvantage.

During preliminary insolvency proceedings, a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*) generally will be appointed by the court to form a view on a petition for debtor-in-possession status, or on the profile of the (preliminary) insolvency administrator to be appointed or to suggest a particular individual to be appointed by the court if the debtor satisfies two of the following three requirements:

- a balance sheet total in excess of €6,000,000 (after deducting an equity shortfall if the debtor is over indebted);
- revenue of at least €12,000,000 in the twelve months prior to the last day of the financial year preceding the filing; and/or
- 50 or more employees on an annual-average basis.

In case the members of the preliminary creditors' committee unanimously agree on an individual, such suggestion is binding on the court (unless the suggested individual is not eligible; *i.e.*, not competent and/or not impartial). To ensure that the preliminary creditors' committee reflects the interests of all creditor constituencies, it should and usually does comprise a representative of the secured creditors, one for the large creditors and one for the small creditors as well as one for the employees. The duties of the preliminary insolvency administrator are, in particular, to safeguard and to preserve the debtor's assets (which may include the continuation of the business carried out by the debtor), to verify the existence of an insolvency reason and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. The court orders the opening (*Eröffnungsbeschluss*) of formal insolvency proceedings (*eröffnetes Insolvenzverfahren*) if certain requirements are met, in particular if there are sufficient assets (*Insolvenzmasse*) to cover at least the costs of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, 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 be dismissed for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of formal insolvency proceedings, an insolvency administrator (usually, but not necessarily, the same person who acted as preliminary insolvency administrator) is appointed by the insolvency court unless a debtor-in-possession status (*Eigenverwaltung*) is ordered. In the absence of a debtor-in-possession status, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator with the insolvency creditors (*Insolvenzgläubiger*) only being 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 head count and amount of insolvency claims) has voted in favor of the proposed individual becoming the insolvency administrator and (ii) the proposed individual being eligible as officeholder, *i.e.*, sufficiently qualified, business-experienced and impartial. The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's business. These new liabilities incurred by the insolvency administrator qualify as preferential claims against the estate (*Masseverbindlichkeiten*) which are preferred to any insolvency claim of an unsecured creditor (with the residual claim of a secured insolvency creditor remaining after realization of the available collateral (if any) also being as unsecured insolvency claim).

From the perspective of the holders of the Notes, among others, some important consequences of such opening of formal insolvency proceedings against any Guarantor or any of their relevant subsidiaries that are subject to the German insolvency regime would be the following:

- the right to administer and dispose of the assets of such Guarantor or any of their relevant subsidiaries would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate, unless the court orders debtor-in-possession proceedings (*Eigenverwaltung*);
- if the court does not order debtor-in-possession status (*Eigenverwaltung*) with respect to such German Guarantor or any of their relevant subsidiaries, disposals effected by the management of such German Guarantor or such subsidiary, after the opening of formal insolvency proceedings, are null and void by operation of law;
- if, during the final month preceding the date of filing for insolvency proceedings or thereafter, a creditor in the insolvency proceedings has acquired through execution (e.g., attachment) a security interest in part of such German Guarantor's or any of their relevant subsidiaries' property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of formal insolvency proceedings;
- claims against such German Guarantor or any of their relevant subsidiaries may only be pursued in accordance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*); and

- any person that has a right for separation (*Aussonderungsrecht*) (*i.e.*, the relevant asset of this person does not constitute part of the insolvency estate, such as creditors with retention of title) 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

Under German insolvency 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 the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract (*Wahlrecht des Insolvenzverwalters*) unless they reflect termination rights applicable under statutory law. This will likely also relate to agreements that are not governed by German law.

Moreover, 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.

Any person that has a right for separation (*Aussonderung*) (*i.e.*, the relevant asset of this person does not constitute 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.

All creditors, whether secured or unsecured (unless they have a right to separate an asset from the insolvency estate (*Aussonderungsrecht*)) as opposed to a right of a creditor to preferred satisfaction (*Absonderungsrecht*), wishing to assert claims against the insolvent debtor need to participate in the insolvency proceedings. 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*). Therefore, secured creditors are generally not entitled to enforce any security interest outside the insolvency proceedings. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Absonderungsrechte*). Depending on the legal nature of the security interest entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. In this context, it should be noted that the insolvency administrator generally has the sole right to realize any moveable assets in his/the debtor's possession which are subject to preferential rights (*e.g.*, liens over movable assets (*Mobiliarsicherungsrechte*) or security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). In case the enforcement right is vested with the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% of the gross enforcement proceeds plus value added tax (if any), are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. With the remaining unencumbered assets of the debtor the insolvency administrator has to satisfy the creditors of the insolvency estate (*Massegläubiger*) first (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after the opening of formal insolvency proceedings). Thereafter, all other claims (insolvency claims—*Insolvenzforderungen*), in particular claims of unsecured insolvency creditors and residual claims of secured insolvency creditors reaming after realization of the available collateral (if any), will be satisfied on a pro rata basis if and to the extent there is value remaining in the insolvency estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full.

The right of a creditor to preferred satisfaction (*Absonderungsrecht*) may not necessarily prevent the insolvency administrator from using a movable asset that is subject to this right. The insolvency administrator must, however, compensate the creditor for any loss of value resulting from such use.

Other than secured and unsecured creditors, German insolvency law provides for certain creditors to be subordinated by law (including, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the repayment of shareholder loans or similar claims), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been fully satisfied. See also below under "*—Satisfaction of Subordinated Claims*".

While in ordinary insolvency proceedings, the value of any Guarantor's or any of their relevant subsidiaries' assets will be realized by a piecemeal sale or, as the case may be, by a bulk sale of the entity's business as a going concern, a different approach aiming at the rehabilitation of such entities can be taken based on an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of such Guarantor or any of their relevant subsidiaries and the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court (while a group of dissenting creditors or the debtor can—under certain circumstances—be crammed down). If the debtor is a corporate entity, also the shares or, as the case may be, the membership rights in the debtor can be included in the insolvency plan, *e.g.*, they can be transferred to third parties, including a transfer or issuance to creditors based on a debt-to-equity swap. However, it will not be possible to force a creditor into a debt-to-equity swap with regards to the debt owed to it by the debtor if it does not consent to such swap. Creditors secured by pledges over shares in subsidiaries of the debtor are entitled to preferential satisfaction with regard to the proceeds realized in an enforcement process which has to be effected by means of a public auction outside the insolvency process. However, in the absence of authoritative case law, it is uncertain whether the secured creditors are entitled to initiate the enforcement process in respect of the pledged shares on their own or, as far as the pledged assets are part of any insolvency estate, whether the insolvency administrator has standing to realize the pledges on behalf of and for the benefit of the secured creditors. 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 (*Absonderungsrecht*). Consequently, the enforcement proceeds minus certain contributory charges as described above are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts will be allocated to the insolvency estate (*Insolvenzmasse*) and would, after deduction of the costs of the insolvency proceedings (as described above) and after satisfaction of certain preferential liabilities be distributed among the non-preferential unsecured creditors, including, to the extent their claims exceed the enforcement proceeds of the security interests, the holders of the security interests. If a German subsidiary or a subsidiary 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 treatment of creditors secured by such security. The proceeds resulting from such collateral securing creditors other than the holders of the Notes may not be sufficient to satisfy the holders of the securities under the Notes Guarantees granted by the German Guarantors after satisfaction of such secured creditors.

Moreover, if the debtor has filed a petition for the opening of insolvency proceedings based on an insolvency reason other than illiquidity (*i.e.,* imminent illiquidity or over-indebtedness), combined with a petition to initiate such process based on a debtor-in-possession status and can prove that a restructuring of its business is not obviously futile (*offensichtlich aussichtslos*), the court may grant a period of up to three months to prepare an insolvency plan for the debtor business (*Schutzschirm*). During this period, the creditors' rights to enforce security may—upon application of the filing debtor—be suspended. Under these circumstances, the insolvency court has to appoint a preliminary custodian (*vorläufiger Sachwalter*) to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (*i.e.*, is obviously not competent or impartial).

Under the German Insolvency Code, the insolvency administrator (or in case of debtor-in-possession proceedings, the custodian) may void (*anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and which were effected prior to the opening of formal insolvency proceedings during applicable voidable periods. Generally, if transactions, performances or other acts are successfully voided by the insolvency administrator or custodian, as the case may be, any amounts or other benefits derived from such challenged transaction, performance or act will have to be returned to the insolvency estate. The administrator's or custodian's right to void transactions can, depending on the circumstances, extend to transactions having occurred up to ten years prior to the filing for the commencement of insolvency proceedings. In the event of insolvency proceedings with respect to any Guarantor or any of its relevant subsidiaries based on and governed by the insolvency laws of Germany, the payment of any amounts to the holders of the 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 (*i.e.*, clawback rights) by an insolvency administrator or custodian under the rules of voidness as set out in the German Insolvency Code (*Insolvenzordnung*). To the extent such a transaction is successfully voided (*angefochten*), the holders of the Notes, may not be able to recover or retain any amounts under the Notes, the Notes Guarantees or the Collateral and may participate in the insolvency proceedings as unsecured creditor only. If payments have already been made under the Notes, the Notes Guarantees or Collateral, any amounts received from a transaction that had been voided would have to be repaid to the insolvency estate (*Insolvenzmasse*). In this case, the holders of the Notes, as applicable, would only have a general unsecured claim under the Notes Guarantees, as applicable, without preference in insolvency proceedings.

With regard to these avoidance rights, according to the recent amendments (Act for the improvement of legal certainty concerning claw-back pursuant to the German Insolvency Code and the German Law of Voidness, *Gesetz zur Verbesserung der Rechtssicherheit bei Anfechtungen nach der Insolvenzordnung und dem Anfechtungsgesetz vom 29. März 2017*) of the German Insolvency Code that came into force on April 5, 2017, among other things, the provisions on voidness for intentionally disadvantaging third party creditors (*Vorsatzanfechtung*), for cash transactions (*Bargeschäfte*) and the interest rates on voidness claims have been amended.

On the basis of these rules, an insolvency administrator may challenge (*anfechten*) transactions which are deemed detrimental to insolvency creditors and which were effected prior to the commencement of insolvency proceedings, subject to specific periods. The administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the commencement of insolvency proceedings. If the Notes, the Notes Guarantees or the security were avoided, holders of the Notes would only have a general unsecured claim in insolvency proceedings in the amount of their original investment and the holders of the Notes would be under an obligation to repay the amounts received by the insolvency estate or to waive such Notes Guarantees or security interest.

Against this background, an act (*Rechtshandlung*) or a legal transaction (*Rechtsgeschäft*) (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the creditors of the debtor may be voided according to the German Insolvency Code (*Insolvenzordnung*) in particular in the following cases:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction (*Befriedigung*) if such act was taken (i) during the last three months prior to the filing of the petition for the opening of insolvency proceedings, provided that the debtor was illiquid (*zahlungsunfähig*) at the time such act was taken and the creditor knew of such illiquidity (or of circumstances that clearly suggest that the debtor was illiquid) at such time, or (ii) after the filing of the petition for the opening of insolvency proceedings, if the creditor knew of the debtor's illiquidity or the filing of such petition (or of circumstances that compellingly suggest such illiquidity or filing);
- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction (*Befriedigung*) to which such creditor was not entitled, or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled, if such act was taken (i) during the last month prior to the filing of the petition for the opening of insolvency proceedings or after such filing, (ii) during the second or third month prior to the filing of the petition and the debtor was illiquid at such time or (iii) 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 compellingly suggest such detrimental effect);
- a legal 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, if it was entered into (i) during the three months prior to the filing of the petition for the opening of insolvency proceedings and the debtor was illiquid at the time of such transaction and the counterparty to such transaction knew of the illiquidity at such time or (ii) after the filing of the petition for the opening of insolvency proceedings and the counterparty to such transaction knew either of the debtor's illiquidity or of such filing at the time of the transaction;
- any act by the debtor without (adequate) consideration (e.g., whereby a debtor grants security 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 opening of insolvency proceedings;
- any act performed by the debtor during the ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after the filing, if the debtor acted with the intention of prejudicing its insolvency creditors (*vorsätzliche Gläubigerbenachteiligung*) and the beneficiary of the act knew of such intention at the time of such act; in case the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction for a debt, the above ten-year period is reduced to four years; "knowledge by the beneficiary of the act" in terms of such provision is presumed if the beneficiary knew that the debtor was imminently illiquid (*drohende Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; in case the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction in a form or at a time to which or at which such creditor was entitled, the "knowledge by the beneficiary of the act" is presumed if the beneficiary knew that the debtor was actually illiquid (*eingetretene Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; the fact that the creditor agreed on a payment plan with the debtor or agreed to deferred payments establishes a presumption that he had no knowledge of the debtor being illiquid at this time;

- any non-gratuitous contract concluded between the debtor and an affiliated party that directly operates to the detriment of the creditors can be voided 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; in relation to corporate entities, the term "affiliated party" 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;
- any act that provides security or satisfaction (*Befriedigung*) for a claim of a shareholder for repayment of a shareholder loan or a similar claim if (i) in the case of the provision of security, the act took place during the last ten years prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition or (ii) in the case of satisfaction, the act took place during the last year prior to the filing of the petition for the opening of the insolvency proceedings or after the filing of such petition; or
- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if (i) the satisfaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter, and (ii) a shareholder of the debtor had granted security or was liable as a guarantor or surety (*Garant oder Bürge*) (in which case the shareholder must 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 the debtor 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. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if he or she knew of the debtor's illiquidity or imminent illiquidity, as the case may be, and that the transaction prejudiced the debtor's creditors. With respect to an "affiliated party," there is a general statutory presumption that such party had "knowledge."

The granting of security concurrently with the incurrence of debt may be qualified as a "cash transaction" and may as such be privileged *i.e.*, under certain circumstances, not being subject to voidness rights under the German Insolvency Code (*Insolvenzordnung*) (*Bargeschäftsprivileg*).

Apart from the examples of an insolvency administrator or custodian voiding transactions according to the German Insolvency Code (*Insolvenzordnung*) described above, a creditor who has obtained an enforcement order (*Vollstreckungstitel*) but has failed to obtain satisfaction of its enforceable claims by a levy of execution, under certain circumstances could possibly also void any security right or payment performed under the relevant security right according to the German Law of Voidness (*Anfechtungsgesetz*) outside formal insolvency proceedings. The prerequisites vary to a certain extent from the rules described above and the voidance periods are calculated from the date a creditor exercises its rights of voidance in the courts.

The German restructuring laws may be subject to further amendments in near future due to the current EU Commission's proposal as of November 22, 2016 for a directive of the European Parliament and of the Council on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures and amending Directive 2012/30/EU which may, *inter alia*, stipulate that claims of the relevant creditors may be modified by majority vote and against the voting of a single creditor even outside formal insolvency proceedings.

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 repayment of a shareholder loan (*Gesellschafterdarlehen*) or claims resulting from legal transactions corresponding in economic terms to such a loan.

Limitations on Validity and Enforceability of the Notes Guarantee and the security interests

The granting of security (including guarantees) by German Guarantors will be subject to certain German capital maintenance rules of the German Act regarding Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (the "***GmbHG***") if that Guarantor is incorporated in Germany in the legal form of a German limited liability company (*Gesellschaft mit beschränkter Haftung*—a "**GmbH**") or a German limited partnership with a German limited liability company as general partner (a "***GmbH & Co. KG***"). As a general rule, sections 30 and 31 of the GmbHG ("***Sections 30 and 31***") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets (*i.e.*, assets less liabilities and liability reserves)—or, in case of a GmbH & Co. KG, its general partner's net assets—is or would fall below, or increases or would increase an existing shortfall of, the amount of its stated share capital (*Begründung oder Vertiefung einer Unterbilanz*). Guarantees or security interests granted by a GmbH or a GmbH & Co. KG in order to secure liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to grant guarantees and to provide security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31 and to limit any potential personal liability of management, it is standard market practice for credit agreements, indentures, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries incorporated 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 security interests contractually agree to enforce the guarantees and security interests against the German subsidiary only if and to the extent that such enforcement does not result in the subsidiary's—or, in case of a GmbH & Co. KG, in the general partner's—net assets falling below, or increasing an existing shortfall of, its stated share capital and thereby violating sections 30, 31 GmbHG.

Accordingly, as a matter of German corporate law, the Indenture and security documents, to the extent provided by a Guarantor incorporated in Germany in a relevant corporate form as described above, contain or will contain a contractual limitation language and the enforcement of such guarantees and security interests will be limited in the manner described above. This could lead to a situation in which the respective guarantee granted by such Guarantor cannot be enforced at all.

German capital maintenance rules 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 German Guarantors constituted in the form of a GmbH or a GmbH & Co. KG, which can negatively affect the ability of the German Guarantors to make payments on the related guarantees.

Furthermore, the enforcement of a guarantee or security granted by a German Guarantor may be excluded (entirely) in case the granting or enforcement of such guarantee or security and/or the filing for insolvency as a consequence of a claim by any so secured finance party under such security/beneficiary of such guarantee resulted or would result in any personal liability of the relevant German Guarantor's managing directors pursuant to section 64 sentence 3 GmbHG.

In addition, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called "destructive interference" (*existenzvernichtender Eingriff*) (*i.e.*, a situation where 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 security granted by a German Guarantor. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, potentially even to zero.

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 distressed 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 guarantees by any of the German Guarantors. Furthermore, the beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the guarantee could 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 and/or collateral was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Accessory Security Interests/Parallel Debt

Under German law, certain security interests such as pledges (*Pfandrechte*) are of strict accessory nature and are therefore dependent on the secured claims and require the security holder and the creditor of the secured claim to be identical. Such accessory security interests (*akzessorische Sicherungsrechte*) (i) will automatically lapse to the extent a secured claim is settled, discharged or novated, (ii) may not be assigned independently, but would automatically follow the claims they secure in case the relevant secured claim is assigned and (iii) may only be granted to the creditor of a claim to be secured by the accessory security interest.

The accessory security interests will also be granted to the Security Agent. The Security Agent is however not a creditor under the Notes. The holders of the Notes on the other hand are creditors under the Notes but will not be parties to the security documents. In order to allow the holders of the Notes to benefit from the pledges, such pledges will also secure a so-called "parallel debt" obligation created under the Intercreditor Agreement in favor of the Security Agent rather than secure the holders of the Notes' claims under the Notes directly. The parallel debt is in the same amount and payable at the same time as the obligations of the Issuer and the Guarantors under the Notes and the Notes Guarantees (the "***Principal Obligations***"), and any payment in respect of the Principal Obligations will discharge the corresponding parallel debt and any payment in respect of the parallel debt will discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the parallel debt, a claim against the Issuer and the Guarantors for the full principal amount of the Notes, the legal concept of creating parallel debt obligations has not yet been tested before a German court. Therefore, it cannot be ruled out that such concept will not be recognized by German courts or that it will eliminate or mitigate the risk of invalidity and unenforceability of pledges. Therefore, the ability of the Security Agent to enforce the collateral may be restricted.

Moreover, the Security Agent holds the pledges in trust. This means that in the case of an insolvency of the Security Agent, the insolvency administrator over the insolvency estate of the Security Agent may successfully claim that there is no separation right of the holders of the

Notes with respect to the secured claims. As a consequence the secured claims (including the Parallel Debt) and the accessory security rights would remain with the (then insolvent) Security Agent.

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 a 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 (i.e., the right to request the court to impose a stay on proceedings initiated by other creditors).

The Netherlands

Insolvency

Provided that the Netherlands is the territory in which the center of a Dutch Guarantor's main interests is situated, main insolvency proceedings would likely be initiated in the Netherlands and conducted in accordance with the requirements of Dutch insolvency laws. However, pursuant to the Insolvency Regulation, where a Dutch legal entity conducts business in another EU member state, the jurisdiction of the Dutch courts may be limited if the "center of main interests" of such legal entity is found to be in another EU member state. Under certain circumstances, bankruptcy proceedings may also be opened in the Netherlands in accordance with Dutch law over the assets of companies that are not established under Dutch law. The following is a brief description of certain aspects of Dutch insolvency law. There are two primary insolvency regimes under Dutch law: the first suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate assets and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillissementswet*). In practice, a suspension of payments often results in bankruptcy. A general description of the principles of both insolvency regimes is set out below.

Suspension of Payments

An application for a suspension of payments can only be made by the debtor itself, if it foresees that it will be unable to continue to pay its payable debts. Once the request for a suspension of payments is filed, a court will immediately (*dadelijk*) grant a provisional moratorium and appoint an administrator (*bewindvoerder*). A meeting of creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerpakkoord*) is filed simultaneously with the application for a suspension of payments, the court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted and subsequently ratified by the court (*gehomologeerd*), the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in the amount of claims held by creditors represented at the creditors' meeting or more than one-third in the number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent. The granting of a definitive moratorium can also be withheld if there is a valid fear that the debtor will try to prejudice the creditors during a suspension of payments or if there is no prospect that the debtor will be able to satisfy its creditors in the (near) future.

The suspension of payments is only effective with regard to unsecured non-preferential creditors. Under Dutch law, secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the company in suspension of payments to satisfy their claims as if there were no suspension of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, at the request of an interested party the court can order a "cooling down period" (*afkoelingsperiode*) for a maximum period of two months (which can be extended by the court once for another period of two months) during which enforcement actions by secured or preferential creditors are barred. Also in a definitive moratorium of payments, a composition (*akkoord*) may be offered to creditors. A composition will be binding for all unsecured and non-preferential creditors if it is approved by (i) a simple majority in the number of creditors represented at the creditors' meeting, representing at least 50% in amount of the claims that are acknowledged and admitted in the suspension, and (ii) subsequently ratified (*gehomologeerd*) by the court.

Bankruptcy

Under Dutch law, a debtor can be declared bankrupt when it has ceased to pay its debts. The bankruptcy can be requested by a creditor of a claim when there is at least one other creditor. At least one of the aforementioned claims (of the bankruptcy requesting creditor or the other creditor) needs to be due and payable. The debtor can also request the application of bankruptcy proceedings itself. During a Dutch bankruptcy proceeding, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. The general principle of Dutch insolvency law is the *paritas creditorum* (principle of equal treatment), which means that all creditors have an equal right to payment and that the proceeds of bankruptcy proceedings shall be distributed in proportion to the size of their respective claims. However, certain creditors (such as secured creditors and tax and social security authorities) will have special rights that take priority over the rights of other creditors. Consequently, Dutch insolvency laws could reduce your potential recovery in a Dutch bankruptcy proceeding.

The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Each claim will have to be submitted to the bankruptcy receiver (*curator*) to be verified. "Verification" under Dutch law means that the receiver determines the value of the claim and whether and to what extent it will be admitted in the bankruptcy of the company for the purpose of the distribution of the proceeds. The valuation of claims that otherwise would not have been payable at the time of the bankruptcy proceeding may be based on a net present value analysis. Interest payments that fall due after the date of the bankruptcy cannot be verified. The existence, value and ranking of any claims submitted by any of the company's creditors may be challenged in the Dutch bankruptcy proceeding.

Generally, in a creditors' meeting (*verificatievergadering*), the bankruptcy receiver, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors' meeting may be referred to separate court proceedings (*renvooiprocedure*). These procedures could cause creditors to recover less than the principal amount of their claim. Such *renvooi* proceedings could also cause payments to holders of disputed claims to be delayed compared with holders of undisputed claims.

As in suspension of payments proceedings, in the bankruptcy of a company a composition may be offered to creditors, which shall be binding on unsecured non-preferential creditors if it is approved by (i) a simple majority in number of the creditors represented at the creditors' meeting, representing at least 50% in amount of the claims that are acknowledged and conditionally admitted, and (ii) subsequently confirmed by the court. The Dutch Bankruptcy Act (*Faillissementswet)* does not in itself acknowledge the concept of classes of creditors. Remaining proceeds, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, who will be satisfied on a *pro rata* basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed.

Secured creditors may enforce their rights against assets of the debtor to satisfy their claims under a Dutch bankruptcy as if there is no bankruptcy. As in suspension of payments proceedings the supervisory judge (*rechter-commissaris*) can order a "cooling down period" for a maximum of two months (which can be extended once for another period of two months) during which enforcement actions by secured creditors are barred unless such creditors have obtained leave for enforcement from the supervisory judge. Further, a bankruptcy receiver can force a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have to share in the general costs of the bankruptcy, which can be significant. Excess proceeds of enforcement must be returned to the bankruptcy estate; they may not be set off against an unsecured claim of the secured creditor in the bankruptcy. An exception applies in the case of set-off relating to a payment to the pledgor, not made during its bankruptcy and if there are no other pledgees or other holders of limited rights other than the pledgee, although a set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off.

Moreover, to the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third-party's obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its trustee in bankruptcy.

Under Dutch law, as soon as a debtor is declared bankrupt, in principle, all pending executions of judgments against such debtor, as well as all attachments on the debtor's assets (other than with respect to secured creditors and certain other creditors, as described above), will be terminated by operation of law. Simultaneously with the opening of the bankruptcy, a bankruptcy receiver will be appointed. The proceeds resulting from the liquidation of the bankruptcy estate may not be sufficient to satisfy unsecured creditors after the secured and the preferential creditors have been satisfied. In principle, litigation pending on the date of the bankruptcy order is automatically stayed.

Security general defenses and corporate benefit

If a Dutch company enters into a legal act (*rechtshandeling*) (such as the granting of security interests), the validity and enforceability of the relevant transaction may be contested by the Dutch company or its administrator (*bewindvoerder*) in a suspension of payments or its receiver (*curator*) in bankruptcy, on the basis of the ultra vires (*doeloverschrijding*) provisions of Section 2:7 of the Dutch Civil Code (*Burgerlijk Wetboek*) which give legal entities the right to nullify a legal act entered into if (i) such act exceeded (*overschreden*) its objects (*doel*) and (ii) the other party to the transaction knew or should have known this without independent investigation. In determining whether the giving of security is in furtherance of the objects of the relevant Dutch company, a Dutch court would not only consider the text of the objects clause in the articles of association of the Dutch company but also all relevant circumstances, including whether granting the security interest is in the corporate interests (*vennootschappelijke belang*) of the Dutch company derives certain commercial benefits from the transaction in respect of which the security interest was granted and any indirect benefit derived by the relevant Dutch company as a consequence of the interdependence of it with the group of companies to which it belongs and whether or not the subsistence of the relevant Dutch company is jeopardized by conducting such transaction. The mere fact that a certain legal act (*rechtshandeling*) is explicitly mentioned in the objects clause in the articles of association of the company does not constitute conclusive evidence to state that such legal act is in the corporate interests and that such legal act (*rechtshandeling*) cannot be deemed to be ultra vires.

As of October 1, 2012, the prohibition on financial assistance for a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) was removed from

Dutch law. In connection with such removal the legislator noted that the granting of security with a view to the acquisition (or the refinancing thereof) by any party of shares in the company's share capital or the shares of its (direct or indirect) parent company could, depending on the further circumstances, constitute an *ultra vires* act. At present, there is no Dutch case law on this subject.

Fraudulent conveyance

To the extent that Dutch law applies, a security interest granted by a legal entity may, under certain circumstances, be nullified by any of its creditors, if (i) the guarantee or security interest was granted without prior existing legal obligation to do so (*onverplicht*), (ii) the creditor(s) concerned was/were prejudiced as a consequence of the granting of the security interest, and (iii) at the time the security interest was granted both the legal entity and, unless the security interest was granted for no consideration (*anders dan om niet*), the beneficiary of the security interest knew or should have known that one or more of the entity's creditors (existing or future) would be prejudiced (*actio pauliana*). Also, to the extent that Dutch insolvency law applies, a security interest may be nullified by the receiver (*curator*) on behalf of and for the benefit of all creditors of the insolvent debtor, and in such case the beneficiary of the security interest is presumed (subject to evidence to the contrary) to have known that creditors of the debtor would be prejudiced if the bankruptcy follows within a year of the granting and for no consideration.

The foregoing requirements for invoking fraudulent transfer outside of a bankruptcy apply *mutatis mutandis* when invoking fraudulent transfer provisions during a bankruptcy.

In addition, the receiver may challenge the security interest if it was granted on the basis of a prior existing legal obligation to do so (*verplichte rechtshandeling*), if (i) the security interest was granted at a time that the beneficiary of such security interest knew that a request for bankruptcy had been filed, or (ii) if such security interest was granted as a result of deliberation between the debtor and the beneficiary of such security interest with a view to give preference to the beneficiary over the debtor's other creditors. Consequently, the validity of any security interests granted by a Dutch legal entity may be challenged and it is possible that such challenge would be successful.

General Limitations on Enforcement

If a Dutch Guarantor grants a guarantee or security interest and that guarantee or security interest is not in the company's corporate interest, the guarantee or security interest may be nullified by the relevant Dutch Guarantor, its bankruptcy receiver (*curator*) in bankruptcy (*faillissement*) and its administrator (*bewindvoerder*) in suspension of payment proceedings (*surseance van betaling*) or otherwise and, as a consequence, not be valid, binding and enforceable against it. In determining whether the granting of a guarantee or security interest is in the interest of a Dutch Guarantor, Dutch courts would not only consider the text of the objects clause in the articles of association (*statuten*) of the company but all relevant circumstances, including (i) whether the company irrespective of the wording of the objects clause derives certain commercial benefits from the transaction in respect of which the guarantee or security interest was granted and (ii) the balance between the risk that the company is assuming and the benefit it derives from such transaction. In addition, if it is determined that there are no, or insufficient, commercial benefits from the transactions for the company that grants the guarantee, then such company (and any bankruptcy receiver) may challenge the enforcement of the guarantee or security interest, and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the guarantee or security interest, the continuity of such company would foreseeably be endangered by the granting of such guarantee or security interest. It remains possible that even if such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the guarantee or security interest cannot serve the realization of the relevant company's objects or where it is determined that there is a material imbalance to the disadvantage of the company between the commercial benefit on the one hand and the risks on the other hand. The above also applies with respect to any security interest granted or other legal act entered into by a Dutch Guarantor.

If Dutch law applies, a guarantee or security governed by Dutch law may be voided by a court, if the document was executed through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or mistake (*dwaling*) of a party to the agreement contained in that document. Payment pursuant to a guarantee or following enforcement or foreclosure of security granted may, regardless of an insolvency situation occurring or not, also be withheld due to unforeseen circumstances (*onvoorziene omstandigheden*), force majeure (*niet-toerekenbare tekortkoming*) or reasonableness and fairness (*redelijkheid en billijkheid*). Other impeding factors include dissolution (*ontbinding*) of contract and set off (*verrekening*).

In addition, a guarantee issued by a Dutch Guarantor and a security interest provided by a Dutch Guarantor may be suspended (*schorsen*) by the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) on the motion of the holder or holders of 10% or more of the shares in such company, as well as on the motion of a trade union and of other entities entitled thereto in the articles of association of the relevant Dutch Guarantor. Likewise, the guarantee or security itself may be upheld by the Enterprise Chamber, yet actual payment under it may be suspended or avoided.

According to Dutch case law, a director (*bestuurder*) of a company acts wrongfully against a creditor of the company if he has entered into commitments on behalf of that company, while he knew or reasonably ought to understand that the company would not, or not within a reasonable period of time, be able to meet its obligations and would not provide sufficient opportunity for recourse for the detriment that the creditor would suffer on the basis thereof. The foregoing is subject to any circumstances raised by the director on the basis of which the conclusion is justified that he personally cannot be blamed sufficiently (*voldoende ernstig verwijt*) for the detriment suffered.

Book-Entry; Delivery and Form

Securities Settlement System Operated by the National Bank of Belgium

The NBB is the central bank of Belgium. The NBB operates the NBB-SSS for, *inter alia*, corporate debt securities that can be traded on a fungible basis in accordance with the Belgian Coordinated Royal Decree Number 62 of November 10, 1967 governing the custody of transferable financial instruments and the settlement of transactions on these instruments.

The NBB-SSS is accessible through those of its participants whose membership extends to securities such as the Notes. Investors and financial intermediaries can hold Notes within securities accounts opened with qualifying participants. Qualifying participants include most Belgian banks, some Luxembourg banks, Belgian investment firms, Euroclear and Clearstream. For a description of the tax implications of the clearing of the Notes through the NBB-SSS, see "*Certain Tax Considerations—Certain Belgian tax considerations*".

General

The Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (a "**Rule 144A Global Note**"). The Notes sold outside the United States in compliance with Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (a "**Regulation S Global Note**" and, together with the Rule 144A Global Note, the "**Global Notes**").

The Global Notes were deposited by the Paying Agent on behalf of the Issuer with the NBB as operator of the NBB-SSS on the Issue Date. Upon receipt of the Global Notes, the account of the Paying Agent was credited by the NBB with an amount equivalent to the principal amount of the Global Notes. On the Issue Date, the Paying Agent on behalf of the NBB credited the securities accounts of the participants in the NBB-SSS, including Euroclear and/or Clearstream, with an amount equivalent to their respective portion of the principal amount of the Global Notes. Following confirmation of the payment to the Issuer of the gross proceeds for the issue of the Notes, the Paying Agent credited the holders of ownership interests in the Global Notes (the "**Book-Entry Interests**") by crediting their securities accounts as participants of Euroclear and Clearstream, in accordance with the principal amount of Notes purchased by them.

Book-Entry Interests

Book-Entry Interests are held by their holders through the participants in the NBB-SSS, including Euroclear and Clearstream, and through other financial intermediaries which in turn hold the Notes through Euroclear, Clearstream or other participants in the NBB-SSS. For a full list of participating central securities depositories as of the date of this Offering Memorandum, see https://www.nbb.be/en/list-nbb-investor-icsds. Book-Entry Interests are shown on records maintained by the participants in the NBB-SSS (including Euroclear and Clearstream and their participants). The laws of certain jurisdictions may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests.

Transfers of Book-Entry Interests will be effected only through records maintained by the NBB-SSS, Euroclear and Clearstream or other NBB-SSS participants and in accordance with the applicable procedures of the NBB-SSS, Euroclear and Clearstream or other NBB-SSS participants. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the participants through which they hold their Notes. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Participants must rely on the procedures of the NBB-SSS, Euroclear and Clearstream and indirect participants must rely on the procedures of NBB-SSS, Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture. Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

None of the Issuer, the Paying Agent or any of its agents, or the Trustee or any of its agents has any responsibility, or is liable, for the proper performance by the NBB-SSS or its participants of their obligations under their respective rules and operating procedures. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the NBB-SSS. The Issuer's obligations under the Notes are discharged once it has paid the NBB-SSS or the participants in the NBB-SSS, as applicable and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Notes of the NBB-SSS and custodians or intermediaries.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests held will receive definitive notes in registered form ("**Definitive Registered Notes**") if:

(1) the National Bank of Belgium notifies the Issuer 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; or

(2) the National Bank of Belgium so requests following an event of default under the Indenture; or

(3) if the owner of a Book-Entry Interest requests such exchange in writing delivered through the NBB-SSS, Euroclear and/or Clearstream, as applicable, following an event of default under the Indenture.

In such an event, the Issuer will issue, and the Trustee will authenticate or cause to be authenticated, the Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of the NBB-SSS, 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.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Note (including principal, premium, if any, interest and additional amounts, if any) will be made by the Issuer to the Paying Agent for onward payment through the NBB-SSS to the participants in the NBB-SSS, including Euroclear and/or Clearstream.

Under the terms of the Indenture, the Paying Agent, the Registrar and the Trustee will treat the persons shown in the records of the NBB-SSS as having interests in the Global Notes as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Paying Agent, the Registrar, the Trustee or any of its agents has or will have any responsibility or liability for:

- any aspect of the records of the NBB-SSS, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of the NBB-SSS, Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or
- any other matters relating to the actions and practices of the NBB-SSS, Euroclear, Clearstream or any participant or indirect participant.

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 Book-Entry Interests to such Notes through the NBB-SSS in euro.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are listed on the Official List. Transfers of interests in the Global Notes between participants in the NBB-SSS, Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although the NBB-SSS, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in the NBB-SSS, Euroclear or Clearstream, 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 Trustee or the Paying Agent has any responsibility for the performance by the NBB-SSS, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes was made in euros. Book-Entry Interests owned through the NBB-SSS, 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 NBB-SSS, 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 the NBB-SSS, Euroclear and Clearstream and will settle in same-day funds. Since the purchaser 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.

Agents

For so long as the Notes are represented by Global Notes, the Paying Agent will act as paying agent for all purposes in relation to the Notes. If interests in the Global Notes are exchanged for Definitive Registered Notes in the limited circumstances described under "*Definitive Registered Notes*" above, then the Paying Agent will cease to act as paying agent, and the Issuer may, in its sole discretion, make payments on the Definitive Registered Notes or appoint a paying agent to make payments on the Definitive Registered Notes on behalf of the Issuer.

Certain Tax Considerations

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country in which they are resident, of a purchase of Notes including, without limitation, the consequences of receipt of interest and premium, if any, on and sale or redemption of, the Notes or any interest therein.

Certain Belgian Tax Considerations

The following is a summary of the principal Belgian tax consequences for investors receiving interest in respect of, and disposing of, Notes and is of a general nature, for information purposes only and based on the Issuer's understanding of current law and practice. This summary is based on the laws, regulations and applicable tax treaties, all as in effect in Belgium on the date of the Offering Memorandum, and is subject to any changes in law and the interpretation and application thereof, possibly with retroactive effect. Notes may be held only by, and transferred only to, Eligible Investors (as defined below) holding their Notes in an X account (as defined below). This section summarizes the Belgian withholding tax treatment in the hands of Eligible Investors only.

Interest

For Belgian tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer), and (iii) assuming the Notes qualify as fixed income securities pursuant to Article 2, § 1, 8° of the Belgian Income Tax Code 1992 ("**BITC**"), in case of a sale of the Notes to any third party, other than the Issuer, the *pro rata* accrued interest corresponding to the period that the party selling the security held the Notes.

Payments of interest on the Notes made by or on behalf of a Belgian Issuer are as a rule subject to Belgian withholding tax, currently at a rate of 30% on the gross amount. See "*Risk Factors—Risks Relating to the Notes—Interest payments on the Notes may be subject to Belgian withholding tax*".

However, as an exception to the aforementioned general rule in relation to Belgian withholding tax, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "**Eligible Investors**", see below) in an exempt securities account (an "**X Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the NBB-SSS operated by the NBB. Euroclear and Clearstream are directly or indirectly Participants for this purpose. Holding the Notes through the NBB-SSS enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the NBB-SSS must enter the Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of May 26, 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) which include:

(a) Belgian resident companies referred to in article 2, §1, 5°, b) of the BITC;

(b) without prejudice to the application of article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in article 2, § 3, of the law of July 9, 1975 on the supervision of insurance companies, other than those referred to in paragraphs (a) and (b);

(c) the semi-public ("**parastatal**") social security agencies, or agencies equivalent thereto, referred to in article 105, 2°, of the royal decree implementing the BITC ("**RD/BITC**");

(d) the non-resident investors referred to in article 105, 5° of the RD/BITC;

(e) the investment funds recognized in the framework of pension savings referred to in article 115 of the RD/BITC;

(f) the taxpayers referred to in article 227, 2°, of the BITC who are subject to the tax on non-residents in accordance with article 233 of the same Code and who have used the income producing capital for the exercise of their professional activity in Belgium;

(g) the Belgian State, for its investments which are exempt from the withholding tax on income from movable assets, in accordance with article 265 of the BITC;

(h) collective investment undertakings governed by foreign law which are an indivisible estate managed by a management company on behalf of the participants, provided that the fund units are not publicly issued in Belgium and are not traded in Belgium; and

(i) resident companies not referred to under paragraph (a) above, when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or non-profit making organizations, other than those mentioned under paragraphs (b) and (c) above.

Transfers of Notes between two X Accounts (between two due dates) do not give rise to Belgian withholding tax on accrued incomes.

Upon opening of an X Account for the holding of Notes, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no on-going declaration requirement to the NBB-SSS as to the eligible status, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However, Participants are requested to make declarations to the NBB as to the eligible status of each investor from whom they held notes in an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Notes that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided, however, that each Beneficial Owner is an Eligible Investor. In such case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors.

These identification requirements do not apply to central securities depositaries, as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of July 23, 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, acting as Participants to the NBB Clearing System, provided that (i) they only hold X-Accounts, (ii) they are able to identify the holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by these central securities depositaries acting as Participants include the contractual undertaking that their clients and account owners are all Eligible Investors.

Belgian Tax on Income and Capital Gains

This section summarizes the Belgian tax on income and capital gains in the hands of Eligible Investors. This section therefore does not address the tax treatment in the hands of investors that do not qualify as Eligible Investors such as Belgian resident individuals and Belgian legal entities that do not qualify as Eligible Investors. This section does not purport to be a comprehensive description of all Belgian income and capital gains tax consequences that may be relevant to a decision to acquire, to hold or to dispose of the Notes. This summary does not describe the tax consequences of investors that are subject to special rules.

Belgian Resident Companies

Interest attributed or paid to corporate holders of the Notes who are Belgian residents for tax purposes, i.e., who are subject to the Belgian Corporate Income Tax (*vennootschapsbelasting/ impôt des sociétés*), as well as capital gains realized upon the sale of the Notes are taxable at the current general corporate income tax rate of in principle 29.58% (with a reduced rate of 20.40% applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies), to be reduced to 25% (and 20%) as from January 1, 2020 onwards. Capital losses realized upon the sale of the Notes are in principle tax deductible.

Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the BITC.

Belgian Resident Legal Entities

Belgian legal entities subject to Belgian legal entities tax (*rechtspersonenbelasting/impôts des personnes morales*) which qualify as Eligible Investors and which, consequently, have received gross interest income are required to declare and pay the 30% withholding tax to the Belgian tax authorities.

Capital gains realized on the sale of the Notes are in principle tax exempt, unless and to the extent the capital gains (partially) qualify as interest (as defined in the section "***Interest***" above). Capital losses are in principle not tax deductible.

Belgian Non-Residents

Holders of the Notes who are not residents of Belgium for Belgian tax purposes and who are not holding the Notes through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains or any similar taxes for the sole reason of the acquisition, ownership or disposal of the Notes provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

Tax on Stock Exchange Transactions

A stock exchange tax (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) will normally be levied on the purchase and sale and other acquisition or transfer for consideration of the Notes on the secondary market (i.e. not at issuance) if (i) it is executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both, a "**Belgian Investor**").

The tax on stock exchange transactions is levied at a rate of 0.12% with a maximum amount of €1,300 per transaction and per party.

The tax is due separately by each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative, who will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary. If the representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

An exemption from this tax is available under Article 126/1, 2° of the Code on Miscellaneous Duties and Taxes as regards the following entities when they act for their own account: (i) parties to securities trades who are intermediaries within the meaning of Article 2, 9° and 10° of the Law of August 2, 2002 on the supervision of the financial sector and financial services; (ii) insurance undertakings within the meaning of Article 2, § 1 of the Law of July 9, 1975 on supervision of insurance companies; (iii) institutions for occupational retirement provisions within the meaning of Article 2, 1° of the Law of October 27, 2006 regarding the control of institutions for occupational retirement provisions (*instellingen voor bedrijfspensioenvoorziening/institutions de retraite professionnelle*); (iv) collective investment schemes; (v) Belgian regulated real estate companies; and (vi) non-residents certifying their non-resident status.

As stated below, the European Commission has published a proposal for a Directive for a common Financial Transactions Tax ("**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

The Proposed FTT

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain United States federal income tax consequences relevant to U.S. holders and non-U.S. holders (each as defined below) of the purchase, ownership and disposition of the Notes. This summary deals only with Notes held as capital assets (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "**Code**")) by holders who purchase the Notes for cash pursuant to this offering at their "issue price" (the first price at which a substantial amount of the Notes of the applicable series is sold for money to investors, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler).

As used herein, a "**U.S. holder**" means a beneficial owner of the Notes that is, for United States federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A "**non-U.S. holder**" is a beneficial owner of the Notes that is neither a U.S. holder nor a partnership.

If any entity or arrangement classified as a partnership for United States federal income tax purposes holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partnership or a partner in a partnership considering an investment in the Notes should consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

This summary does not represent a detailed description of all of the United States federal income tax consequences applicable to a holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income or the effects of any state, local or non-United States tax laws, or the impact to holders subject to special tax treatment under the United States federal income tax laws, including, without limitation:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity (or an investor in such an entity);
- U.S. holders whose "functional currency" is not the U.S. dollar;
- a person required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement; or
- a United States expatriate.

This summary is based on the Code, United States Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, possibly on a retroactive basis, so as to result in United States federal income tax consequences different from those summarized below. We have not and will not seek any rulings from the Internal Revenue Service ("**IRS**") regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the Notes that are different from those discussed below.

If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.

U.S. Holders

Payments of Interest

Payments of interest on a Note will be includible in the gross income of a U.S. holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes. The amount of income recognized by a cash basis U.S. holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. An accrual basis U.S. holder may determine the amount of income recognized with respect to an interest payment in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. holder, the part of the period within the taxable year). Under the second method, the U.S. holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period or taxable year, an electing accrual basis U.S. holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply 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 will be irrevocable without the consent of the IRS.

Under either of these two methods, upon receipt of the interest payment an accrual basis U.S. holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars. A cash basis U.S. holder will not realize foreign currency exchange gain or loss on the receipt of interest income but may recognize exchange gain or loss attributable to the actual disposal of the foreign currency received. Interest paid by the Issuer on the Notes to a cash basis or accrual basis U.S. holder will generally constitute income from sources outside the United States.

Any non-U.S. withholding tax paid or deemed paid 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.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

Upon the sale or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the U.S. dollar value of the amount realized on the date of sale or other taxable disposition (other than amounts attributable to accrued and unpaid interest, which will generally be taxable to the extent not previously included in income as described above under "*Payments of interest*") and the U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note generally will equal the U.S. dollar value of the purchase price of the Notes on the date of purchase. In the case of a Note that is considered to be traded on an established securities market, a cash basis U.S. holder and, if it so elects, an accrual basis U.S. holder, will determine the U.S. dollar value of such foreign currency by translating such amount at the spot rate on the settlement date of the disposition or the purchase, as applicable. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. An accrual method U.S. holder that does not make the special election will recognize foreign currency exchange gain or loss to the extent attributable to the difference between the spot rates on the trade date and settlement date.

Any gain or loss recognized by a U.S. holder on the sale or other taxable disposition of a Note (except as discussed with respect to exchange gain or loss) will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of the sale or other taxable disposition. Net long-term capital gain recognized by a non-corporate U.S. holder generally is eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to significant limitations.

Gain or loss recognized by a U.S. holder on the sale or other disposition of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss. Gain or loss attributable to changes in exchange rates with respect to the principal of a Note generally will equal the difference, if any, between (i) the U.S. dollar value of the U.S. holder's foreign currency purchase price for the Note, determined at the exchange rate in effect on the date the U.S. holder disposes of the Note, and (ii) the U.S. dollar value of the U.S. holder's purchase price for the Note, determined at the exchange rate in effect on the date the U.S. holder purchased such Note (or, as discussed above, in the case of a cash basis or electing accrual basis U.S. holder, the settlement date of such disposition or purchase, if the Note is treated as traded on an established securities market). The exchange gain or loss with respect to principal and with respect to accrued and unpaid interest (which will be treated as discussed above under "*Payments of Interest*") will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale or other taxable disposition of the Note.

Non-U.S. Holders

Subject to the discussion on "*Information Reporting and Backup Withholding"* below, a non-U.S. holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes or gain from the sale, redemption or other disposition of the Notes unless: (i) that payment or gain is effectively connected with the conduct by that non-U.S. holder of a trade or business within the United States or (ii) in the case of any gain realized on the sale or other taxable disposition of a Note by an individual non-U.S. holder, that non-U.S. holder is present in the United States for 183 days or more in the taxable year of the sale or other taxable disposition and certain other conditions are met.

Disclosure Requirements

Individuals that own "specified foreign financial assets" with an aggregate value in excess of certain thresholds are generally required to file an information report (IRS Form 8938) with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.

Treasury Regulations require the reporting to the IRS (on IRS Form 8886) of certain foreign currency transactions giving rise to losses in excess of a certain minimum amount, such as the receipt or accrual of interest on, or the sale or other taxable disposition of a Note or foreign currency received in respect of a Note.

U.S. holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for non-compliance.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of interest on the Notes and to the proceeds of the sale or other disposition (including a retirement or redemption) of a Note paid to a U.S. holder unless such U.S. holder is an exempt recipient, and, when required, provides evidence of such exemption. Backup withholding may also apply to such payments if the U.S. holder is not otherwise exempt and fails to comply with the applicable backup withholding requirements, including the provision of IRS Form W-9, if required.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. holders may be required to comply with applicable certification procedures (usually on IRS Form W-8BEN or W-8BEN-E) to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding.

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 that may apply. Holders may be eligible to receive a gross-up from the payor with respect to the amounts withheld, subject to certain exceptions, as described in "*Description of the Notes—Withholding Taxes/Additional Amounts*". Holders of Notes should consult with their tax advisors regarding the tax consequences if a Guarantor makes any payments with respect to the Notes.

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 IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

Certain ERISA Considerations

Unless otherwise provided in any supplement to this Offering Memorandum, the Notes should be eligible for purchase by employee benefit plans and other plans subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and/or the provisions of Section 4975 of the Code and by governmental, church and non-U.S. plans that are subject to state, local, other federal law of the United States or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**") subject to consideration of the issues described in this section. ERISA imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "*Risk Factors".*

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, the "**Plans**")) and certain persons (referred to as "**parties in interest**" or "**disqualified persons**") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person, including a Plan fiduciary, who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar or the Paying Agent or any other party to the transactions referred to in this Offering Memorandum may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes is acquired or held by a Plan, including but not limited to where the Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar or the Paying Agent or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to Similar Law. Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

In addition, the U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the United States Investment Company Act of 1940, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in the form of debt may be considered an equity interest if it has substantial equity features. If the Issuer was deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code. The Plan Asset Regulation provides, however, that if equity participation in any entity by "Benefit Plan Investors" is not significant, then the "look-through" rule will not apply to such entity. The term "**Benefit Plan Investors**" is defined in the Plan Asset Regulation to include (1) any employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, (2) any plan described in Section 4975(e)(1) of the Code, and (3) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity. Equity participation by Benefit Plan Investors in any entity is significant if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the total value of any class of equity interests in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, exercising control over the assets of the entity or providing investment advice to the entity for a fee or any affiliates of such persons) is held by Benefit Plan Investors. If, as a result of any investment, 25% or more of the total value of any class of equity interests in the Issuer is being held by Benefit Plan Investors, the applicable Notes may be redeemed by the Issuer. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that the Notes should not be treated as equity interests for the purposes of the Plan Asset Regulation and, therefore, the Plan Asset Regulation should not apply and any such redemptions would not be necessary.

Accordingly, except as otherwise provided in any supplement to this Offering Memorandum, each purchaser and subsequent transferee of any Notes will represent and warrant, on each day from the date on which the purchaser or transferee acquires such Notes (or any interests therein) through and including the date on which the purchaser or transferee disposes of such Notes (or any interests therein), either that (a) it is not, and for so long as it holds such Notes (or any interests therein) will not be, and will not be acting on behalf of, a Plan or any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, the assets of any Plan or a governmental, church or non-U.S. plan which is subject to any Similar Law or (b) its acquisition, holding and disposition of such Notes (or any interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan subject to Similar Law, a violation of any Similar Law).

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Notes should determine whether, under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in such Notes (including any governmental, church or non-U.S. plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental, church or non-U.S. plan, any Similar Law).

The sale of any Notes to a Plan is in no respect a representation by the Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar or the Paying Agent or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Any further ERISA considerations with respect to the Notes may be found in the relevant supplement.

Notice to Investors

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 have not been and will not be registered under the U.S. Securities Act, or any state securities laws, 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act and persons that are not U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act that, in each case, will hold the Notes in an X Account with the NBB-SSS (either directly or indirectly through a participant in the NBB-SSS (including Euroclear and Clearstream)).

We have not registered and will not register the Notes or the Note Guarantees under the U.S. Securities Act and, therefore, 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, we are offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to "**qualified institutional buyers**", commonly referred to as "**QIBs**", as defined in Rule 144A in compliance with Rule 144A; and
- to non-U.S. persons outside the United States in an offshore transaction in accordance with Regulation S.

We use the terms "**offshore transaction**", "**U.S. person**" and "**United States**" with the meanings given to them in Regulation S.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

(1) You understand and acknowledge that the Notes and the Note Guarantees have not been registered under the U.S. Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other securities laws, including sales pursuant to Rule 144A under the U.S. Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, 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) You are not our "**affiliate**" (as defined in Rule 144 under the U.S. Securities Act) or acting on our behalf and you are either:

(a) a QIB, within the meaning of Rule 144A under the U.S. Securities Act and are aware that any sale of these Notes to you will be made in reliance on Rule 144A under the U.S. Securities Act, and such acquisition will be for your own account or for the account of another QIB; or

(b) a non-U.S. person that is purchasing the Notes in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.

(3) You acknowledge that none of us, the Guarantors, or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to us or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you

and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge 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. You have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are 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 U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) You agree on your own behalf and on behalf of any investor account or accounts for which you are purchasing the Rule 144A Notes, and each subsequent holder of the Rule 144A Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "**Resale Restriction Termination Date**") that is one year after the later of the date of the original issue and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) only (i) to us, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the U.S. Securities Act or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to our and the trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) above 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 in the Indenture 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.

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 U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. 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 U.S. 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 U.S.

SECURITIES ACT ("**RULE 144A**")) OR (B) IT IS NOT A U.S. PERSON, IS NOT ACQUIRING THIS NOTE FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH 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][IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, 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 AN OFFER OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. 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 (E) ABOVE 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 IN THE INDENTURE 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. ADDITIONALLY, THE HOLDER OF THIS NOTE MAY NOT TRANSFER THIS NOTE TO (I) ANY INDIVIDUAL PERSON OR (II) ANY ENTITY THAT IS NOT LISTED IN ARTICLE 4 OF THE BELGIAN ROYAL DECREE OF MAY 26, 1994.

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR OTHER PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL LAW OF THE UNITED STATES OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAW.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(6) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(7) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

(8) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with.

(9) You represent and agree that either (a) you are not, and for so long as you hold a Note (or any interest therein) you will not be, and will not be acting on behalf of, (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Code, (iii) an entity whose underlying assets include the assets of any such employee benefit plan subject to ERISA or other plan subject to Section 4975 of the Code, or (iv) a governmental, church or non-U.S. plan which is subject to any Similar Law, or (b) your acquisition, holding and disposition of the Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of such a governmental, church or non-U.S. plan, a violation of any Similar Law. You, and any fiduciary causing you to acquire a Note (or any interest therein), agree to indemnify and hold harmless the Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Security Agent, the Transfer Agent, the Registrar or the Paying Agent and/or their respective affiliates, from and against any cost, damage or loss incurred by the Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Security Agent, the Transfer Agent, the Registrar or the Paying Agent and/or any of their respective affiliates, as applicable, as a result of any of the foregoing representations and agreements being or becoming false. Any purported acquisition or transfer of any Note or beneficial interest therein to a purchaser or transferee that does not comply with the requirements of the above provisions shall be void *ab initio*.

(10) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes is no longer accurate, it shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(11) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would result in 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 such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution*".

Plan of Distribution

Subject to the terms and conditions set forth in a purchase agreement (the "**Purchase Agreement**") dated the date of this Offering Memorandum by and among the Issuer, the Guarantors and the Initial Purchasers, we have agreed to sell to each Initial Purchaser, and each Initial Purchaser has agreed, severally and not jointly, to purchase from us, together with all other Initial Purchasers, the Notes.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering prices and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. Sales in the United States may be made through certain affiliates of the Initial Purchasers.

Persons who purchase 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 Purchase Agreement provides that we will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. We have agreed, subject to certain limited exceptions, that during the period from the date hereof through and including the date that is 60 days after the date hereof, we will not, and the Guarantors will not, without the prior written consent provided for in the Purchase Agreement, offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by the Issuer or any of the Guarantors that are substantially similar to the Notes.

The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and outside the United States to persons that are not U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act. Resales of the Notes are restricted as described under "*Notice to Investors*".

Each Initial Purchaser represents warrants and agrees 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 us or the Guarantors; 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.

Certain Initial Purchasers are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that such Initial Purchasers intend to effect sales of the Notes in the United States, they will do so only through one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed 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 MiFID II; or (ii) a customer within the meaning of the Insurance Mediation 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 the Prospectus Directive. Consequently, no key information document required by the PRIIPs Regulation for offering, selling or distributing the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each of the Initial Purchasers has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

(1) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Mediation 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 the Prospectus Directive; and

(2) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes.

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 Notes 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, the distribution of this Offering Memorandum and resale of the Notes. See "*Notice to Investors*".

We and the Guarantors have also agreed that we 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 U.S. Securities Act or the safe harbor of Rule 144A and Regulation S under the U.S. Securities Act to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. We will apply, through our listing agent, to list the Notes on the Official List of the Exchange, however, we cannot assure you that the Notes will be approved for listing or that such listing will be 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 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 to the Notes*".

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "**T +** "). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the following business days 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.

In connection with the Offering, J.P. Morgan Securities plc (the "**Stabilizing Manager**"), or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The Stabilizing Manager, or persons acting on its behalf, 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, or persons acting on its behalf, 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 assurances can be given as to the liquidity of, or trading markets for, the Notes. "*Risk Factors—Risks Relating to the Notes*".

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with applicable laws and regulations. Over-allotment involves sales in excess of the Offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed to cover short positions. Penalty bids permit the Initial Purchaser to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

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 is made and, if commenced, may be discontinued at any time.

Other Relationships

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, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers and their respective affiliates have, from time to time, performed, and may currently and/or in the future perform, various financial advisory, investment and corporate banking, commercial lending and banking, consulting and other commercial services in the ordinary course of business for us and our affiliates, and may have from time to time in the past held, and may in the future hold, positions in our or any of our affiliates' securities or enter into hedging or general derivative transactions with us or our affiliates in the ordinary course of business, for which they received or will receive customary fees and commissions and reimbursement of expenses. Certain Initial Purchasers and/or their respective affiliates are lenders under the Existing Senior Facilities and thus may receive a portion of the proceeds from the Offering upon repayment thereof. The

Initial Purchasers and certain of their affiliates are expected to be lenders, arrangers or agent under the New Senior Facilities.

In the ordinary course of their various business activities, the Initial Purchasers and their respective 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, and such investment and securities activities may involve our or our affiliates' securities and/or instruments (directly, as collateral securing other obligations or otherwise). The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and at any time may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

If any of the Initial Purchasers or their affiliates has a lending relationship with us or our affiliates, certain of those Initial Purchasers or their affiliates may routinely hedge their credit exposure to our or our affiliates in a manner 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 or our affiliates' securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby.

Legal Matters

Certain legal matters in connection with the Offering will be passed upon for us by Allen & Overy LLP, as to matters of U.S. federal and New York state law, English, French, Belgian German and Dutch law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP, as to matters of U.S. federal and New York state law, English law and German law, by Loyens & Loeff CVBA as to matters of Belgian law and by Loyens & Loeff N.V. as to matters of Dutch law.

Independent Auditors

The consolidated financial statements of the Group as of and for the year ended December 31, 2018, including audited comparative financial information as of and for the years ended December 31, 2016 and 2017 were prepared in accordance with IFRS and have been audited by PwC Bedrijfsrevisoren CVBA, as stated in their report appearing herein.

The unaudited interim consolidated financial statements as of and for the three months ended March 31, 2019 included in this Offering Memorandum, were prepared in accordance with IAS 34 and have been subject to a limited review by PwC Bedrijfsrevisoren CVBA, independent auditors, as stated in their report appearing herein.

Available Information

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendment or supplement to this Offering Memorandum. Each person receiving this Offering Memorandum acknowledges that:

(i) 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;

(ii) such person has not relied on any of the Initial Purchasers or any person affiliated with any Initial Purchaser in connection with its investigation of the accuracy of such information or its investment decision; and

(iii) except as provided pursuant to (i) above, no person has been authorized to give any information or to make any representation concerning the Notes or the Note Guarantees 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 any Initial Purchaser.

For so long as the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Exchange Act, upon written request of a holder or beneficial owner of the Notes, furnish to such holder or beneficial owner or to the Trustee or any relevant paying agent for delivery to such holder or beneficial owner or prospective purchaser of the Notes, as the case may be, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act, to permit compliance with Rule 144A thereunder in connection with resales of the Notes. Any such request should be directed to the Issuer at its registered address (The House of Finance NV, Beversesteenweg 576, 8800 Roeselare). Copies of the Indenture, the forms of the Notes, the Intercreditor Agreement, the Paying Agency Agreement and the Security Documents will be made available upon request to the Issuer at the address above.

We are not currently, and we will not be, subject to the periodic reporting and other information requirements of the U.S. Exchange Act. Pursuant to the Indenture 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*".

Service of Process and Enforcement of Judgments

The Issuer and the Company are public limited companies (*Naamloze Vennootschap*) organized under the laws of Belgium and the Guarantors of the Notes are incorporated under the laws of Belgium, Germany and the Netherlands. All of the Issuer's directors and executive officers and the directors and executive officers of the Guarantors are non-residents of the United States and all of the assets of the Issuer and the Guarantors and of those persons are located outside the United States. Although the Issuer will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action under U.S. securities laws, you may not be able to effect service of process on such persons or the Issuer or the Guarantors within the United States in any action, including actions predicated on civil liability provisions of the U.S. federal and state securities laws or other laws. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer, the Guarantor or such persons, or to enforce any judgments obtained in U.S. courts, including judgments predicated upon civil liability provisions of the U.S. securities laws. In addition, we cannot assure you that civil liabilities predicated upon the Federal securities laws of the United States will be enforceable in Belgium, Germany, the Netherlands or elsewhere.

Additionally, because the New Senior Facilities are to be governed by the law of England and Wales, it is likely that a claim arising therefrom will be brought in an English court, following which enforcement of any judgment rendered against the Issuer or a Guarantor would need to be sought in an English court.

Under the terms of the Indenture, the Issuer, the Company, the Guarantors and the Trustee agree that any dispute, controversy or cause of action against the Issuer, the Company, the Guarantors and/or the Trustee arising out of the Indenture or any transaction contemplated therein, the Notes or other deposited securities, will be referred to and resolved by the courts of New York, as more fully described in the Indenture.

If a judgment is obtained in a U.S. court against the Issuer, the Guarantors or any directors or officers, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for Belgium, Germany and the Netherlands, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Belgium

Final and enforceable judgments rendered by foreign courts can be declared enforceable in Belgium (without review of the foreign judgment on the merits by the Belgian courts) according to the procedure set out in Articles 22 and sq. of the Belgian Code of International Private Law (*Wetboek van Internationaal Privaatrecht*) and provided that, pursuant to Article 24 of the same Code, the following documents are produced in court by the claimant:

- an official copy of the judgment (*uitgifte van de beslissing*) fulfilling all conditions required for its authentication under the applicable foreign law;
- if obtained by default, an original or legalized copy of the document demonstrating that the originating process has been served on the defendant in accordance with the applicable foreign law;
- any document demonstrating that, under the applicable foreign law, the judgment is enforceable and has been notified to the defendant.

However, enforcement can be refused in the circumstances described in Article 25 of the Belgian Code of International Private Law and notably (and, *inter alia*), if:

- the rights of defense have been violated;

- such enforcement would be incompatible with Belgian public policy;
- the decision may still be appealed under the applicable foreign law (however, provisional enforcement could then be granted); or
- Belgian jurisdictions had exclusive jurisdictions in respect of that matter.

Germany

There is doubt as to the enforceability in Germany of civil liabilities based on U.S. federal or state securities laws, 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 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. Consequently, a final judgment by any U.S. federal or state court for payment, 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 would not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below. The recognition and enforcement of a U.S. judgment by a German court would be conditional upon a number of factors, including the following:

- the judgment being final under U.S. federal or state law;
- the U.S. court having had jurisdiction over the original proceeding under German law;
- the document commencing the proceedings was duly served and made known to the defendant in a timely manner that allowed for adequate defense, or in case of non-compliance with such requirement, (i) the defendant does not invoke such non-compliance or (ii) has nevertheless appeared in the proceedings;
- the judgment is not contrary to (i) any judgment which became *res judicata* rendered by a German court or (ii) any judgment which became *res judicata* rendered by a foreign court which is recognized in Germany and the procedure leading to the applicable judgment does not contradict any such judgment under (i) and (ii) or a proceeding previously commenced in Germany;
- the enforcement of the judgment by the U.S. court being compatible with the fundamental principles of German law, in particular with the civil liberties (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*); and
- generally, the guarantee of reciprocity.

Subject to the foregoing, purchasers of securities may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Germany. We cannot, however, assure you that attempts to enforce judgments in Germany will be successful.

In particular, the obligations need to be of a specific kind and type for which an enforcement procedure exists under German law. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws affecting creditor's rights generally.

In addition, in the past the recognition and enforcement of punitive damages has been denied by German courts as incompatible with the fundamental 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.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

If the party in whose favor such final U.S. judgment is rendered brings a new suit 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 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.

The Netherlands

Some Guarantors are incorporated under the laws of the Netherlands. As a result, it may be difficult for investors to enforce judgments obtained in non-Dutch courts against the Dutch Guarantor. The Netherlands does not currently have a treaty with the United States providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any court in any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands, the claim must be relitigated before a competent Dutch court. A final judgment by a U.S. court, however, may under current practice be given binding effect, if and to the extent that the Dutch court finds that (i) the jurisdiction of the U.S. court has been based on grounds that are internationally acceptable, (ii) the judgment by the U.S. court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*), (iii) the judgment by the U.S. court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands and (iv) the final judgment does not contravene public policy (*openbare orde*) of the Netherlands.

Subject to the foregoing and provided that service of process occurs in accordance with applicable treaties, investors may be able to enforce in the Netherlands, judgments in civil and commercial matters obtained from U.S. federal or state courts. Moreover, a Dutch 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.

Enforcement and recognition of judgments of U.S. courts in the Netherlands are governed by the provisions of the Dutch Civil Procedure Code (*Wetboek van Burgerlijke Rechtsvordering*).

Listing and General Information

Admission to Listing

Application is expected to 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.

Listing Information

Copies of the following documents may be obtained at the registered office of the Issuer during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) for a period of 14 days following the listing of the Notes on the Official List of the Exchange:

- the organizational documents of the Issuer; and
- the Consolidated Financial Statements included in this Offering Memorandum.

The Issuer has appointed Carey Olsen Corporate Finance Limited as listing agent. The Issuer reserves the right to vary such appointment in accordance with the terms of the Indenture. Application may also be made to the Authority to have the Notes removed from listing on the Official List of the Exchange, including if necessary to avoid any new withholding taxes in connection with the listing.

Approval

The Issuer has obtained all necessary consents, approvals, authorizations or other orders for the issuance of Notes and other documents to be entered into by the Issuer in connection with the issuance of the Notes. The issuance of the Notes was authorized by the Issuer on June 26, 2019, in accordance with the resolutions validly adopted by the board of directors of the Issuer on the same date.

Significant Change

Except as disclosed in this Offering Memorandum:

- there has been no material adverse change in our financial position since March 31, 2019; and
- we have not been involved in any material litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issue of the Notes, and, so far as we are aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

Clearing Information

The Notes were accepted for clearance through the NBB and Euroclear and Clearstream as direct participants of the NBB-SSS. The Common Codes and international securities identification numbers (**"ISIN Number"**) for the Notes are set forth below:

	ISIN Number	Common Code
Regulation S Global Note		
Rule 144A Global Note		

Periodic Reporting Under the U.S. Exchange Act

The Issuer is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

Trustee

The Trustee for the Notes is Citibank, N.A., London Branch and its address is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom. Such Trustee will be acting in its capacity of trustee for the holders of the Notes and will provide services to the holders of the Notes as described in the Indenture.

Auditors

The auditors of the Company are PwC Bedrijfsrevisoren CVBA (*erkend revisor/réviseur agréé*), and their address is Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Belgium. PwC Bedrijfsrevisoren CVBA is a (erkend revisor/réviseur agréé) is a member of the Instituut van de Bedrijfsrevisoren/ Institut des Réviseurs d'Entreprises. The independent auditors of the Issuer are PwC Bedrijfsrevisoren CVBA (*erkend revisor/réviseur agréé*), independent auditors, and their address is Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Belgium.

General Information on the Issuer

The House of Finance NV was incorporated in Belgium on December 4, 2017as a public limited company (*Naamloze Vennootschap*). The Issuer's registered number is 0685.593.921 and it has its registered address at Beversesteenweg 576, 8800 Roeselare. The Issuer has an issued share capital of €2 million comprising 1,000 registered shares without nominal value.

The Issuer has voluntarily opted into the application of the new Belgian Code on Companies and Associations (*Wetboek van Vennootschappen en Verenigingen / Code des Sociétés et Associations*), which has been introduced pursuant to the Law dated March 23, 2019 (*Belgisch Staatsblad / Moniteur belge* April 4, 2019) (the "**Belgian Company Code**"), in accordance with Article 39§1 of such Law. The Belgian Company Code will become applicable to the Issuer as from the date of publication of the Issuer's amended articles of association (as approved by a shareholders resolution dated July 3, 2019) in the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur belge*).

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Unaudited condensed consolidated interim financial statements for three months ended 31 March 2019

House of HR NV
Beversesteenweg 576
8800 Roeselare

To the Board of Directors

Review report of the statutory auditor on interim financial information

Introduction

We have reviewed the accompanying interim financial information of House of HR NV (the "Company") as of 31 March 2019 and the related statement of income, changes in equity for the 3 months period then ended (the "Interim Financial Information"). The board of directors is responsible for the preparation and presentation of the Interim Financial Information in accordance with IAS 34 Interim financial reporting as adopted by the European Union. Our responsibility is to issue a report on the Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" (ISRE 2410). A review on interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. As such our review does not provide the assurance that we will identify all significant matters that we might have discovered during an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached Interim Financial Information as of 31 March 2019 has not been prepared, in all material respects in accordance with IAS 34 Interim Financial reporting as adopted by the European Union.

Ghent, 24 June 2019

Statutory auditor
PwC Bedrijfsrevisoren cvba / Réviseurs d'Entreprises scrl
Represented by

Filip Lozie
Partner

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Unaudited condensed consolidated interim balance sheet as at 31 March 2019

Unaudited condensed consolidated interim balance sheet

In EUR assets	31 March 2019	1 January 2019*
Non-current assets		
Property, plant and equipment	**19.597.416**	18.606.654
Right of use asset	**72.404.389**	73.206.537
Intangible assets	**202.358.238**	208.302.763
Goodwill	**845.237.670**	844.165.782
Deferred income tax assets	**2.679.807**	2.813.067
Investments accounted for using the equity method and associates	**1.929.597**	1.182.759
Other non-current assets	**3.782.318**	3.200.067
Total non-current assets	**1.147.989.435**	1.151.477.629
Current assets		
Trade receivables	**247.688.750**	234.195.371
Inventory		0
Current income tax receivables	**2.404.156**	2.468.196
Other receivables	**33.571.267**	28.941.451
Other assets	**3.750.380**	1.354.924
Cash and cash equivalents	**105.466.400**	115.122.343
Total current assets	**392.880.953**	382.082.285
Total assets	**1.540.870.389**	1.533.559.914

The attached notes are an integral part of these interim financial statements.

In EUR equity and liabilities	31 March 2019	1 January 2019*
Equity		
Share capital and share premium	**568.577.995**	543.727.164
Other reserves	**−129.603.816**	−125.322.138
Retained earnings	**94.320.808**	84.751.863
Capital and reserves attributable to owners of the company	**533.294.987**	503.156.889
Non-controlling interests	**5.677.501**	23.638.729
Total equity	**538.972.488**	526.795.618
Liabilities		
Non-current liabilities		
Borrowings	**568.695.287**	569.447.207
Deferred income tax liabilities	**51.082.177**	53.251.657
Employee benefit obligations	**2.646.169**	2.389.750
Provisions for other liabilities and charges	**881.062**	257.062
Other non-current liabilities	**46.801.791**	48.276.479
Total non-current liabilities	**670.106.486**	673.622.155
Current liabilities		
Trade and other payables	**32.801.350**	47.517.710
Income tax liabilities	**40.647.087**	54.645.566
Borrowings	**22.928.721**	22.554.977
Employee benefit obligations	**152.102.682**	129.156.257
Provisions for other liabilities and charges	**0**	750.057
Other current liabilities	**83.311.575**	78.517.574
Total current liabilities	**331.791.415**	333.142.141
Total liabilities	**1.001.897.901**	1.006.764.296
Total equity and liabilities	**1.540.870.389**	1.533.559.914

*: The balance sheet as per 1 January 2019 has been restated as compared to balance sheet as of 31 December 2018 as a result of the impact of IFRS 16. Refer to Note 3 for more information.

The attached notes are an integral part of these interim financial statements.

Unaudited condensed consolidated interim income statement for the three months ended 31 March 2019

In EUR	31 March 2019	31 March 2018
Revenue	**416.873.222**	360.557.986
Cost of services	**−305.588.104**	−269.927.117
Gross profit/(loss)	**111.285.117**	90.630.869
Selling expenses	**−56.387.450**	−42.464.143
Impairment of goodwill	**0**	0
Other general and administrative expenses	**−27.790.574**	−22.189.159
Total operating expenses	**−84.178.025**	−64.653.302
Other gains/(losses)—net	**1.046.894**	14.771.825
Operating profit/(loss)	**28.153.987**	40.749.393
Finance income	**22.648**	371.776
Finance expenses	**−8.354.288**	−7.945.315
Net finance income/(costs)	**−8.331.640**	−7.573.539
Share in profit/(loss) of equity accounted investments	**0**	131.823
Profit /(loss) before taxes	**19.822.346**	33.307.677
Income tax expenses	**−8.514.535**	−8.460.562
Net profit/(loss) of the period	**11.307.811**	24.847.115
Profit/(loss) attributable to:		
Owners of the entity holding ordinary shares	**10.825.693**	20.687.372
Non-controlling interests	**482.118**	4.159.745

The attached notes are an integral part of these interim financial statements.

Unaudited condensed consolidated interim statement of comprehensive income for the three months ended 31 March 2019

In EUR	31 March 2019	31 March 2018
Profit /(loss) of the period	**11.307.811**	24.847.115
Other comprehensive income:		
Items that subsequently may be reclassified to profit or loss, net of deferred income taxes		
Total other comprehensive income, net of taxes	**0**	0
Total comprehensive income for the period	**11.307.811**	24.847.115
Total comprehensive income/ (loss) for the period is attributable to:		
Owners of the entity holding ordinary shares	**10.825.693**	20.687.372
Non-controlling interests	**482.118**	4.159.745

The attached notes are an integral part of these interim financial statements.

Unaudited condensed consolidated interim statement of changes in equity for the three months ended 31 March 2019

	Consolidated statement of changes in equity						
	Attributable to owners of the company						
In EUR	Share capital and share premium	Value of conversion rights-convertible notes	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2018	**373.550.154**	**0**	**−7.301.676**	**318.455**	**366.566.933**	**74.863.003**	**441.429.936**
Net profit/(loss) of the period	0	0	0	20.931.723	**20.931.723**	3.915.393	**24.847.116**
Total comprehensive income	**0**	**0**	**0**	**20.931.723**	**20.931.723**	**3.915.393**	**24.847.116**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	−4.655.588	0	−58.949	9.537.142	**4.822.605**	0	**4.822.605**
Non-controlling interests on acquisition of subsidiary	0	0	0	0	**0**	117.353	**117.353**
Transactions with non-controlling interests	0	0	−3.632.358	0	**−3.632.358**	3.877.374	**245.015**
Dividends provided for or paid	0	0	0	−139.567	**−139.567**	−587.632	**−727.199**
Other movements	0	0	0	−344	**−344**	−31.412	**−31.756**
Total transactions with owners	**−4.655.588**	**0**	**−3.691.307**	**9.397.231**	**1.050.336**	**3.375.682**	**4.426.018**
					0	0	**0**
Balance at 31 March 2018	**368.894.566**	**0**	**−10.992.983**	**30.647.410**	**388.548.992**	**82.154.078**	**470.703.070**
Balance at 1 January 2019	**543.727.164**	**0**	**−125.322.138**	**84.751.863**	**503.156.889**	**23.638.729**	**526.795.618**
Impact of IFRS 16	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Restated balance at 1 January 2019	**543.727.164**	**0**	**−125.322.138**	**84.751.863**	**503.156.889**	**23.638.729**	**526.795.618**
Net profit/(loss) of the period	0	0	0	10.825.693	**10.825.693**	482.118	**11.307.811**
Total comprehensive income	**0**	**0**	**0**	**10.825.693**	**10.825.693**	**482.118**	**11.307.811**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	24.850.831	0	0		**24.850.831**	0	**24.850.831**
Transactions with non-controlling interests	0	0	−5.056.678	0	**−5.056.678**	−18.455.755	**−23.512.433**
Dividends provided for or paid	0	0	0	−901.612	**−901.612**	0	**−901.612**
Employee share schemes—value of employee services	0	0	775.000		**775.000**	0	**775.000**
Other movements				−355.136	**−355.136**	12.409	**−342.727**
Total transactions with owners	**24.850.831**	**0**	**−4.281.678**	**−1.256.748**	**19.312.405**	**−18.443.346**	**869.059**
					0	0	**0**
Balance at 31 March 2019	**568.577.995**	**0**	**−129.603.816**	**94.320.808**	**533.294.987**	**5.677.501**	**538.972.488**

The attached notes are an integral part of these interim financial statements.

Unaudited condensed consolidated interim statement of cash flows for the three months ended 31 March 2019

Consolidated statement of cash flows

in EUR	31 March 2019	31 March 2018
Profit/(loss) of the period	**11.307.811**	24.847.115
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	**9.167.929**	1.660.249
Amortisation and impairment of intangible assets	**7.905.491**	4.925.990
Share in profit/loss of equity accounted investments	**—**	− 131.823
Finance income/cost	**8.331.640**	7.573.539
Increase/decrease in employee benefit provisions (share-based payments)	**775.000**	
Corporate income taxes	**8.514.535**	8.460.563
Gain/loss on acquisitions of additional shares in TEC	**—**	− 14.319.833
Cash flow from operations before working capital and income taxes	**46.002.407**	33.015.799
Change in Working Capital	**− 16.367.228**	− 30.066.000
CIT	**− 22.397.645**	− 12.323.213
Net cash flow from operating activities	**7.237.534**	− 9.373.415
Purchases of property, plant and equipment	**− 3.224.597**	− 2.059.874
Proceeds from property, plant and equipment	**472.068**	277.413
Purchases of intangible assets	**− 2.663.436**	− 1.439.201
Proceeds from intangible assets	**242.421**	− 46.225
Acquisition of subsidiaries, net of cash acquired	**− 16.634**	− 20.209.946
Loans provided to related parties	**− 500.000**	—
Interest paid/received from/to related parties	**—**	3.000.000
Net cash flow from investing activities	**− 5.690.178**	− 20.477.835
Interest paid/received (external; including refinancing expenses)	**− 7.760.783**	− 5.983.127
Additional shares purchased/sold from/to minority shareholders	**− 3.105.002**	− 1.631.527
Proceeds from borrowings	**—**	131.373.186
Other increase/decrease in debts	**92.037**	—
Other increase/decrease in receivables	**222.062**	—
Issuance of new shares	**250.000**	—
Dividend	**− 901.612**	—
Net cash flow from financing activities	**− 11.203.297**	123.758.532
Net cash flow	**− 9.655.941**	93.907.283
Cash and cash equivalents at the start of the period	**115.122.343**	92.849.590
Cash and cash equivalents at the end of the period	**105.466.400**	186.756.873

The attached notes are an integral part of these interim financial statements.

Notes to the unaudited condensed consolidated interim financial statements for the three months ended 31 March 2019 General information

House of HR NV ("HOHR" or "The Group")—formally known as The House of His Royal majesty the customer II NV—is a limited liability company incorporated and domiciled in Belgium. HOHR consists of House of HR NV and its subsidiaries. The registered office of the entity is Beversesteenweg 576, 8800 Roeselare.

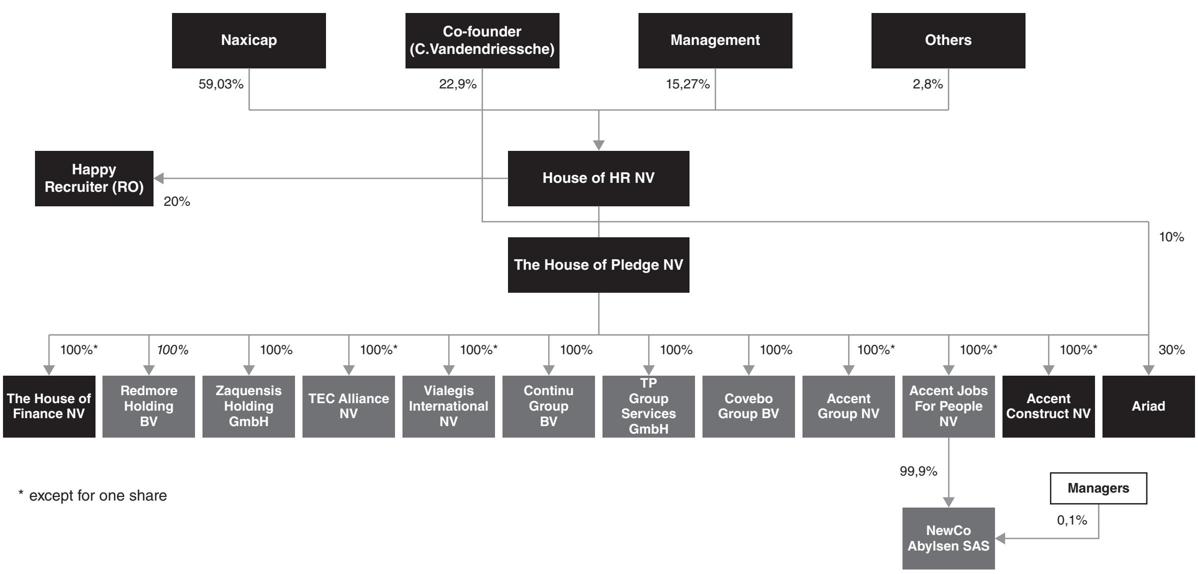
HOHR, together with its subsidiaries, has its roots in the Belgian Accent Group, founded in 1995 by Ms. Conny Vandendriessche and Mr. Philip Cracco. Naxicap Partners Limited made its initial investment in 2012 and became the majority shareholder in 2014 following the acquisition of Mr. Philip Cracco's shares.

HOHR is a leading HR service provider focusing on three specific types of staffing:

- **General staffing:** General temporary agencies delivering candidates to clients in a fast and flexible way, whenever they are shorthanded.
- **Specialized staffing:** Specialized staffing companies in certain sectors including construction, retail, finance and many other sectors.
- **Engineering & consulting:** Highly skilled professionals are recruited to work in fast evolving sectors like energy, pharmaceuticals, technology etc. The Group also assists clients with the search and selection of the right candidate, interim management or secondment.

The Group currently has a network of over 500 offices in Europe, and is active in Belgium, Germany, the Netherlands, France and Switzerland, but also present in Spain, Portugal, Romania, Luxembourg and Poland. It now employs almost 2.900 people and is providing jobs to 45.000 people each day via its brands:

The Group's structure as per 31 March 2019 is as follows:



The unaudited condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint arrangements.

The unaudited interim condensed consolidated financial statements of the Group for the three months ended as per 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 24 June 2019.

1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the three months ending as per 31 March 2019, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2018 (Annual Report 2018).

2 New standards, interpretations and amendments adopted by the Group

The accounting policies applied in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, the following standards. As required by IAS 34, the nature and effect of these changes are disclosed below.

- **IFRS 16 Leases**

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

a. Nature of the effect of adoption of IFRS 16

- *Leases where the Group is acting as a lessee under contracts that were previously classified as operating lease contracts*

  The Group's main leased items consist of company cars, regional headquarters, branches and parking places as well as housing accommodation for some of its temporary staff. The Group also leases printing and IT equipment which are classified as low value assets and thus exempted.

  The Group adopted IFRS 16 on 1 January 2019, in accordance with the transitional provisions of IFRS 16, using the modified retrospective approach. Therefore, the Group has chosen to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to these leases recognized in the balance sheet immediately before the date of initial application. Consequently, the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance of retained earnings as at 1 January 2019.

These liabilities were measured at the present value of the remaining lease payments and discounted using the incremental borrowing rate as of 1 January 2019. The incremental borrowing rates applied to the lease liabilities on 1 January 2019 are as follow:

EUR %, at 1/1/2019	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years
Buildings	2.5%	2.4%	2.4%	2.6%
Cars (Vans and company cars)	1.3%	1.4%	1.4%	n.a.
IT Equipment	1.3%	1.4%	1.4%	n.a.

The Group has applied the following practical expedients, as permitted by IFRS 16, on the transition date:

- Reliance on the previous definition of a lease (as provided by IAS 17) for all contracts that existed on the date of initial application;
- The use of a single discount rate to a portfolio of leases with reasonably similar
- characteristics;
- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review;
- The accounting for operating leases with a remaining lease term of less than 12 months as at short-term leases
- *Leases where the group is acting as a sublessor*

The Group also acts as a sublessor of housing accommodation. These contracts however are exempted for qualification as a finance lease under IFRS 16 considering that these relate to short-term contracts (< 12 months).

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

- *Other lease contracts*

The remaining Group's activities as a lessor are not material and hence the Group did not identify any significant impact on the financial statements.

b. Impact of IFRS 16 on the Groups' financial statements as per 1 January 2019 and 31 March 2019

The effect of adoption IFRS 16 is as follows:

Impact on the unaudited condensed consolidated interim balance sheet as per 1 January 2019:

	1 January 2019			
	Buildings	Company cars	Equipment	Total
Right-of use assets	47.357.383	19.204.735	0	66.562.118
Lease liability—current	−34.284.513	−9.719.944	0	−44.004.457
Lease liability—non current	−13.072.870	−9.484.791	0	−22.557.661
Effect on total assets	**0**	**0**	**0**	**0**

The contracts that were classified as a finance lease under IAS 17 account for a total debt of EUR 6.6 million, leading to a total right-of-use asset of EUR 73.2 million.

Impact on the unaudited condensed consolidated interim income statement for the three months ended 31 March 2019:

	31 March 2019			
Income statement	**Buildings**	**Company cars**	**Equipment**	**Total**
Depreciation expense (included in cost of services)	−3.529.682	−1.597.324		−5.127.007
Depreciation expense (included in selling expenses)	−654.386	−1.315.907		−1.970.293
Rent expense (included in other general and administrative expenses)	4.283.137	2.934.594		7.217.731
Operating profit	**99.069**	**21.363**	**—**	**120.432**
Finance costs	−278.880	−63.808		−342.689
Income tax expense	43.644	18.870		62.514
Profit for the period	**−136.167**	**−23.575**	**—**	**−159.743**

c. Change in accounting policies with effect from 1 January 2019 as a result of the adoption of IFRS 16:

The Group will present the right-of-use assets as a separate financial statements line item on the balance sheet. Lease liabilities are presented as part of the other non-current and current liabilities. Both the right-of-use assets and lease liabilities also include the leases recorded under IAS17.

- *Right-of-use assets*

  The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

  Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- *Lease liabilities*

  At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below EUR 5 thousand). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

d. Significant judgement in determining the lease term of contracts with renewal options:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms between 3 and 9 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of its buildings due to the significance of these assets to its operations when it is reasonable certain that these renewal options will be exercised by the Group. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and hence not exercising any renewal options.

- **Other new standards**

The following other standards, amendments to standards and interpretations are applicable for the annual period beginning on 1 January 2019:

- IFRIC Interpretation 23: Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Annual Improvements 2015-2017 Cycle
- IAS 12 Income Tax
- IAS 23 Borrowing Costs

None of these standards, amendments to standards and interpretations did have any impact on these unaudited condensed consolidated interim financial statements.

The Group did not early adopt any other standard, interpretation, or amendment that has been issued but is not yet effective.

3 Management judgements and estimates

Preparing interim financial statements in compliance with IFRS requires management to make judgements and estimates and to use assumptions that may significantly influence the reported amounts of assets and liabilities, the notes on contingent assets and liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates. We refer to our annual report 2018.

4 Seasonality

The Group's revenue is subject to seasonal fluctuations in many of the markets where they operate. The Group has in the past experienced, and expect in the future to experience fluctuations in the results of operations due to seasonal demand in their current markets. Seasonality means that the Group's results vary from quarter to quarter, and therefore the results of one quarter may not be indicative of results for the full year. Seasonality varies depending on a number of different factors, including the business units, the three operating segments, the underlying industry sector served, including delays in the construction industry due to weather or otherwise, the nature of any seasonal work during a specific period, such as the weeks before Christmas and Easter, as well as around harvest time in the food production sector or around holiday periods, including Christmas holidays and summer holidays. Historically, revenue fluctuates, with higher levels of revenue typically being received in the second half of the year just after summer holidays with an additional decrease in December due to Christmas holidays. Due to this seasonality effect, the Group does not expect their Interim Consolidated Financial Statements to be reflective of the results they anticipate for the year ended December 31, 2019.

5 Segment reporting

For management purposes the Group is organised in three operating segments based on the activity of the Group. Management assesses segment performance based on the type of activity. HOHR is a leading HR service provider deriving its revenues and profits from the following three specific types of staffing:

- **General staffing:** General temporary agencies delivering candidates to clients in a fast and flexible way, whenever they are shorthanded.
- **Specialized staffing:** Specialized staffing companies in certain sectors including construction, retail, finance and many other sectors
- **Engineering & consulting:** Highly skilled professionals are recruited to work in fast evolving sectors like energy, pharmaceuticals, technology etc. The Group also assists clients with the search and selection of the right candidate, interim management or secondment.

Corporate management is responsible for managing performance, underlying risks, and effectiveness of operations.

The table below shows the segment information provided to the strategic steering committee for the reportable segments for the first three months ended 31 March 2019 and 31 March 2018 and also the basis on which revenue is recognised:

Segment reporting—income statement for the three months ended as at 31 March 2019

In EUR	General staffing	Specialized staffing	Engineering & consulting	Corporate	Group eliminations and other	Sum total
Revenue from external customers—recognised over time	79.249.429	192.940.508	139.930.375	0	0	**412.120.312**
Revenue from external customers—recognised at point in time	0	0	4.752.909	0	0	**4.752.909**
Revenue from transaction with other operating segments in the group	26.078	842.128	125.346	0	− 993.552	**0**
Cost of services	− 63.812.232	− 146.331.190	− 96.355.308	0	910.625	**− 305.588.105**
Gross profit/(loss)	**15.463.275**	**47.451.446**	**48.453.323**		**− 82.927**	**111.285.117**
Selling expenses	− 10.449.455	− 23.579.576	− 21.363.306	0	− 995.112	**− 56.387.450**
Impairment of goodwill	0	0	0	0	0	**0**
Other general and administrative expenses	− 5.013.324	− 10.807.285	− 10.090.503	− 1.770.031	− 109.431	**− 27.790.575**
Total operating expenses	**− 15.462.780**	**− 34.386.862**	**− 31.453.809**	**− 1.770.031**	**− 1.104.544**	**− 84.178.025**
Other gains/(losses)—net	56.729	908.162	99.064	1.928.881	− 1.945.939	**1.046.896**
Operating profit/(loss)	**57.224**	**13.972.746**	**17.098.577**	**158.850**	**− 3.133.410**	**28.153.987**
Finance income	463	− 101	24.855	6.588.957	− 6.591.526	**22.648**
Finance expenses	− 1.365.078	− 3.355.528	− 2.953.310	− 7.273.400	6.593.029	**− 8.354.288**
Net finance income/(costs)	**− 1.364.616**	**− 3.355.629**	**− 2.928.455**	**− 684.444**	**1.503**	**− 8.331.640**
Share in profit/(loss) of equity accounted investments						**0**
Profit /(loss) before taxes	**− 1.307.392**	**10.617.118**	**14.170.122**	**− 525.594**	**− 3.131.908**	**19.822.346**
Income tax expenses	− 64.405	− 3.568.000	− 4.824.028	− 377.909	319.807	**− 8.514.535**
Net profit/(loss) of the period	**− 1.371.797**	**7.049.117**	**9.346.094**	**− 903.503**	**− 2.812.100**	**11.307.811**

Segment reporting—balance sheet as at 31 March 2019

In EUR	General staffing	Specialized staffing	Engineering & consulting	Corporate	Group eliminations and other	Sum total
Total segment assets	303.878.173	532.356.101	739.705.788	1.356.585.021	− 1.391.654.694	**1.540.870.389**
Total segment liabilities	303.878.173	532.356.101	739.705.788	1.356.585.021	− 1.391.654.694	**1.540.870.389**
Amount of investments in associates and joint ventures accounted for by the equity method	0	700.000	1.229.597		0	**1.929.597**

Segment reporting—income statement for the three months ended as at 31 March 2018

In EUR	General staffing	Specialized staffing	Engineering & consulting	Corporate	Group eliminations and other*	Sum total
Revenue from external customers—recognised over time	74.159.334	168.822.109	114.581.963	0	0	**357.563.406**
Revenue from external customers—recognised at point in time	0	0	2.994.580	0	0	**2.994.580**
Revenue from transaction with other operating segments in the group	0	938.841	122.812	0	−1.061.654	**0**
Cost of services	−60.149.653	−130.908.758	−79.654.961	0	786.254	**−269.927.118**
Gross profit/(loss)	**14.009.682**	**38.852.192**	**38.044.394**		**−275.400**	**90.630.869**
Selling expenses	−7.879.316	−19.817.979	−14.270.781	0	−496.067	**−42.464.143**
Impairment of goodwill	0	0	0	0	0	**0**
Other general and administrative expenses	−3.263.552	−8.990.418	−7.263.554	−2.858.157	186.523	**−22.189.159**
Total operating expenses	**−11.142.868**	**−28.808.397**	**−21.534.336**	**−2.858.157**	**−309.544**	**−64.653.302**
Other gains/(losses)—net	−25.680	551.342	59.382	0	14.186.782	**14.771.826**
Operating profit/(loss)	**2.841.134**	**10.595.137**	**16.569.440**	**−2.858.157**	**13.601.839**	**40.749.393**
Finance income	840	276.087	20.275	3.869.514	−3.794.940	**371.776**
Finance expenses	−882.721	−1.504.926	−2.233.508	−7.154.732	3.830.570	**−7.945.315**
Net finance income/(costs)	**−881.881**	**−1.228.838**	**−2.213.233**	**−3.285.218**	**35.631**	**−7.573.539**
Share in profit/(loss) of equity accounted investments	0	131.823	0	0	0	**131.823**
Profit /(loss) before taxes	**1.959.253**	**9.498.122**	**14.356.208**	**−6.143.375**	**13.637.470**	**33.307.677**
Income tax expenses	−1.249.047	−2.938.957	−4.410.332	−47.321	185.095	**−8.460.562**
Net profit/(loss) of the period	**710.206**	**6.559.164**	**9.945.875**	**−6.190.696**	**13.822.565**	**24.847.115**

Segment reporting—balance sheet as at 31 December 2018

In EUR	General staffing	Specialized staffing	Engineering & consulting	Corporate	Group eliminations and other	Sum total
Total segment assets	234.096.801	516.584.106	728.596.992	1.347.957.080	−1.293.675.066	**1.533.559.914**
Total segment liabilities	−234.096.801	−516.584.106	−728.596.992	−1.347.957.080	1.293.675.066	**−1.533.559.914**
Amount of investments in associates and joint ventures accounted for by the equity method	0	0	1.182.759		0	**1.182.759**

* Refer to section 9 for more information.

Segment assets and segment sales are presented before elimination of intersegment transactions. Sales between segments are on an arm's length basis in a manner similar to transactions with third parties.

There are no differences in the basis of the segmentation or in the basis of the measurement of segment profit and loss since the year-end 2018 financial statements.

Revenue of the Group consists of the fair value of the consideration received or receivable for the services rendered during the year to third parties. The Group mainly derives revenue from the transfer of services over time and at a point in time in the following geographical regions and lines of services:

In EUR	**31 March 2019**	31 March 2018
Revenue per geographical region		
Belgium	**164.755.017**	151.219.331
The Netherlands	**125.479.656**	96.357.333
Germany	**96.632.318**	87.118.707
France	**27.070.289**	24.722.867
Other	**2.935.944**	1.139.749
Total amount of revenue	**416.873.222**	360.557.986

The group has no customers that represent more than 10% of the overall turnover.

7 Property, plant and equipment

Property, plant & equipment increased by EUR 2.0 million during the first three months of the accounting period.

This fluctuation mainly relates to additional investments in office furniture and hardware equipment, partially compensated by the depreciation recorded.

8 Intangible assets

Intangible assets decreases by EUR 5.9 million during the first three months of the accounting period. This fluctuation results mainly from the depreciation charges recorded on the brand names and customer relationships (EUR 6.9 million).

9 Other gains and losses

As from 1 January 2018, full control was acquired over the TEC Group. HOHR has remeasured the previously held interest at fair value and has recognized a gain in profit for an amount of EUR 14.3 million.

10 Changes in the composition of the Group

10.1 Business combinations

10.1.1 Acquisitions in the current year

The group did not acquire any subsidiaries during the first three months of 2019.

10.1.2 Acquisitions in the prior year

During the first 3 months of 2018, the Group acquired control over the TEC Alliance Group (1 January 2018), a group mainly active in the engineering business, and Weiderer Personaldienste GmBh and Aartos Personaldienste GmBh (15 January 2018), mainly active in providing general staffing solutions to their customers.

Information on the consideration paid as well as the derivation of the goodwill can be found in the 2018 year-end financial statements of the Group.

10.2 Acquisitions of joint ventures and associates

The Group acquired 20% of the shares of the company Happy Recruiter SA, a company incorporated and existing under the laws of Romania, as per 8 March 2019. The consideration paid for the acquisition of 20% of the shares amounts to EUR 700 thousands.

10.3 Acquisition of non-controlling interest

All non-controlling interests held by former management in the Redmore and Vialegis Group were acquired by the Group as per 14 January 2019. These minority shareholders exchanged their non-controlling interests, together with any related shareholder loans (financial liabilities recognized in various sub-entities of the Group) for cash and new shares issued by the Group. Once the transaction was completed, the Group owned all equity instruments of both subsidiaries.

Changes in the non-controlling interests in the Group's ownership interest after control is obtained, that do not result in a change in control of the subsidiary, have been accounted for within equity. Therefore, no gain or loss in the income statement on selling the subsidiary's shares has been recognized. Neither any additional goodwill has been reflected when acquiring additional shares. Instead, the carrying amount of the non-controlling interest has been adjusted to reflect the change in the ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the Group's equity holders.

The consideration paid for acquiring these non-controlling interests amounted to EUR 23.5 million. The carrying amount of these non-controlling interests prior to these acquisitions amounted to EUR 18.5 million.

EUR 22,1 million of these non-controlling interests were bought in exchange for shares of HOHR, EUR 1,4 million has been paid in cash. Next to that, EUR 2.5 million shareholder loans have been contributed in exchange for equity.

11 Income tax expense

The major components of income tax expense for the three months ended as per 31 March 2019 are:

	31 March 2019	31 March 2018
Current tax:		
Current tax on profits for the year	**−10.670.313**	−9.406.751
Adjustments in respect of prior years	**−25.255**	53.165
Total current tax	**−10.695.568**	−9.353.586
Deferred tax		
Decrease/(increase) in deferred tax asset	**369.324**	300.685
(Decrease)/increase in deferred tax liabilities	**1.811.709**	592.339
Impact of change in the income tax rate	**—**	—
Total deferred income tax	**2.181.033**	893.024
Income tax expense	**−8.514.535**	−8.460.562
Income tax expense is attributable to :		
Profit from continuing operations	**−8.514.536**	−8.460.562
Profit from discontinuing operation	**—**	—
Income tax expense	**−8.514.536**	−8.460.562

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

The estimated average annual tax rate used for the year 2019 is 42.95%, compared to 25.40% for the three months ended 31 March 2018. The tax rate in 2018 was significantly lower due to a one-off non-taxable plus value on the shares of TEC of EUR 14.3 million.

12 Financial assets and financial liabilities

Set out below, is an overview of financial asset and financial liabilities held by the Group as at 31 March 2019 and 31 December 2018:

Financial assets

	Financial assets at fair value through OCI (FVOCI)	Financial assets at fair value through P&L (FVPL)	Financial assets at amortised cost	Total
Financial assets				
31 March 2019				
Trade receivables	0	0	247.688.750	**247.688.750**
Cash and cash equivalents	0	0	105.466.400	**105.466.400**
Other non-current assets	0	0	3.782.318	**3.782.318**
Other receivables	0	0	33.571.267	**33.571.267**
Total financial assets	**0**	**0**	**390.508.736**	**390.508.736**
31 December 2018				
Trade receivables	0	0	234.195.371	**234.195.371**
Cash and cash equivalents	0	0	115.122.343	**115.122.343**
Other non-current assets	0	0	3.200.067	**3.200.067**
Other receivables	0	0	28.941.451	**28.941.451**
Total financial assets	**0**	**0**	**381.459.232**	**381.459.232**

Financial liabilities

	Financial liabilities at fair value through profit and loss (FVPL)	Financial liabilities at amortised cost	Total
Financial liabilities			
31 March 2019			
Trade and other payables	0	32.801.350	32.801.350
Bank borrowings	0	584.392.651	584.392.651
Vendor loans	0	5.642.000	5.642.000
Shareholder's loans	0	1.589.357	1.589.357
Other borrowings—financial leases	0	72.403.017	72.403.017
Total financial liabilities	**0**	**696.828.376**	**696.828.376**
31 December 2018			
Trade and other payables	0	47.517.710	**47.517.710**
Bank borrowings	0	583.555.301	**583.555.301**
Vendor loans	0	5.642.000	**5.642.000**
Shareholder's loans	0	2.804.883	**2.804.883**
Other borrowings—financial leases	0	73.206.537	**73.206.537**
Total financial liabilities	**0**	**712.726.431**	**712.726.431**

Shareholder's loans

Shareholder's loans relate to long term loans provided in 2018 to Vialegis Group. During the first three months of 2019, EUR 1.2 million of these shareholder's loans have been incorporated in HOHR as a capital increase against shares of HOHR.

Vendor loans

Vendor loans relate to a vendor loan of 5 million EUR that was provided by minority shareholders of Continu in 2015 and is measured at amortized cost and an additional vendor loan of 3.5 million EUR that was provided in 2018 by the shareholders of Covebo. No movements during the first three months of 2019.

Bank borrowings

The bank borrowings relate to the Senior Facility Agreement (SFA) at corporate level.

Other borrowings—financial lease

The other borrowings financial leases are mainly related to the implementation of IFRS 16. We refer to note 2.

The Group did not had any loan default or breach of any loan agreements during the first three months of 2019.

13 Fair value estimation

The majority of financial assets and liabilities are classified as assets/liabilities at amortized cost, except for derivatives which are measured at the fair value through profit or loss. The Group does not hold material financial instruments at fair value.

The following tables present the Group's assets and liabilities that are measured or disclosed at fair value at 31 March 2019 and 31 December 2018:

	Fair value			Carrying
31 March 2019	**Level 1**	**Level 2**	**Level 3**	**amount**
Assets measured at fair value				
Derivative financial instruments	0	0	0	0
Assets for which fair values are disclosed				
Trade and other receivables	0	0	247.688.750	247.688.750
Cash and cash equivalents	0	0	105.466.400	105.466.400
Other non-current assets	0	0	3.782.318	3.782.318
Other receivables	0	0	33.571.267	33.571.267
Liabilities measured at fair value				
Derivative financial instruments	0	0	0	0
Liabilities for which fair values are disclosed				
Trade and other payables	0	0	32.801.350	32.801.350
Bank borrowings	0	0	600.000.000	584.392.651
Vendor loans	0	0	5.642.000	5.642.000
Shareholder's loans	0	0	1.589.357	1.589.357
Other borrowings—financial leases	0	0	72.403.017	72.403.017

31 December 2018	Fair value Level 1	Level 2	Level 3	Carrying amount
Assets measured at fair value				
Derivative financial instruments	0	0	0	**0**
Assets for which fair values are disclosed				
Trade and other receivables	0	0	234.195.371	**234.195.371**
Cash and cash equivalents	0	0	115.122.343	**115.122.343**
Other non-current assets	0	0	3.200.067	**3.200.067**
Other receivables	0	0	28.941.451	**28.941.451**
Liabilities measured at fair value				
Derivative financial instruments	0	0	0	**0**
Liabilities for which fair values are disclosed				
Trade and other payables	0	0	47.517.710	**47.517.710**
Bank borrowings	0	0	600.000.000	**583.555.301**
Vendor loans	0	0	5.642.000	**5.642.000**
Shareholder's loans	0	0	2.804.883	**2.804.883**
Other borrowings—financial leases	0	0	73.206.537	**73.206.537**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The biggest difference in the table below is for the bank loans and it is due to paid transactions costs that are reflected in the net book value, under the amortized cost method.

14 Equity

The authorized share capital and share premium of the Group as per 31 March 2019 amounts to EUR 568,6 million and consists of 497.562.784 shares.

The following changes in the Groups equity structure were noted during the first three months of 2019:

Details	Total Shares	Par value
Opening balance 1 January 2019	—	—
—Contribution in cash	114.976	2,17
—Roll-over Redmore & Vialegis	17.629.377	1,40
Balance 31 March 2019	**17.744.353**	

For more details relating to the roll-over, refer to note 10.3.

15 Share-base payments

The Group launched a share-based payment plan throughout 2018 offering the management team to participate in the long-term incentive plan. The purpose of the plan is to create an incentive for members of management and executives of the Group who can make an important contribution to the success and the growth of the Group, to help the Group retaining and attracting managers with the necessary experience and skills, and to align the interests of those managers with the grantors' interests as shareholders of the Company and give them the opportunity to share in the value creation and growth of the Group.

The share options are granted free of charge at the grant date, i.e. 28 August 2018. The exercise price of the options is equal to the current fair market value of the shares (EUR 2.17). The term of the options runs from the grant date until 28 June 2023 for Belgian tax residents (5 years maximum vesting period).

For other beneficiaries, the term of validity is maximum 10 years.

The plan is settled in the ordinary shares of the Group.

Throughout the first quarter of 2019, Group management reassessed the vesting period and concluded that a remaining vesting period of 4.5 years is reasonable. An amount of EUR 0.7 million was recognised during the first three months of 2019 in the income statement with a corresponding increase in equity.

16 Finance result

Finance income mainly includes interest income on short-term bank deposits.

Finance expenses mainly include the interest on borrowings from banks and the amortization of the refinancing costs.

16 Dividend

The Group paid a dividend of 910 KEUR towards the previous shareholders of Redmore, as part of the roll-over.

17 Contingencies

There are no material changes in the contingent liabilities and contingent assets since the latest published financial statements as per 31 December 2018.

18 Commitments

The Group does not have material commitments for the purchase of property, plant and equipment as per 31 March 2019.

19 Related parties

During the first three months of 2019 there are two significant changes in related parties compared to the previous reporting period.

All non-controlling interests held by former management in the Redmore and Vialegis Group were acquired by the Group as per 14 January 2019. We refer to note 10.3.

A new CFO was appointed for the Continu group as from 14 January 2019, who is now part of the management team.

20 Events after the reporting date

The Group, via its subsidiary Abylsen, acquired 76.67% of the shares of the Pharmacos Group as per 2 April 2019. Pharmacos is specialized in the pharma and bio-engineering industry. The consideration for acquiring 76.67% of the Pharmacos Group amounts to EUR 3.85 million.

The Group, via its subsidiary Abylsen, also acquired 100% of the shares of the Mykelson Group as per 3 April 2019. Mykelson is a active in the project consulting business. The consideration for acquiring 100% of the Mykelson Group amounts to EUR 3.39 million.

TEC projects NV, a fully owned entity by Accent Jobs for People acquired as per 14 May 2019 100% of the business of Zites BVBA, a company who is active as an independent provider in the provision of acquisition, engineering, development and construction services for telecommunications and other infrastructure networks for a total consideration of EUR 1.5 million.

Consolidated financial statements for the year ended 31 December 2018

HOUSE OF HR NV

Statutory auditor's report to the general shareholders' meeting
on the consolidated accounts for the year ended 31 December 2018

5 June 2019

Statutory auditor's report to the general shareholders' meeting of the company House of HR NV on the consolidated accounts for the year ended 31 December 2018

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of House of HR NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 4 December 2015, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2018. We have performed the statutory audit of the consolidated accounts of House of HR NV for 3 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position (consolidated balance sheet) total of EUR'000 1.466.998 and a profit for the year of EUR'000 80.083.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing (ISAs) as approved by the IAASB for the years ending as from 31 December 2018, which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PwC Bedrijfsrevisoren cvba - PwC Reviseurs d'Entreprises scrl - Financial Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
Vestigingseenheid/Unité d'établissement: Sluisweg 1 bus 8, B-9000 Gent
T: +32 (0)9 268 82 11, F: +32 (0)9 268 82 99, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

Responsibilities of the board of directors for the preparation of consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, 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 opinion. 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, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of 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 our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors 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.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (Revised in 2018) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this report is consistent with the consolidated accounts for the year under audit, and it is prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 134 of the Companies' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Ghent, 5 June 2019

The Statutory Auditor
PwC Bedrijfsrevisoren CVBA
Represented by

Filip Lozie
Réviseur d'Entreprises / Bedrijfsrevisor

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Consolidated balance sheet as at 31 December 2018

In EUR assets	Notes	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Non-current assets					
Property, plant and equipment	**9**	**25.251.073**	18.873.489	16.018.342	11.934.083
Intangible assets	**7**	**208.302.763**	133.944.101	67.125.930	10.490.137
Goodwill	**8**	**844.165.782**	706.264.043	560.374.762	476.431.767
Deferred income tax assets	**13**	**2.813.067**	219.691	1.085.764	1.405.728
Investments accounted for using the equity method and associates		**1.182.759**	34.185.256	32.027.235	1
	4.2				
Other non-current assets	**12**	**3.200.066**	2.670.034	1.371.633	904.587
Derivative financial assets	**11**	**0**	0	0	702.690
Loans to related parties	**12**	**0**	50.066.341	52.953.086	0
Total non-current assets		**1.084.915.511**	946.222.954	730.956.750	501.868.993
Current assets					
Trade receivables	**12**	**234.195.371**	215.178.082	152.857.499	107.104.323
Inventory		**0**	25.066	0	56.809
Current income tax receivables	**13**	**2.468.196**	1.236.610	26.995	181.473
Other receivables	**12**	**28.941.451**	25.433.190	15.976.077	6.232.676
Other assets	**12**	**1.354.924**	0	0	0
Derivative financial assets	**11**	**0**	0	32.820	0
Cash and cash equivalents	**14**	**115.122.343**	92.849.590	63.867.285	46.955.821
Total current assets		**382.082.285**	334.722.538	232.760.677	160.531.101
Total assets		**1.466.997.796**	1.280.945.492	963.717.427	662.400.094

Notes 1 to 35 are an integral part of these consolidated non-statutory financial statements.

In EUR equity and liabilities	Notes	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Equity					
Share capital and share premium	**15.1**	**543.727.164**	373.550.154	186.326.422	131.626.886
Value of conversion rights—convertible notes	**15.2**	**0**	0	4.756.632	0
Other reserves	**15.3**	**−125.322.138**	−7.301.676	371.808	0
Retained earnings	**15.4**	**84.751.863**	318.455	44.938.942	18.081.399
Capital and reserves attributable to owners of the company		**503.156.888**	366.566.934	236.393.804	149.708.285
Non-controlling interests	**4.4**	**23.638.729**	74.863.003	48.797.373	34.271.868
Total equity		**526.795.617**	441.429.936	285.191.177	183.980.153
Liabilities					
Non-current liabilities					
Borrowings	**16**	**569.447.207**	455.471.314	439.604.800	287.856.281
Deferred income tax liabilities	**13**	**53.251.657**	39.817.340	27.242.911	14.197.255
Employee benefit obligations	**18**	**2.389.750**	1.002.338	510.095	357.375
Provisions for other liabilities and charges	**17**	**257.062**	761.422	661.175	701.527
Derivative financial liabilities	**11**	**0**		0	0
Other non-current liabilities	**21**	**4.272.022**	6.674.298	17.070.970	12.934.574
Total non-current liabilities		**629.617.698**	503.726.712	485.089.951	316.047.011
Current liabilities					
Trade and other payables	**20**	**47.517.710**	24.955.513	19.627.996	12.488.264
Income tax liabilities	**13**	**54.645.566**	32.321.710	21.140.144	25.374.673
Borrowings	**16**	**22.554.977**	44.179.423	45.834.069	55.413.573
Employee benefit obligations	**18**	**129.156.257**	120.219.828	80.881.586	44.458.932
Provisions for other liabilities and charges	**17**	**750.057**	940.136	135.074	658.281
Other current liabilities	**21**	**55.959.913**	113.172.235	25.817.430	23.695.761
Derivative financial liabilities	**11**	**0**	0	0	283.445
Total current liabilities		**310.584.480**	335.788.845	193.436.299	162.372.929
Total liabilities		**940.202.178**	839.515.557	678.526.250	478.419.940
Total equity and liabilities		**1.466.997.796**	1.280.945.492	963.717.427	662.400.094

Notes 1 to 35 are an integral part of these consolidated non-statutory financial statements.

Consolidated income statement
for the period ended 31 December 2018

In EUR	Notes	**31 December 2018**	31 December 2017	31 December 2016
Revenue	**22**	**1.623.702.495**	1.116.632.117	744.550.417
Cost of services	**24**	**−1.210.028.778**	−840.923.279	−555.185.799
Gross profit/(loss)		**413.673.717**	275.708.838	189.364.618
Selling expenses	**25**	**−189.595.160**	−117.793.586	−73.376.210
Impairment of goodwill	**8**	**0**	0	0
Other general and administrative expenses	**26**	**−115.511.992**	−131.449.057	−57.471.742
Total operating expenses		**−305.107.152**	−249.242.643	−130.847.952
Other gains/(losses)—net	**23**	**34.869.024**	9.168.681	22.870.164
Operating profit/(loss)		**143.435.589**	35.634.876	81.386.831
Finance income	**29**	**996.185**	3.895.831	4.509.929
Finance expenses	**29**	**−32.719.348**	−29.856.066	−38.406.046
Net finance income/(costs)		**−31.723.163**	−25.960.235	−33.896.117
Share in profit/(loss) of equity accounted investments	**4.2**	**0**	1.919.376	−887.079
Profit /(loss) before taxes		**111.712.426**	11.594.017	46.603.635
Income tax expenses	**13**	**−31.629.279**	−46.292.025	−12.836.960
Net profit/(loss) of the period		**80.083.147**	−34.698.008	33.766.675
Profit/(loss) attributable to:				
Owners of the entity holding ordinary shares		**75.069.821**	−43.656.018	28.196.858
Non-controlling interests	**4.4**	**5.013.326**	8.958.010	5.569.817

Notes 1 to 35 are an integral part of these consolidated non-statutory financial statements.

Consolidated statement of comprehensive income for the period ended 31 December 2018

In EUR	Notes	31 December 2018	31 December 2017	31 December 2016
Profit /(loss) of the period		**80.083.147**	−34.698.008	33.766.675
Other comprehensive income:				
Items that subsequently may be reclassified to profit or loss, net of deferred income taxes				
Exchange differences on translation of foreign operations	**15.3**	**0**	−185.646	0
Total other comprehensive income, net of taxes		**0**	−185.646	0
Total comprehensive income for the period		**80.083.147**	−34.883.654	33.766.675
Total comprehensive income/ (loss) for the period is attributable to:				
Owners of the entity holding ordinary shares		**75.069.821**	−43.656.018	28.196.858
Non-controlling interests		**5.013.326**	8.958.010	5.569.817

Notes 1 to 35 are an integral part of these consolidated non-statutory financial statements.

Consolidated statement of changes in equity for the period ended 31 December 2018

Consolidated statement of changes in equity

In EUR	Notes	Attributable to owners of the company: Share capital and share premium	Value of conversion rights-convertible notes	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2016 (under Belgian GAAP)		**115.988.661**	**0**	**19.521.872**	**11.583.948**	**147.094.481**	**10.959.994**	**158.054.475**
Impact of changes in the consolidation perimeter		15.638.225	0	− 19.521.872	− 11.814.766	− 15.698.413	23.364.484	**7.666.071**
IFRS adjustments as per 1 January 2016		0	0	0	18.312.217	18.312.217	− 52.610	**18.259.607**
Balance at 1 January 2016		**131.626.886**	**0**	**0**	**18.081.399**	**149.708.285**	**34.271.868**	**183.980.153**
Net profit/(loss) of the period		0	0	0	28.196.858	28.196.858	5.569.817	**33.766.675**
Other comprehensive income of the period		0	0	0	0	0	0	**0**
Total comprehensive income for the period		**0**	**0**	**0**	**28.196.858**	**28.196.858**	**5.569.817**	**33.766.675**
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs and tax	**15.1**	54.699.536	0	0	0	54.699.536	0	**54.699.536**
Value of conversion rights on convertible notes	**15.2**	0	4.756.632	0	0	4.756.632	0	**4.756.632**
Dividends provided for or paid	**33**	0	0	0	− 1.339.315	− 1.339.315	0	**− 1.339.315**
Transactions with non-controlling interests	**15.3**	0	0	371.808	0	371.808	0	**371.808**
Non-controlling interest on acquisition of subsidiary	**15.3**	0	0	0	0	0	8.955.688	**8.955.688**
Transactions with owners in their capacity as owners:		**54.699.536**	**4.756.632**	**371.808**	**− 1.339.315**	**58.488.661**	**8.955.688**	**67.444.349**
Balance at 31 December 2016		**186.326.422**	**4.756.632**	**371.808**	**44.938.942**	**236.393.804**	**48.797.373**	**285.191.177**
Balance at 1 January 2017		**186.326.422**	**4.756.632**	**371.808**	**44.938.942**	**236.393.804**	**48.797.373**	**285.191.177**
Net profit/(loss) of the period		0	0	0	− 43.656.018	− 43.656.018	8.958.010	**− 34.698.008**
Other comprehensive income of the period		0	0	− 160.263	0	− 160.263	− 25.383	**− 185.646**
Total comprehensive income		**0**	**0**	**− 160.263**	**− 43.656.018**	**− 43.816.281**	**8.932.627**	**− 34.883.654**
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs and tax	**15.1**	187.223.732	0	− 7.031.311	0	180.192.421	0	**180.192.421**
Value of conversion rights on convertible notes	**15.2**	0	− 4.756.632	0	0	− 4.756.632	0	**− 4.756.632**
Dividends provided for or paid	**33**	0	0	0	− 964.469	− 964.469	− 3.812.297	**− 4.776.766**
Transactions with non-controlling interests	**15.3**	0	0	− 481.910	0	− 481.910	4.236.253	**3.754.343**
Non-controlling interests on acquisition of subsidiary	**15.3**	0	0	0	0	0	16.709.048	**16.709.048**
Total transactions with owners		**187.223.732**	**− 4.756.632**	**− 7.513.221**	**− 964.469**	**173.989.410**	**17.133.004**	**191.122.414**
Balance at 31 December 2017		**373.550.154**	**0**	**− 7.301.676**	**318.455**	**366.566.934**	**74.863.003**	**441.429.936**
Balance at 1 January 2018		**373.550.154**	**0**	**− 7.301.676**	**318.455**	**366.566.934**	**74.863.003**	**441.429.936**
Net profit/(loss) of the period		0	0	0	75.069.821	75.069.821	5.013.326	**80.083.147**
Other comprehensive income of the period		0	0	0	0	0	0	**0**
Total comprehensive income		**0**	**0**	**0**	**75.069.821**	**75.069.821**	**5.013.326**	**80.083.147**
						0	0	**0**

Notes 1 to 35 are an integral part of these consolidated non-statutory financial statements.

In EUR	Notes	Attributable to owners of the company: Share capital and share premium	Value of conversion rights-convertible notes	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs and tax		170.177.010	0	− 58.948	9.537.142	179.655.203	0	**179.655.203**
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax		0	0	0	0	0	0	**0**
Acquisition of treasury shares		0	0	0	0	0	0	**0**
Value of conversion rights on convertible notes		0	0	0	0	0	0	**0**
Non-controlling interests on acquisition of subsidiary		0	0	0	0	0	4.734.341	**4.734.341**
Transactions with non-controlling interests		0	0	− 131.911.514	0	− 131.911.514	− 59.590.502	**− 191.502.016**
Dividends provided for or paid		0	0	0	− 138.006	− 138.006	− 1.235.456	**− 1.373.462**
Employee share schemes—value of employee services		0	0	13.950.000	0	13.950.000	0	**13.950.000**
Other movements				0	− 35.550	− 35.550	− 145.983	**− 181.533**
Total transactions with owners		**170.177.010**	**0**	**− 118.020.463**	**9.363.587**	**61.520.134**	**− 56.237.600**	**5.282.533**
						0	0	**0**
Balance at 31 December 2018		**543.727.164**	**0**	**− 125.322.138**	**84.751.863**	**503.156.888**	**23.638.729**	**526.795.617**

Notes 1 to 35 are an integral part of these consolidated non-statutory financial statements.

Consolidated statement of cash flows for the period ended 31 December 2018

	31 December 2018	31 December 2017	31 December 2016
Profit/loss of the period	**80.083.148**	−34.698.009	33.766.674
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation on property, plant and equipment	**7.400.739**	5.440.062	3.851.659
Amortisation and impairment of intangible assets	**21.417.501**	8.586.948	2.110.637
Share in profit/loss of equity accounted investments	**0**	−2.158.021	887.079
Finance income/cost	**31.723.163**	25.960.235	33.896.117
Increase/decrease in employee benefit provisions (share-based payments)	**7.326.000**	64.701.940	5.350.991
Gain/loss on disposal of LT	**0**	0	−17.636.879
Surplus value revaluation shares TEC/Zaquensis	**−24.297.876**	0	0
Cash flow from operations before working capital and income taxes	**123.652.676**	67.833.155	62.226.278
Change in Account Receivable	**60.962.142**	−32.656.336	−7.571.279
Change in Account Payable	**−9.773.860**	−35.666.352	3.551.376
Change in Other Assets	**−8.254.109**	−8.723.375	1.355.653
Change in Prepaid Expenses	**54.523**	−35.154	43.702
Change in Other Provisions	**−694.440**	−4.336.882	−563.559
Change in Payroll & Social Debt	**−13.538.418**	26.662.144	11.396.316
Change in Fiscal Debt & Receivables	**3.487.959**	11.837.442	−8.390.025
Change in Other Debt	**−51.175.705**	−6.244.862	−12.252.515
Change in Deferred Expenses	**1.391.421**	785.350	198.282
Change in Working Capital	**−17.540.487**	−48.378.023	−12.232.049
CIT	**1.018.900**	9.651.379	5.121.771
Net cash flow from operating activities	**107.131.088**	29.106.511	55.116.000
Purchases of PPE	**−11.110.122**	−8.552.215	−6.501.355
Proceeds from PPE	**2.284.615**	1.623.040	2.723.910
Purchases of intangible assets	**−6.839.414**	−5.059.877	−5.023.737
Proceeds from intangible assets	**1.244**	78.138	0
Acquisition of subsidiaries, net of cash acquired	**−105.156.591**	−172.586.986	−138.974.587
Acquisition of equity investments, JV and associates, net of cash acquired	**−1.182.759**	0	−5.244.860
Disposal of subsidiaries, net of cash acquired	**0**	0	−3.830.858
Loans provided to related parties	**0**	9.014.248	−61.894.801
Interest paid/received from/to related parties	**647.239**	1.659.006	1.592.368
Net cash flow from investing activities	**−121.355.788**	−173.824.646	−217.153.920
Additional shares purchased/sold from/to minority shareholders	**−58.025.008**	1.638.812	−2.722.505
Contributions by minority shareholders	**4.734.341**	17.824.578	12.050.000
Contributions in equity	**12.708.482**	0	0
Interest paid/received (external; including refinancing expenses)	**−26.920.000**	−27.791.647	−17.045.776
Proceeds from borrowings	**131.390.012**	500.000.000	363.062.141
Repayment of borrowings	**−25.000.000**	−320.500.000	−224.497.824
Other increase/decrease in debts	**−1.158.991**	3.324.487	0
Other increase/decrease in receivables	**451.421**	−795.791	0
Issuance of new shares	**0**	0	47.562.248
Dividend	**−1.682.804**	0	541.100
Net cash flow from financing activities	**36.497.452**	173.700.440	178.949.384
Net cash flow	**22.272.753**	28.982.304	16.911.464
Cash at the start of the period	**92.849.590**	63.867.285	46.955.821
Cash at the end of the period	**115.122.343**	92.849.590	63.867.285

The notes 1 to 35 are an integral part of these consolidated non-statutory financial statements.

Notes to the consolidated financial statements

1 General information

House of HR NV ("HOHR" or "The Group")—formally known as The House of His Royal majesty the customer II NV—is a limited liability company incorporated and domiciled in Belgium. The registered office of the entity is Beversesteenweg 576, 8800 Roeselare.

HOHR, together with its subsidiaries, has its roots in the Belgian Accent Group, founded in 1995 by Ms. Conny Vandendriessche and Mr. Philip Cracco. Naxicap Partners Limited made its initial investment in 2012 and became the majority shareholder in 2014 following the acquisition of Mr. Philip Cracco's shares.

HOHR is a leading HR service provider focusing on three specific types of staffing:

- **General staffing:** General temporary agencies delivering candidates to clients in a fast and flexible way, whenever they are shorthanded.
- **Specialized staffing:** Specialized staffing companies in certain sectors including construction, retail, finance and many other sectors.
- **Engineering & consulting:** Highly skilled professionals are recruited to work in fast evolving sectors like energy, pharmaceuticals, technology etc. The Group also assists clients with the search and selection of the right candidate, interim management or secondment.

The external growth strategy as developed by management of HOHR resulted in a number of important acquisitions that were successfully completed by the Group over the last years (Refer to the Note 4 for more information). These acquisitions increased the Group's foothold in its core sector of delivering general staff on a temporary basis to customers as well as in companies active in niche sectors such as legal and financial services delivering highly-ranged professionals to customers. Clients are both SMEs and large corporations, occupying leading positions in all kind of industries.

The consolidated financial statements of HOHR include the Company and its subsidiaries (all together "the Group").

The Group currently has a network of over 500 offices in Europe, and is active in Belgium, Germany, the Netherlands, France and Switzerland, but also present in Spain, Portugal, Romania, Luxembourg and Poland.

It now employs almost 2.900 people and is providing jobs to 45.000 people each day via its brands:

- **General staffing:** TimePartner and ZAQUENSIS;
- **Specialized staffing:** Accent, Covebo
- **Engineering & consulting:** Abylsen, Continu, Redmore, TEC and Vialegis.

All recent acquisitions substantially contribute to the overall performance of the Group.

The Group structure as in place as per 31 December 2018 is filed in Note 4.

All subsidiaries held directly or indirectly by the Group maintain their accounting records and prepare statutory financial statements in accordance with local accounting regulations.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with IFRS

These audited consolidated non-statutory financial statements are comprised of the consolidated statement of financial position, the consolidated statement of financial performance, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended 31 December 2018 and the related notes.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted within the European Union.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.
- Derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value;
- Cash-settled option plans and ratchets for which the liability is measured at fair value;
- Other long-term employee benefits, for which the liability is measured in accordance with the projected unit-credit method; and
- the vendor loan notes and non-convertible bond are initially measured at fair value, by discounting the future cash flows (principal and interest) at the market interest rate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

The consolidated financial statements are presented in euro (EUR) and all values are presented in EUR, except when otherwise indicated.

2.2 Changes in accounting policies and disclosures

The Group's financial statements as per 31 December 2018 are the first financial statements that are prepared in accordance with IFRS. Refer to Note 3 for more information.

(i) New and amended standards adopted by the Group

Below an overview is filed of the impact on the Group of IFRS standards that became applicable for the first time as from 1 January 2018. The Group has applied these standards retrospectively for all periods presented in these financial statements. The nature and effect of adopting these new accounting standards is described below.

- ***IFRS 9—Financial instruments:***

IFRS 9 'Financial instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement'. This standard, which covers financial instruments on both the asset as well as the liability side, describes the criteria for recognition, classification and derecognition of such instruments, in addition to the allowed measurement methods.

The nature of these adjustments is described below:

a) Classification and measurement:

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through OCI. The classification is based on two criteria: The Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. The assessment of the Group's business model was made as of the date of transition of the Group to IFRS, i.e. 1 January 2016. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9, however, did not have a significant impact on the Group.

b) Impairment:

IFRS 9 requires the Group to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon the adoption of IFRS 9, the Group recognized additional impairment on the Group's outstanding trade receivables of EUR 0.6 million per 1 January 2016 (31 December 2016: EUR 0.2 million, 31 December 2017: EUR 0.6 million). The statement of financial position as at 31 December 2018 was adjusted, resulting in decreases in trade receivables and retained earnings of EUR 0.5 million.

- ***IFRS 15—Revenue from contracts with customers:***

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires revenue to be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group has identified one performance obligation within the vast majority of its customer contracts, i.e. the delivery of services for a predefined period of time by one or more temping staff or consultants. The Group recognizes mainly revenue over time when the service is delivered towards its customers.

Measuring revenue in accordance with IFRS 15 did not have a significant impact for the Group as the Group currently recognizes revenue over time when the service is being delivered. This revenue recognition pattern is in line with paragraph 35a of IFRS 15 as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the staff of the Group is performing the services.

The Group offers volume rebates to a limited number of customers. The Group applies the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold.

The Group does not offer warranties, customer loyalty point programs or any material financing component to its customers.

IFRS 15 has been applied retrospectively for the financial years 2016 and 2017. The impact of transition to IFRS 15 has been considered as immaterial on the total financial statements.

- ***Other new standards, amendments and interpretations:***

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Group:

- IFRIC Interpretation 22—Foreign Currency Transactions and Advance Considerations
- Amendments to IAS 40—Transfers of Investment Property;
- Amendments to IFRS 2—Classification and Measurement of Share-based Payment Transactions;
- Amendments to IFRS 4—Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts; and
- Annual improvements 2014-2016—IFRS 1 First-time Adoption of International Financial Reporting Standards—Deletion of short-term exemptions for first-time adopters IAS 28 interest in associates and joint ventures.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(ii) New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use asset) and a financial liability, measured as the net present value of future lease payments, are recognized. Short-term leases and low-value leases are exempted.

The Group has set up a project team which has reviewed all the Group's leasing arrangements over the last year (2018) in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

The Group's main leased items consist of company cars, regional headquarters, branches and parking places as well as housing accommodation for some of its temporary staff. The Group also leases printing and IT equipment which are classified as low value assets and thus exempted.

As at the reporting date, the Group has several non-cancellable operating lease commitments. The Group expects to recognize right-of-use assets and lease liabilities of approximately EUR 56 million. The Group expects that the earnings before interest, tax, depreciation and amortization will improve by approximately EUR 28 million. Operating cash flows will increase, and financing cash flows will decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group also acts as a sublessor of housing accommodation. These contracts however are exempted for qualification as a finance lease under IFRS 16 considering that these relate to short term contracts (< 12 months).

The remaining Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required as from next year.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will therefore not restate comparative amounts for the year prior to first adoption.

Other new standards, amendments and interpretations

Group's management preliminary assessment revealed that the following standards and amendments to standards that have been endorsed within the European Union and that are not yet applicable as per the first time for the financial year beginning 1 January 2018 should not have a material impact for the Group:

- **Amendments to IFRS 9**, 'Prepayment features with negative compensation' (effective 1 January 2019 with the EU).
- **IFRIC 23**, 'Uncertainty over income tax treatments' (effective 1 January 2019).
- **Amendments to IAS 28**, 'Long term interests in associates and joint ventures' (effective 1 January 2019).
- **Amendments to IAS 19,** 'Plan Amendment, Curtailment or Settlement' (effective 1 January 2019).
- **Annual improvements to IFRS Standards 2015-2017 cycle**, applicable as of 1 January 2019 and containing changes to IFRS 3 Business Combinations and IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs.

Standards and amendments to standards that have not yet been endorsed within the European Union and that are not yet applicable as per the first time for the financial year beginning 1 January 2018:

- **IFRS 17** 'Insurance contracts' (effective 1 January 2021).
- **Amendments to References to the Conceptual Framework in IFRS Standards** (effective 1 January 2020).
- **Amendments to the guidance of IFRS 3 Business Combinations**, that revises the definition of a business (effective 1 January 2020).
- **Amendments to the definition of material in IAS 1 and IAS 8** (effective 1 January 2020).

2.3 Principles of consolidation and equity accounting

(i) Subsidiaries

The consolidated non-statutory financial information includes the financial statements of entities over which the Group exercises control. The Group controls an entity (including structured entities) when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity to decide over relevant activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations. Refer to Note 4.1 for more information.

Inter-company transactions, balances, income and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, statement of financial performance and statement of other comprehensive income as well as the statement of changes in equity.

(ii) Joint arrangements

A joint arrangement operates in the same way as other entities, except that a contractual arrangement between the Group and other ventures establishes joint control over the economic activity of the entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Under IFRS 11 'Joint Arrangements' investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

- Joint operations

The Group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. The Group does not have any material joint operation as per 31 December 2018.

- Joint ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognized at cost in the consolidated statement of financial position.

- Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group's investment in joint ventures includes goodwill identified on acquisition.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.11.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated non-statutory financial statements are presented in euro (EUR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'Finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other gains/(losses), net'.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognized as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in the fair value reserve in other comprehensive income. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the

transaction dates, in which case income and all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired

is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

In case of a combination of entities which are ultimately controlled by the Group before and after the combination, management has chosen to apply predecessor accounting instead of the acquisition method of accounting. The assets or liabilities of these entities are not restated to their fair value, instead the Group incorporates the predecessor carrying values. These are generally the carrying amounts of assets and liabilities of the acquired entities. As the combining entities are looked at from the perspective of a transfer made by the controlling party, no new goodwill arises from the combination, and any difference between price paid and the carrying amount of net assets exchanged is recorded as a separate reserve in equity.

2.6 Goodwill

Goodwill is measured as described in Note 4 on the business combinations and in Note 8 after initial recognition. Goodwill on acquisitions of subsidiaries is shown separately in the statement of financial position. Goodwill on acquisitions of joint ventures and associates is included in equity accounted for investments and is tested for impairment as part of the overall balance.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

2.7 Intangible assets

Intangible assets are recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset over a period extending beyond the current fiscal year.

At initial measurement, intangible assets are measured at cost. Cost comprises the purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of preparing the asset for its intended use.

(i) Trademark and customer relationship contracts

Separately acquired trademarks are shown at historical cost. Trademarks, licenses and customer relationship contracts acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

(ii) Acquired computer software licenses

Externally acquired software licenses are stated at historical costs and amortized over its estimated useful life.

(iii) Internally developed software

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it

- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Development costs are amortized from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria indicated above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(iv) Amortization methods and periods of intangible assets

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Intangible assets	Amortization method	Amortization periods
Trademarks	Straight-line amortization	Between 11 and 20 years
Customer relationships	Straight-line amortization	Between 7 and 12 years
Internally generated software	Straight-line amortization	3 to 5 years
Acquired computer software licenses	Straight-line amortization	1 to 5 years
Other	Straight-line amortization	3 to 5 years

2.8 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenances are charged to profit or loss during the reporting period in which they are incurred.

The Group depreciates PP&E assets with a limited useful life using the straight-line method over the following periods:

Property, plant and equipment	Depreciation method	Depreciation periods
Freehold land	Not depreciated	Not depreciated
Buildings	Straight-line depreciation	35 years
Plant, machinery and equipment	Straight-line depreciation	5 years
Vehicles	Straight-line depreciation	5 years
Furniture and office equipment	Straight-line depreciation	5 years
Leased plant and equipment	Straight-line depreciation	5 years or shorter if lease term is shorter
Other tangible assets	Straight-line depreciation	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to impairment of assets for more information (note 2.11).

PPE is derecognized either on disposal, or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

2.9 Leases

The Group leases mainly company cars, buildings and IT equipment.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

(i) The Group is acting as a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(ii) The Group is acting as a lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The respective leased assets are included in the statement of financial position based on their nature.

2.10 Inventories

The Group measures its inventory at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.13 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interests and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.14 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

- Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective

interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

- Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 12 for further details.

(v) Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group did not designate certain derivatives as hedge instruments.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in other gains/(losses).

As regards embedded derivatives, the Group assesses whether the derivative is closely related to the host instrument and accounted for separately or not.

2.15 Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.16 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

2.17 Trade receivables and other receivables

Trade receivables are amounts due from customers for sales made in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less loss allowance. See note 12 for further information about the Group's accounting for trade receivables and for a description of the Group's impairment policies.

If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The contract assets related to contracts with customers are classified as other receivables.

2.18 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of House of HR as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of House of HR.

2.19 Dividends

A liability is recognized for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.20 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguishment on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognized and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.21 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.22 Provisions, contingent liabilities and contingent assets

(i) Provisions

The Group recognizes provisions for legal claims or similar types of obligations when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognized for future operating losses.

Provisions are measured at the present value of Group management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by the Group by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

In case the Group expects a reimbursement from another party, the Group will recognize a separate asset when and only when it is virtually certain that the reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for a reimbursement.

(ii) Contingent liabilities and contingent assets

The Group does not recognize any contingent liabilities, instead contingent liabilities are disclosed, unless the possibility of an outflow is remote. The Group discloses the inflow of economic benefits when it is probable. Contingent assets are recognized when it is virtually certain that the economic benefits will flow into the Group.

2.23 Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Tax is recognized in the statement of financial performance, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.24 Employee benefits

(i) Short-term obligations

The main employee benefits of the Group consist of short-term employee benefits for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service. These liabilities are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Pension benefits

- Defined contribution plans

The Group has defined contribution plans as well as disability benefits in certain countries in which it operates whereby contributions by the Group are funded through payments to independent entities. For these schemes, the Group's obligation is limited to the payment of these annual contributions.

The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Because of the Belgian legislation applicable to the second pillar pension plans (the so-called "Law Vandenbroucke"), all Belgian pension plans that are structured as defined contribution plans are considered defined benefit plans under IFRS. Because of this minimum guaranteed return, the employer is exposed to a financial risk since further contributions could be required if the return on the assets is not sufficient to reach the minimum benefits to be paid. The Company has plans that are financed through insurance contracts. The projected unit credit method has been used as the actuarial technique to measure the defined benefit obligation. The related assumptions, the defined benefit obligation and related plan assets are further disclosed in Note 18.

- Defined benefit plans

The Group does not offer defined benefit plans to its staff. For the specific situation on the Belgian pension plans, we refer to above.

(iii) Other long-term employee benefits

Some Group entities provide jubilee benefits rewarding employees for long years of service. The liability recognized in the statement of financial position is the present value of the obligation at the reporting date. The remeasurements have been recognized in the statement of financial performance in full.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits at the earlier of the following dates:

- when the Company can no longer withdraw the offer of those benefits; and

- when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.25 Share-based payments

Share-based compensation benefits are provided to key managers via the "We are One" option plan and the long-term incentive plan (LTIP). Further, different cash-settled 'Ratchet' schemes have been created to incentivize senior management of the local subsidiaries.

Apart from the LTIP plan, all these plans are cash-settled plans as the beneficiary has the possibility to settle the share options received in cash at the fair value of the share option upon settlement. The LTIP plan is classified as an equity-settled share-base payment plan.

A) Cash settled share-based payments

The fair value of options granted under the "We are One" employee option plan and the 'Ratchet' schemes are recognized over the vesting period as an employee benefit expense with a corresponding increase in the liability. For cash-settled plans, the fair value of the options/ratchets is measured initially and remeasured at each reporting date up to and including the settlement date in order to determine the corresponding employee benefit expense of the period.

B) Equity settled share-based payments

The fair value of the goods or services received is recognized with a corresponding increase in equity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

A share-based payment award generally vests upon meeting specified conditions. Vesting conditions are either:

- Service conditions, which require the counterparty to complete a specified period of service during which the services are provided to the entity; or
- Performance conditions, which requires the counterparty to complete a specified period of service (i.e., a service condition) and involves specified performance targets to be met while the counterparty is rendering the required service

A performance condition is further defined as either a market condition or a non-market condition. A market condition is a performance condition (i.e., requires specified targets to be met) and the performance conditions are related to the market price (or value) of the entity's equity instruments, such as: attaining a specified share price or achieving a specified target that is based on the market price (or value) of the entity's equity instruments relative to an index of market prices of equity instruments of other entities. A condition linked to a purely internal financial performance measure, such as profit or earnings per share, is not a market condition. Such measures will affect the share price, but are not directly linked to it, and hence are not market conditions. For a market condition to be treated as a performance vesting condition rather than a non-vesting condition, there must also be an implicit or explicit service condition.

Under IFRS 2, the nature of the condition (i.e., vesting or non-vesting, service, performance, market or non-market) affects the timing of when the expense is recognized and, in some cases, the measurement of the expense. In addition, if a condition is not met, whether the entity may reverse the previously recognized compensation expense depends on the nature of the condition that was not met. Therefore, the classification of a condition is a critical step in accounting for share-based payment transactions. Market conditions are only considered when estimating the fair value of the award at the grant date. Non-market vesting conditions are not considered when estimating the fair value of the shares or share options at the grant date. Instead, these vesting conditions are considered by adjusting the number of equity instruments included in the measurement of the transaction amount so as to reflect the number of awards that are expected to vest. Such non-market vesting conditions include a service condition.

2.26 Revenue recognition

The Group mainly generates revenue from offering temporary staffing solutions to its customers. The duration of these temporary staffing solutions may vary between a couple of hours up to a period of two years. The Group mainly offers temporary staffing solutions in the following industries: construction industry, manufacturing industry, logistics industry, sales and finance industry.

The Group also provides solutions to customers active in larger project-oriented businesses (such as the telecom or the construction industry) where apart from staffing also specific deliverables have to be provided for. Projects may take one week up to two to three months.

The Group has identified one performance obligation within the vast majority of its customer contracts, i.e. the delivery of services for a predefined period of time by one or more temping staff or consultants. Revenue from temporary staffing solutions is traditionally negotiated and invoiced to customers using an hourly rate (i.e. the transaction price). Temporary workers charge all their worked hours on project codes which are then accumulated on a weekly or monthly basis and billed to customers. Revenue from temporary staffing solutions is recognized over time upon rendering the services.

Revenues related to services rendered in the project business are recognized upon the performance of the service under contract by comparing the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred as compared to the total expected costs to incur to successfully complete the project.

The Group recognizes contract assets if the Group has a right to payment for goods and services already transferred to a customer if that right to payment is conditional on something other than the passage of time. These contract assets are recognized as part of the other receivables.

Contract fulfilment costs related to this project business are capitalized and amortized on a systematic basis consistent with the pattern of the transfer of the goods and services to which these assets relate.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Customers are invoiced on a weekly, bi-weekly or monthly basis and the consideration is payable when invoiced.

The Group offers volume rebates to a limited number of customers. The Group applies the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold.

The Group has not identified any material amounts for contract assets or contract liabilities.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

For sales arrangements where the Group acts as a principal in the transaction and has the principal risk and rewards of ownership, including amongst others, the obligation to deliver the services and the credit risk, revenue is reported gross by the Group. Under arrangements where the Group acts as an agent, revenue is reported on a net basis.

2.27 Interest income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

3 First time adoption of IFRS

These consolidated financial statements, as of and for the year ended 31 December 2018 are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2017, the Group prepared its financial statements on an accrual basis in accordance with Belgian Generally Accepted Accounting Practices ("Belgian GAAP") as defined in the Royal Decree of 30 January 2001, which is the predecessor GAAP.

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2018, together with the comparative period data for the years ended 31 December 2017 and 2016, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening balance sheet was prepared as at 1 January 2016, the Group's date of transition to IFRS.

This note explains the relevant IFRS 1 exemptions that have been applied by the Group and the principal adjustments made by the Group in converting its Belgian GAAP financial statements, including the balance sheet as at 1 January 2016 and the financial statements for the year ended 31 December 2017 as well as the total comprehensive income as per 31 December 2017.

3.1 Exemptions applied

The general requirement of IFRS 1 is full retrospective application of all accounting standards effective at the end of the Group's first IFRS reporting period which is 31 December 2018 for the Group. The cumulative impact of the IFRS adjustments on the opening balance sheet is recognized in retained earnings at the transition date. However, IFRS 1 allows first-time adopters to apply certain exemptions from the general restatement and remeasurement principles as foreseen under IFRS.

The IFRS 1 exemptions that have been applied by the Group are the following:

- **Business Combinations (IFRS 3):** The Group completed several acquisitions prior to its transition date to IFRS. The Group, however, elected not to apply the requirements of IFRS 3 Business Combinations to past business combinations that occurred before the date of transition to IFRS.
- **Cumulative translation differences (IAS 21):** The Group elected not to comply with the requirements included in paragraph D12 of IFRS 1. Therefore, the Group decided to put to zero all the cumulative translation differences for all foreign operations at the date of transition to IFRSs.
- **Revenue (IFRS 15):** IFRS 1 allows first-time adopters to apply the transitional provisions foreseen in paragraph C5 of IFRS 15 (practical expedients). The Group decided to apply these practical expedients as per 1 January 2016 and therefore the Group is not restating its revenue from contracts with customers for completed contracts that begin and end within the same reporting period and which are completed prior to 1 January 2016.

3.2 Estimates

The estimates at 1 January 2016 and all other reporting periods are consistent with those made for the same dates in accordance with Belgian GAAP (after adjustments to reflect any differences in accounting policies).

3.3 Reconciliations between Belgian GAAP and IFRS

The Groups transition date to IFRS is 1 January 2016. The first IFRS financial statements that will be filed are these that have ended as per 31 December 2018. The Group provides below the following reconciliations in accordance with paragraph 24 of IFRS 1:

- reconciliations of the Group's equity reported in accordance with Belgian GAAP to its equity in accordance with IFRSs for both of the following dates:
  - the date of transition to IFRS (i.e. 1 January 2016); and
  - the end of the latest period presented in the Group's most recent annual financial statements in accordance with Belgian GAAP (i.e. 31 December 2017).
- a reconciliation to the Group's total comprehensive income in accordance with IFRS for the latest period in the Group's most recent annual financial statements. The starting point for that reconciliation for the Group is the profit or loss under Belgian GAAP.

3.4 Reconciliation of Group equity at 1 January 2016 (date of transition to IFRS)

In EUR	Notes	Belgian Gaap at the level of accent Group	Changes in the consolidation perimeter	Belgian Gaap at the level of HOHR	IFRS remeasurements and reclassifications	IFRS at the level of HOHR
Assets						
Non-current assets						
Property, plant and equipment	B	4.566.265	213.163	4.779.427	7.154.656	11.934.083
Intangible assets	C	1.608.395	7.847.217	9.455.612	1.034.525	10.490.137
Goodwill	D	239.200.031	237.231.734	476.431.766	—	476.431.766
Deferred income tax assets	E	—	730.915	730.915	674.813	1.405.728
Investments accounted for using the equity method	F	21.415.055	(21.415.055)	—	—	—
Derivative financial assets	G	—	—	—	702.690	702.690
Other non-current assets	H	363.355	541.232	904.587	—	904.587
Total non-current assets		**267.153.101**	**225.149.205**	**492.302.307**	**9.566.684**	**501.868.991**
Current assets						
Inventory	J	56.809	—	56.809	—	56.809
Trade receivables	I	60.870.846	21.781.889	82.652.736	24.451.587	107.104.322
Current income tax receivables		181.473	—	181.473	—	181.473
Other receivables	I	2.718.765	3.513.911	6.232.675	—	6.232.675
Derivative financial assets		—	—	—	—	—
Cash and cash equivalents		28.455.955	18.499.866	46.955.821	—	46.955.821
Total current assets		**92.283.847**	**43.795.666**	**136.079.514**	**24.451.587**	**160.531.100**
Total assets		**359.436.949**	**268.944.871**	**628.381.821**	**34.018.271**	**662.400.092**
Equity and liabilities						
Equity						
Share capital and share premium		115.988.325	15.638.561	131.626.886	—	131.626.886
Value of conversion rights—convertible notes		—	—	—	—	—
Other reserves		19.521.872	(19.521.872)	—	—	—
Retained earnings	All	11.584.285	(11.815.103)	(230.818)	18.312.217	18.081.399
Capital and reserves attributable to owners of the company		**147.094.482**	**(15.698.414)**	**131.396.068**	**18.312.217**	**149.708.285**
Non-controlling interests	All	10.959.994	23.364.484	34.324.478	(52.610)	34.271.868
Total equity		**158.054.476**	**7.666.070**	**165.720.546**	**18.259.607**	**183.980.153**
Liabilities						
Non-current liabilities						
Borrowings	K	88.399.846	240.294.927	328.694.774	(40.838.493)	287.856.281
Deferred income tax liabilities	E	—	1.619.605	1.619.605	12.577.650	14.197.255
Employee benefit obligations	L	341.537	—	341.537	15.838	357.375
Provisions for other liabilities and charges	M	89.875	122.653	212.528	489.000	701.528
Derivative financial liabilities		—	—	—	—	—
Other non-current liabilities	N	—	1.603.878	1.603.878	11.330.696	12.934.574
Total non-current liabilities		**88.831.258**	**243.641.064**	**332.472.322**	**(16.425.308)**	**316.047.013**
Current liabilities						
Trade and other payables		10.589.182	1.899.508	12.488.689	(425)	12.488.264
Income tax liabilities		12.373.781	13.000.892	25.374.673	—	25.374.673
Borrowings	K	23.661.355	—	23.661.355	31.752.218	55.413.573
Employee benefit obligations	L	43.563.885	312.136	43.876.021	582.911	44.458.932
Provisions for other liabilities and charges	M	—	658.281	658.281	—	658.281
Derivative financial liabilities	G	—	—	—	283.445	283.443
Other current liabilities	N	22.363.013	1.766.921	24.129.934	(434.175)	23.695.761
Total current liabilities		**112.551.215**	**17.637.738**	**130.188.953**	**32.183.974**	**162.372.927**
Total liabilities		**201.382.473**	**261.278.801**	**462.661.275**	**15.758.665**	**478.419.940**
Total equity and liabilities		**359.436.949**	**268.944.871**	**628.381.821**	**34.018.272**	**662.400.094**

3.5 Reconciliation of Group equity at 31 December 2017

In EUR	Notes	Belgian Gaap at the level of HOHR 31 December 2017	Remeasurements and reclassifications	IFRS at the level of HOHR 31 December 2017
Assets				
Non-current assets				
Property, plant and equipment	B	14.149.154	4.724.335	18.873.489
Intangible assets	C	11.156.670	122.787.431	133.944.101
Goodwill	D	737.862.144	(31.598.101)	706.264.043
Deferred income tax assets	E	493.202	(273.511)	219.691
Investments accounted for using the equity	F			
method		132.528	34.052.728	34.185.256
Loans to related parties	I	—	50.066.341	50.066.341
Derivative financial assets		—	—	—
Other non-current assets	H	2.696.184	(26.150)	2.670.034
Total non-current assets		**766.489.882**	**179.733.073**	**946.222.955**
Current assets				
Inventory	J	5.600.520	(5.575.453)	25.067
Trade receivables	I	229.700.542	(14.522.460)	215.178.082
Current income tax receivables		2.075.243	(838.633)	1.236.610
Other receivables	I	19.576.682	5.856.508	25.433.190
Derivative financial assets		0	—	—
Cash and cash equivalents		101.355.721	(8.506.131)	92.849.590
Total current assets		**358.308.709**	**(23.586.168)**	**334.722.540**
Total assets		**1.124.798.591**	**156.146.905**	**1.280.945.495**
Equity				
Share capital and share premium		373.550.155	—	373.550.154
Value of conversion rights—convertible notes		—	—	—
Other reserves		(191.800)	(7.109.876)	(7.301.676)
Retained earnings	All	(154.500.942)	154.819.397	318.455
Capital and reserves attributable to owners of the		**218.857.413**	**147.709.522**	**366.566.934**
Non-controlling interests		**90.856.220**	(15.993.218)	**74.863.002**
Total equity		**309.713.633**	**131.716.304**	**441.429.936**
Liabilities				
Non-current liabilities				
Borrowings	K	493.840.944	(38.369.630)	455.471.314
Deferred income tax liabilities	E	506.126	39.311.214	39.817.340
Employee benefit obligations	L	1.289.427	(287.088)	1.002.339
Provisions for other liabilities and charges	M	1.534.262	(772.840)	761.422
Derivative financial liabilities		0	—	—
Other non-current liabilities	N	0	6.674.298	6.674.298
Total non-current liabilities		**497.170.759**	**6.555.953**	**503.726.712**
Current liabilities				
Trade and other payables		33.420.032	(8.464.518)	24.955.516
Income tax liabilities		38.013.580	(5.691.870)	32.321.710
Borrowings	K	(4.502)	44.183.925	44.179.423
Employee benefit obligations	L	137.610.637	(17.390.809)	120.219.828
Provisions for other liabilities and charges	M	—	940.136	940.136
Derivative financial liabilities		—	—	—
Other current liabilities	N	108.874.452	4.297.783	113.172.235
Total current liabilities		**317.914.200**	**17.874.647**	**335.788.848**
Total liabilities		**815.084.959**	**24.430.600**	**839.515.560**
Total equity and liabilities		**1.124.798.591**	**156.146.904**	**1.280.945.494**

3.6 Reconciliation to the Group's total comprehensive income starting from profit or loss under Belgian GAAP

Net result under Belgian Gaap as per 31 December 2017:	Notes	EUR (112.465.410)
IFRS adjustments made by the Group:		
Reversal of goodwill amortization	***D.***	***71.060.987***
Amortization on trademark and customer relationships from acquisitions		*(6.241.659)*
Derecognition of capitalized intangible assets		*(120.799)*
Total impact on intangible assets	***C.***	***(6.362.458)***
Additional depreciations on PP&E		*(309.295)*
Total impact on PP&E	***B.***	***(309.295)***
Additional depreciations on leased PP&E		*(174.069)*
Finance costs on leased PP&E		*(135.360)*
Reversal of operating lease expense on leased PP&E		*381.491*
Net impact of reclassification leases	***B.***	***72.062***
Impact of equity accounting of TEC Alliance Group and Zaquensis Group		*2.888.117*
Net impact of equity accounting	***F.***	***2.888.117***
Interest expenses on convertible bond		*(2.898.485)*
Capitalization of transaction costs on the Senior Facility Agreement		*10.290.439*
Net non-current and current borrowings	***K.***	***7.391.954***
Increase provision for ratchets		*(1.259.305)*
Provision for share-based payment plan		*4.884.445*
Net impact on other liabilities	***N.***	***3.625.140***
Increase provision for jubilee benefits and sickness	***L.***	***(371.229)***
Hedge accounting	***G.***	***(32.820)***
Increase impairment on trade receivables for expected credit loss model	***I.***	***(403.137)***
Impact of current and deferred income taxes	***E.***	***846.743***
Other adjustments		***(824.310)***
Total IFRS adjustments as per 31 December 2017		**€ 77.581.754**
Total Comprehensive Income for the Group as per 31 December 2017:		***(34.883.656)***

3.7 Notes to the reconciliation of Group equity as at 1 January 2016 and 31 December 2017 and total comprehensive income for the year ended 31 December 2017

(i) Changes in the consolidation scope of the Group

THoHR II (renamed in 2018 into HOHR) has been created in December 2015. At that date the consolidation of the Group in accordance with Belgian GAAP was made at the level of Accent Group and therefore no consolidation was made at the level of HOHR.

The filed consolidated Belgian GAAP figures of Accent Group have been used in the table 'Reconciliation of Group equity at 1 January 2016' as a starting point for the reconciliation exercise. The impact of the Group entities belonging to the Group (but not to the Accent Group) have been added in the column with the 'changes in the consolidation perimeter'. The entities added to the consolidation perimeter as per 1 January 2016 are:

- HOHR (on a stand-alone basis);
- the Abylsen Group; and
- We Are One BVBA.

(ii) IFRS remeasurements and classifications

A. Deconsolidation of the TEC Group NV and Zaquensis Group

The Group acquired, via its subsidiary Accent Jobs for People NV, shares of the following entities in 2016:

- Zaquensis Group as per 31 May 2016 in which the Group holds 65.00% of the ordinary share capital at the acquisition date; and
- TEC Group as per 31 August 2016 in which the Group holds 73.50% of the ordinary share capital at the acquisition date.

While control over entities is assessed under Belgian GAAP mainly by reference to the investment percentage held by the Group, IFRS requires to assess which party can decide on the relevant activities of the entity and is exposed to its variable returns.

Group management carefully reviewed the shareholders' agreement of both entities. Following the shareholders' agreement, all significant financial and operational decisions require the approval of both the Group and the minority shareholders (for the TEC Alliance Group) or require a quorum of 70% or more (for the Zaquensis Group). Consequently, the Group does not have control over any of the entities and has therefore accounted for these entities as joint ventures. This resulted in the derecognition of the individual assets and liabilities of both groups that previously were consolidated under Belgian GAAP in full and replaced these by an equity accounted investment into both groups.

Refer to the joint venture disclosure for more information (Note 4.2).

B. Property, plant and equipment (PP&E)

PP&E as per 1 January 2016 increased with EUR 7.15 million and with an amount of EUR 4.72 million as per 31 December 2017.

The impact on the total comprehensive income as per 31 December 2017 is EUR 0.31 million negative.

These adjustments are related to the following:

(a) Review of the estimated useful life of PP&E

The Group has reviewed and aligned its estimated useful life for PP&E at its transition date to IFRS. As a result, depreciation was re-calculated based on the revised estimated useful life of the assets resulting in an increase of the carrying amounts for PP&E of EUR 0.93 million as per 1 January 2016 and a decrease of EUR 0.18 million as per 31 December 2017.

The impact on the total comprehensive income of the Group as per 31 December 2017 is an increase of the depreciations with EUR 0.31 million.

(b) Accounting for decommissioning obligations

The Group leases a large number of offices (i.e. local branches) for its operations. These lease transactions are currently accounted for as operating leases by the Group. The Group however completed several operating leasehold improvements for which a restoration obligation exists. Under Belgian GAAP, restoration costs were accounted for when incurred on a cash basis. IFRS requires to recognize the restoration obligations at the moment the obligation arises for an amount equal to the estimated net present value of the restoration obligation. These amounts are then recognized as part of the acquisition cost of the capitalized asset and as a provision in accordance with IAS 37.

The Group increased its PP&E and recognized a provision for restoration obligations of EUR 0.49 million at 1 January 2016 and an amount of EUR 0.57 million as per 31 December 2017.

There is no impact of the decommissioning obligations on the total comprehensive income for the period ended per 31 December 2017 given that the additional provisions are accounted for against PP&E and the impact of the unwinding of the provision is not material.

(c) Finance Leases

Under Belgian GAAP all leases of company cars and buildings were classified as operating leases as there was no full reconstitution of the underlying fair value of the leased asset over the lease term. In line with IFRS, however, some of these leases have been reclassified as finance leases as the Group has obtained from the lessor substantially all the risks and rewards relating to the assets leased.

As per 1 January 2016, PP&E increased with an amount of EUR 6.73 million while the lease liability increased with EUR 6.68 million (EUR 4.80 million non-current lease liabilities and EUR 1.88 million current lease liabilities). An amount of EUR 29 thousand was accounted for under the retained earnings.

An adjustment as per 31 December 2017 was recorded of EUR 6.34 million under PP&E and an amount of EUR 6.15 million as lease debt (EUR 4.20 million non-current lease liabilities and EUR 1.95 million current lease liabilities). An amount of EUR 112 thousand was accounted for under the retained earnings.

The net-impact of the leases on the total comprehensive income for the period amounts to EUR 72 thousand. Additional depreciations of EUR 0.17 million and interest expenses of EUR 0.14 million are compensated by a decrease of the operational lease expenses of EUR 0.38 million.

(d) Reclassification between intangible assets and PP&E

An amount of EUR 1.0 million of software was initially classified under PP&E and has been reclassified to intangible assets as per 1 January 2016. An amount of EUR 0.22 million was reclassified as per 31 December 2017.

(e) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced the carrying amount of PP&E as per 31 December 2017 with EUR 1.77 million. As the acquisitions were completed after the Group's transitions' date to IFRS, no impact was noted as per 1 January 2016.

C. Intangible assets

Intangible assets as per 1 January 2016 increased with EUR 1.03 million and with an amount of EUR 122.79 million as per 31 December 2017.

A negative impact of EUR 6.36 million was noted on the total comprehensive income as per 31 December 2017.

These adjustments are related to the following:

(a) Purchase Price Allocation in accordance with IFRS 3

Intangible assets as per 31 December 2017 increased with EUR 122.96 million as a result of the purchase price allocation that was completed in accordance with IFRS 3 in 2016 and 2017 for the acquired subsidiaries. The major amounts recognized as intangible assets relate to the purchase price allocation of the TimePartner Group, Effect, the Redmore Group, Vialegis and Mach Professional. The identifiable intangible assets acquired mainly consist of customer relationships and trademarks.

Refer to the Business Combination Note 4.1 for more information.

As the entities were acquired after the Group's date of transition to IFRS, no impact on the Groups IFRS figures was noted at that date.

Additional amortization on the trademark and the customer relationships recognized as part of the purchase price allocations amount to EUR 6.24 million.

(b) Review of the estimated useful life of intangible assets

The Group has reviewed and aligned its estimated useful life for intangible assets at its transition date to IFRS. As a result, amortization was re-calculated based on the revised estimated useful life of the assets resulting in an increase of the carrying amounts for intangible assets of EUR 37 thousand as per 1 January 2016 and EUR 0.31 million as per 31 December 2017.

(c) Reclassification between intangible assets and PP&E

An amount of EUR 1.0 million of software was initially classified under PP&E and has been reclassified to intangible assets as per 1 January 2016. An amount of EUR 0.22 million was reclassified as per 31 December 2017.

(d) Derecognition of research costs

Under Belgian GAAP, the Group recognized both research and development costs for a number of internally generated software applications. Under IFRS only development costs can be capitalized if the recognition criteria of paragraph 57 of IAS 38 have been fulfilled. While no impact of this was noted at the Group's transition date to IFRS, a decrease of the carrying amount of the intangible assets was noted of EUR 0.16 million as per 31 December 2017.

An additional cost was recognized in the total comprehensive income of EUR 0.12 million as per 31 December 2017.

(e) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced the carrying amount of intangible assets as per 31 December 2017 with EUR 0.54 million. As the acquisitions were completed after the Group's transition's date to IFRS, no impact was noted as per 1 January 2016.

D. Goodwill

While the amount of the goodwill was not impacted at the Group's date of transition to IFRS, a decrease of the carrying amount of EUR 31.6 million was noted as per 31 December 2017.

Total comprehensive income as per 31 December 2017 improved with EUR 71.06 million.

(a) Reversal of amortization of goodwill

Goodwill under Belgian GAAP is amortized over a period of 5 to 10 years whereas goodwill under IFRS is not amortized but tested annually for impairment purposes.

The Group applied the IFRS 1 exemption for business combinations. Therefore, there is no impact on goodwill as per 1 January 2016.

Reversals of amortization of goodwill throughout 2016 and 2017 resulted in an increase of the carrying amount of goodwill of EUR 118.07 million.

The reversal of the amortizations on the goodwill had a positive impact of EUR 71.06 million on the total comprehensive income of the Group for the period ended as per 31 December 2017.

(b) Purchase Price Allocation in accordance with IFRS 3

As a result of the purchase price allocation in accordance with IFRS 3 that have been completed in 2016 and 2017, acquired trademarks and customer relationships have been recognized by the Group, resulting in a decrease of goodwill as per 31 December 2017 with EUR 86.14 million.

(c) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced the carrying amount of goodwill as per 31 December 2017 with EUR 63.53 million. As the acquisitions were completed after the Group's transition's date to IFRS, no impact was noted as per 1 January 2016.

E. Deferred tax assets and liabilities

The net position of the deferred income tax position of the Group increased with EUR 11.90 million (EUR 0.67 million of deferred income tax assets and EUR 12.58 million for deferred income tax liabilities) and EUR 39.58 million (reduction of EUR 0.27 million of deferred income tax assets and an increase of EUR 39.31 million for deferred income tax liabilities) at the Group's date of transition and 31 December 2017 respectively. This fully relates to:

(a) Temporary differences between carrying amount and tax bases of assets and liabilities

The various adjustments at 1 January 2016 and at 31 December 2017 lead to different temporary differences between the IFRS carrying amount of assets and liabilities and their tax base. Deferred tax adjustments calculated on such differences are recognized either in retained earnings or are a separate component of equity. Additional deferred income tax assets and liabilities have been recognized on the fair value adjustments of the different purchase price allocations. Tax have been netted within the same legal entity or within the same fiscal unit.

Net impact for the total comprehensive income for the period per 31 December 2017 amounts to a deferred income tax of EUR 0.85 million.

F. Equity accounted investments

While the amount of the equity accounted investments was not impacted at the Group's date of transition to IFRS, an increase of the carrying amount of EUR 34.05 million was noted as per 31 December 2017.

(a) Accounting for the equity accounted investments

While both the Zaquensis Group and the TEC Alliance Group were consolidated in full under Belgian GAAP, both entities are accounted for as a joint venture under IFRS. The initial acquisition value as per acquisition date of both joint ventures amounted to EUR 32.91 million. The Group acquired additional shares for an amount of EUR 0.23 million as per 2017.

(b) Accounting for the cumulative result from equity accounted investments

A cumulative adjustment of EUR 1.91 million was accounted for as per 31 December 2017 for the result of both the joint ventures held by the Group. As these acquisitions were completed throughout 2016, no adjustments were made at the Group's date of transition to IFRS.

The total comprehensive income of the period ended per 31 December 2017 increased with EUR 2.87 million as a result of derecognizing the full P&L of Zaquensis and TEC (EUR 0.96 million) and by applying the equity accounting (EUR 1.91 million).

G. Derivative asset and liabilities

(a) Accounting for derivative financial instruments not previously recognized

As per 1 January 2016, the Group had outstanding derivatives which were not recognized in the Belgian GAAP financial statements. The Group recognized an embedded derivative asset of EUR 0.70 million and an interest rate swap liability of EUR 0.28 million. There were no outstanding positions as per 31 December 2017.

A net impact of EUR 33 thousand for the derivatives is noted in the total comprehensive income of the Group as per 31 December 2017.

H. Other non-current assets

(a) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced other non-current assets with a carrying amount of 0.03 million.

I. Trade and other receivables:

Trade and other receivables as per 1 January 2016 increased with EUR 24.45 million and decreased with an amount of EUR 8.66 million as per 31 December 2017.

An impact on total comprehensive income of EUR 0.4 million is noted as per 31 December 2017.

These adjustments are related to the following:

(a) Factoring agreement with continuing involvement

The Group entered into different agreements to assign partly its accounts receivable portfolio to a factoring company. Under Belgian GAAP, any accounts receivable purchased by the factor is derecognized from the balance sheet. Under IFRS however, as the derecognition criteria as included in IFRS 9 are not fulfilled (the credit risk and the late payment risk remaining with the Group), receivables are not derecognized and any amounts received from the factor following the purchase are recognized as a financial liability.

An amount of EUR 25.01 million and EUR 25.00 million was recognized as a trade receivable and a current finance liability as per 1 January 2016 and 31 December 2017 respectively.

As for the factoring both an asset and liability are recognized, no impact on the total comprehensive income as per 31 December 2017 is noted.

(b) Expected credit loss model in accordance with IFRS 9

Under local GAAP, the allowance for impairment of receivables consists of both a specific amount for incurred losses and a general amount for expected future losses. Under IFRS, the Group has applied the impairment guidance on financial instruments foreseen in IFRS 9. Consequently, the Group measures the loss allowance on its receivables at an amount equal to the lifetime expected credit losses, as applied based on a provision matrix.

An additional loss allowance of EUR 0.57 million and EUR 0.56 million has been recorded on the trade and other receivables at 1 January 2016 and 31 December 2017 respectively.

The impact on the total comprehensive income for the period as per 31 December 2017 amounts to EUR 0.4 million.

(c) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced trade and other receivables and loans to related parties with a carrying amount of EUR 33.74 million.

J. Loans to related parties

An amount of EUR 50.06 million was accounted for as a loan to related parties towards TEC and Zaquensis.

K. Cash and cash equivalents

The deconsolidation of the Zaquensis and TEC Group reduced cash and cash equivalents with a carrying amount of EUR 8.51 million.

L. Inventory

While the amount of the inventory was not impacted at the Group's date of transition to IFRS, a decrease of the inventory as per 31 December 2017 of EUR 5.58 million was noted as a result of:

(a) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced the inventory of the Group with EUR 5.58 million. The amounts capitalized under Belgian GAAP mainly relate to works ongoing at 31 December 2017 within the TEC business for which the Group applied the percentage of completion method.

M. Non-current and current borrowings

The net position of the non-current and current borrowings under IFRS as compared to Belgian GAAP decreased with an amount of EUR 9.09 million as per 1 January 2016 and increased with an amount of EUR 5.81 million as per 31 December 2017. This is mainly related to:

(a) Accounting for the vendor loan note

Under Belgian GAAP, the Group has recognized a financial liability for the vendor loan at its nominal amount, plus the accrued interest based on a contractual rate of interest of 2%. Under IFRS, the vendor loan has been initially measured at fair value, by discounting the future cash flows (principal and interest) at the market interest rate and has been measured at amortized cost. This resulted in a decrease in the financial liability of EUR 37.00 million at 1 January 2016. No impact was noted as per 31 December 2017 given the settlement of this vendor loan note.

(b) Accounting for the non-convertible bond

Under Belgian GAAP, the Group has recognized a financial liability for a non-convertible bond at its nominal amount of EUR 35 million. The non-convertible bond provides the holder with a yearly coupon of 4.5% and an annual interest rate to be capitalized of 3.5%. Similar to the vendor loan note above, the non-convertible bond is initially measured at fair value under IFRS, by discounting the future cash flows (principal and interest) at the market interest rate and has been measured at amortized cost. This resulted in an increase of the financial liability of EUR 2.46 million at 1 January 2016.

(c) Accounting for the convertible bond

In 2016, the vendor loan has been partially repaid and partially converted to convertible bonds. Just before year-end 2017 all remaining convertible bonds have been converted to equity. Under Belgian GAAP, additional share capital has been recognized at the nominal value of the convertible bonds which corresponds to the amount of issued share capital as per notary deed. Accrued interest based on contractual rate remained to be recognized as a short-term financial liability, as the intention was to convert this to equity during 2018. An amount of EUR 4.79 million of accrued interests remained outstanding as per 31 December 2017, increasing the outstanding debt position of the Group.

Total comprehensive income for the period ended 31 December 2017 is impacted by an amount of EUR 2.90 million for interest expenses relating to an interest adjustment on the convertible bond. This adjustment is a difference between interest expenses recorded under BE GAAP based on contractual interest rate of 2% and interest expenses recorded under IFRS based on amortized cost method.

(d) Factoring agreement with continuing involvement

Refer to the note above for more information.

(e) Capitalization of transaction costs related to the Senior Facility Agreement:

At 31 December 2016, the Group had a gross amount of EUR 315.5 million of outstanding bank loans under the Senior Facility Agreement bearing variable interest rates. The nominal amount of the amounts drawn under the agreement as per 31 December 2016, net of transaction costs, was EUR 307.7 million (EUR 7.83 million of transaction costs were recognized under IFRS). This Senior Facility Agreement has been replaced in 2017 by a new Senior Facility Agreement for which a gross amount EUR 475.0 million was outstanding as per 31 December 2017. The carrying amount of the drawings, net of transaction cost, was EUR 456.9 million (EUR 18.1 million of transaction costs were recognized under IFRS decreasing the outstanding liabilities of the Group). Transaction costs under Belgian GAAP are expensed when incurred.

Total comprehensive income of 31 December 2017 IFRS adjustment of EUR 10.3 million for capitalization of transaction costs on SFA relates to EUR 18.1 million of capitalized transaction costs on the new SFA signed in 2017, which were offset by transaction costs of EUR 7.8 million which were paid for the old SFA signed in 2016 (costs were initially capitalized in 2016, but then released to the income statement in 2017 upon extinguishment of the old SFA from 2016).

(f) Reclassification between other liabilities to non-current borrowings

An amount of EUR 0.11 million was reclassed from the other liabilities to the non-current borrowings as per 1 January 2016. An amount of EUR 0.76 million, related to preferred equity shares payable, was reclassified from the borrowings to the other liabilities. An amount of EUR 1.67 million related to earn-outs was reclassified from the non-current borrowings to the other non-current liabilities as per 31 December 2017.

(g) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced the non-current and current borrowings with EUR 3.40 million as per 31 December 2017.

N. Non-current and current employee benefit obligations

The increase of the non-current and current employee benefits amounts to EUR 0.60 million as per 1 January 2016 and EUR 17.68 million as per 31 December 2017.

Total comprehensive income for the Group as per 31 December 2017 decreased with EUR 0.37 million.

(a) Accounting for jubilee premiums and sickness provisions

HOHR staff is entitled to a jubilee benefit after a number of years of seniority within the Group. The calculation of these jubilee benefit obligations in accordance with the requirements of IAS 19 resulted in the recognition of an additional liability of EUR 0.35 million at 1 January 2016, which increased to EUR 1.07 million by 31 December 2017.

The Group also covers insurance risk for employees who are on long-term sickness leave for some entities in the Netherlands. An amount of EUR 0.11 million and EUR 0.38 million was accounted for by the Group as per 1 January 2016 and 31 December 2017 respectively.

The impact of the jubilee premiums and the sickness provision had an impact of EUR 0.37 million in the total comprehensive income of the Group as per 31 December 2017. An amount of EUR 0.36 million was related to jubilee premiums. The remaining amount relates to additional accruals for sickness leave.

(b) Ratchets

The Group offers, as part of a management incentive program, ratchets to the managers of different Group entities. The ratchets provide the managers with a compensation for the excess return realized by the Group in case of an exit or sale of the shares. The amount of the compensation is based upon the value of the entity's shares upon exit. The transaction is therefore within the scope of IFRS 2 'Share-based payment'. The ratchet premiums entitle the beneficiaries to a cash payment, equal to the ratchet. For Continu and Covebo the ratchet scheme has been considered in the labor agreement. As a result, an additional employee benefit obligation amounting to EUR 0.14 million has been accounted for these share-based payments at 1 January 2016. Within the context of the 2018 roll-over it was decided by end of 2017 to settle the ratchet plans in 2018.

(c) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced other non-current and current employee benefits with EUR 19.13 million as per 31 December 2017.

O. Non-current and current provisions

The amount of the provisions as per 1 January 2016 increased with an amount of EUR 0.49 million. The amount of the provisions and 31 December 2017 decreased with EUR 0.77 million due to:

(a) Accounting for decommissioning obligations

The Group recognized a provision for restoration obligations of EUR 0.49 million at 1 January 2016. An amount of EUR 0.57 million was reported under the provisions as per 31 December 2017. Refer to the B. for more information.

(b) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced other non-current and current provisions with EUR 1.34 million.

P. Other non-current and current liabilities:

The increase of the non-current and current liabilities amounted to EUR 10.90 million and EUR 10.97 million as per 1 January 2016 and 31 December 2017 respectively.

Net impact on the total comprehensive income as per 31 December 2017 amounts to a reduction of the expenses of EUR 3.63 million.

(a) Share-based payment—option plan

The Group offered share options on the shares of We are One BVBA, a 100% subsidiary of HOHR to a selected group of key managers. The beneficiaries have the possibility to sell the acquired option shares to the group in case of an exit or a refinancing of the Group, which creates for the Group an unavoidable obligation to settle the share-based payment transaction in cash.

Accounting for the cash-settled share-based payment plan under IFRS as per 1 January 2016 resulted in the recognition of an additional liability of EUR 5.76 million. As per end 2017 a decision was taken by the Group to settle the plan in 2018. An amount of EUR 52.65 million, corresponding to the effective payment made in 2018, was accrued for as per 31 December 2017 under the other current liabilities under IFRS and Belgian GAAP.

For the period ended per 31 December 2017, a cost of EUR 4.88 million was reversed in the total comprehensive income to align the amounts booked under Belgian GAAP to IFRS.

(b) Ratchets

An additional liability amounting to EUR 0.58 million has been accounted for the share-based payments at 1 January 2016, of which EUR 0.14 million has been accounted for as employee benefit obligation and EUR 0.44 million has been accounted for as other current liability. Within the context of the 2018 roll-over it was decided by end of 2017 to settle the ratchet plans in 2018. An additional amount of EUR 3.11 million was accrued for under the other current liabilities.

Compared to Belgian GAAP an additional cost of EUR 1.26 million is accounted in the total comprehensive income of the Group as per 31 December 2017.

(c) Preferred equity shares

As part of its expansion strategy, the Group acquired several entities prior to its conversion to IFRS. Together with minority shareholders, the Group contributed to the subscribed capital of these entities. The total subscribed capital of these entities consists out of both ordinary shares and preferred shares. These preferred shares provide the holder to a right of a preferential dividend of 8% per annum that becomes payable upon the resolution by the Shareholders' Assembly.

In case of insufficient distributable profit, the right to a preferred dividend is carried forward on a cumulative basis.

Under Belgian GAAP, the cumulative amount of the preferred dividends was accounted for as a liability. Under IFRS however, given that the decision to distribute is at the discretion of the shareholders and has not been taken place at the balance sheet date, the dividends payables are classified within equity.

An amount of EUR 1.45 million has been derecognized as a liability and recycled to equity at 1 January 2016. As per 31 December 2017, no adjustment has been made.

(d) Lease liabilities

As per 1 January 2016, PP&E increased with an amount of EUR 6.73 million while the lease liability increased with EUR 6.68 million (EUR 4.80 million non-current lease liabilities and EUR 1.88 million current lease liabilities). An amount of EUR 29 thousand was accounted for under the retained earnings.

An adjustment as per 31 December 2017 was booked of EUR 6.33 million under PP&E and an amount of EUR 6.15 million as lease debt (EUR 4.20 million non-current lease liabilities and EUR 1.95 million current lease liabilities).

Net impact on the total comprehensive income of the Group as per 31 December 2017 amounts to EUR 72 thousand. Refer to Note B for more information.

(e) Accrual on convertible bond

As per 1 January 2016, an amount of EUR 0.42 million is recorded as accrued interest on the convertible bond. An amount of EUR 4.79 million was accounted for as per 31 December 2017.

(f) Reclassification from other liabilities to non-current borrowings

Refer to above for more information.

(g) Deconsolidation of Zaquensis and TEC Group

The deconsolidation of the Zaquensis and TEC Group reduced other non-current and current provisions with EUR 3.96 million as per 31 December 2017.

4 Group structure of the House of HR

Since the creation of the Belgian Accent Group in 1995, the Group has significantly expanded its business as a result of a number of important and material external acquisitions. All these acquisitions are in-line with the mid- to long-term strategy of the House of HR to gain a more international foothold and to become a Group mainly offering services around specialized recruitment and engineering consulting. The Group is now active in more than 10 European countries.

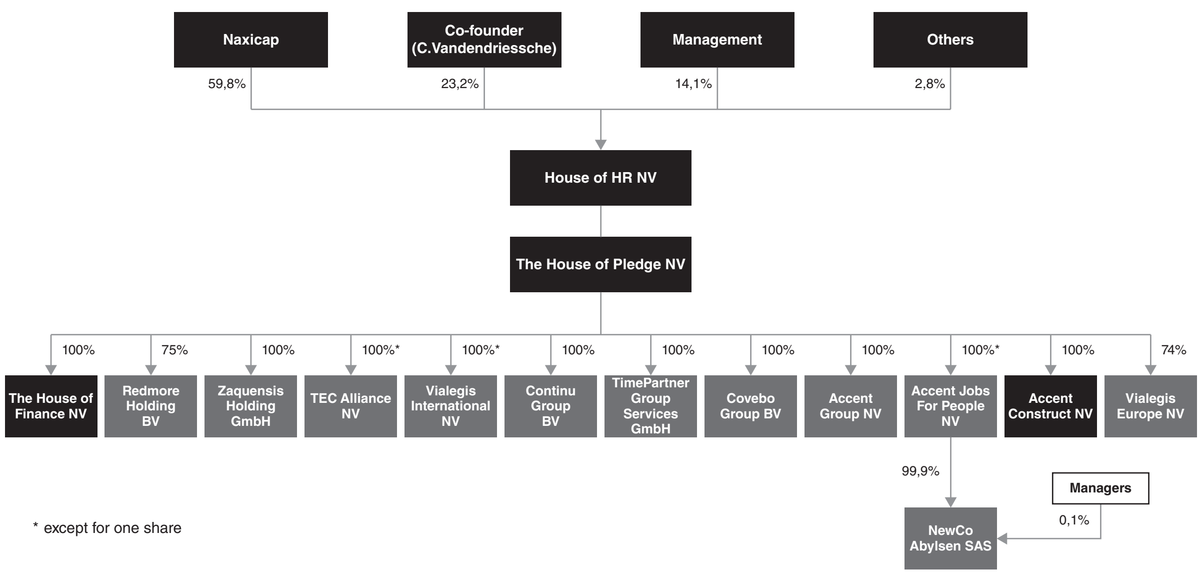
The acquisition strategy of the Group, prior to the legal reorganization of the Group that was completed in 2018 (Refer to Note 4.4), was to acquire a majority stake in all the acquired entities. Apart from the 2016 initial stake acquisition in the Zaquensis Group and the TEC Alliance Group, which are classified as joint ventures as the Group only has joint control into these entities (Refer to Note 4.2), the Group obtained control over all its acquisitions. For all transactions, the minority shareholders represent the former management of the acquired companies (Refer to Note 4.4). Upon the acquisition date, the Group performed a purchase price allocation in accordance with IFRS 3 for the acquired entities over which it has control.

As part of the legal reorganization of the Group completed in 2018, the majority of these minority shareholders exchanged their non-controlling interests, together with any related shareholder loans (financial liabilities recognized in various entities of the group) for cash and new shares issued by the parent company of the Group. Consequently, the Group currently holds into the majority of its subsidiaries 100% of the issued shares. The roll-over of Redmore and Vialegis has been completed early 2019. As a result of the changes in the equity held by non-controlling interests, the Group has adjusted the carrying amounts of the controlling and any remaining non-controlling interests to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid are directly recognized into equity.

The Group also obtained control over the Zaquensis Group and the TEC Alliance Group throughout 2018. The group has remeasured its previously held equity interest in these entities at its acquisition-date fair value and recognized a resulting gain or loss, if any, in other gains/losses.

Refer to note 4.1 and 23 for more information.

The Group's structure as per 31 December 2018 is as follows:



The following notes provide more information on the changes in the Group structure since the Group's transition date to IFRS:

4.1 Business combinations

(i) Overview of completed acquisitions

Since 1 January 2016, several business combinations have been completed by the Group. While the Group obtains control over the acquired entities, the Group does normally not acquire all of the issued shares of these entities. The remaining shares are held by the former management of the acquired entities. To facilitate the acquisitions, new holdings have been created in which the Group and the minority shareholders both contribute into the share capital in relation to the shares in the holding held by them. These holdings are consolidated in full by the Group. Amounts allocated to the minority shareholders are recognized as a separate component of the equity of the Group.

The following table provides an overview of the changes in the interests held into its acquired entities since 1 January 2016. The percentages represented in this table include both ordinary and preference shares. The percentages included in the acquisition details relate to the ownership percentage, i.e. ordinary shares. A separate column indicates the impact on the shares held by the Group as a result of the legal reorganization of the Group:

	January 1, 2016	2016 acquisitions			2017 acquisitions			2018 acquisitions			Impact of roll-over (June 21, 2018)		
Acquired Groups/Companies	Initial % of shares*	Initial / additional % of acquired shares*	Acquisition date	Cumulative acquired shares*	Initial / additional % of acquired shares	Acquisition date	Cumulative acquired shares*	Initial / additional % of acquired shares*	Acquisition date	Cumulative acquired shares*	Initial / additional % of acquired shares	Acquisition date	Cumulative acquired shares*
Abylsen Group	74,46%	3,25%	22 December 2016	77,71%	−3,25%	January - December 2017	74,46%			74,46%	25,54%	21 June 2018	100,00%
Continu Group	69,80%										30,20%	21 June 2018	100,00%
Accent Covebo Group	57,50%	−1,59%	28 December 2016	55,91%			55,91%			55,91%	44,09%	21 June 2018	100,00%
Zaquensis Group		65,00%	30 May 2016	65,00%			65,00%			65,00%	35,00%	21 June 2018	100,00%
TimePartner Group		83,33%	30 November 2016	83,33%	−8,33%	23 January 2017	75,00%			75,00%	25,00%	21 June 2018	100,00%
TEC Group		77,18%	31 August 2016	77,18%	0,32%	20 November 2017	77,50%	21,13%	1 January 2018	98,63%	1,37%	21 June 2018	100,00%
Vialegis International					75,00%	30 June 2017	75,00%			75,00%	25,00%	21 June 2018	100,00%
Vialegis Europe					75,00%	30 June 2017	75,00%	−1,01%	15 February 2018 22 June 2018	73,99%			
Effect Uitzendbureau BV (Covebo)					55,91%	4 July 2017	55,91%			55,91%	44,09%	21 June 2018	100,00%
Mach Professionals GmBH (TimePartner)					75,00%	23 November 2017	75,00%			75,00%	25,00%	21 June 2018	100,00%
Redmore Group					85,38%	31 December 2017	85,38%			85,38%			
Weiderer Personaldienste (TimePartner)								100,00%	1 January 2018 1 August 2018	100,00%			
Aartos Personalservice Gesellschaft (TimePartner)								100,00%	1 January 2018 1 August 2018	100,00%			
Eurotech SA Group (Abylsen)								55,85%	20 April 2018	55,85%	19,16%	21 June 2018	75,00%
MT&V Professionals Group BV (Continu)								70,00%	15 June 2018	70,00%	30,00%	21 June 2018	100,00%
Schollmeyer & Steidl GmBH (Vialegis)								55,50%	27 June 2018	55,50%			
VNOM Project & Interimmanagement B.V. (Covebo)								67,50%	11 July 2018	67,50%			
Pensioenperspectieven Group (Redmore)								85,38%	30 August 2018	85,38%			
ITDS Group (Redmore)								85,38%	18 December 2018	85,38%			
PI Holding (Abylsen)								75,00%	19 December 2018	75,00%			
Hardt BV (Continu)								100,00%	21 December 2018	100,00%			
Legalia NV (Vialegis)								100,00%	27 December 2018	100,00%			

* Shares including both ordinary and preferred shares

- **2016 acquisition**

TimePartner Group

On 30 November 2016, TimePartner Group Service GmbH, an 83,33% owned entity by HOHR, acquired 100% of the issued share capital of the TimePartner Group. The TimePartner Group is a German group offering solutions to its customers in the area of temporary staffing, personnel placement and provision of temporary workers and on-site-management. The remaining shares of TimePartner Group Service GmbH are held by the former management of the TimePartner Group.

The total consideration for the 100% acquisition of the TimePartner Group amounts to EUR 141.36 million.

As part of the legal reorganization of the Group, the Group acquired as per 21 June 2018 the remaining shares of TimePartner Group Service GmbH. Refer to the Note 4.4 for more information.

- **2017 acquisitions**

Vialegis Group

On 30 June 2017, Vialegis International NV, a 75% owned entity by HOHR, acquired 100% of the Vialegis NV Group. At the same moment, HOHR NV acquired 75% in Vialegis Europe NV. Vialegis is specialized in the search and selection of candidates for permanent positions and temporary projects in law firms and companies, at both international and local levels. Vialegis is active in Belgium, Luxembourg and Spain. The remaining 25% of the shares as per 30 June 2017 remained by the former management of the Vialegis Group.

The amount paid by House of HR to acquire 50% of the shares of Vialegis International NV amounts to EUR 0,21 million. The amount paid by Vialegis International NV to acquire 100% of the shares of Vialegis NV amounts to EUR 16,36 million.

As part of the legal reorganization of the Group, the Group acquired as per 21 June 2018 the remaining shares of Vialegis International NV. Refer to the Note 4.4 for more information.

Effect Uitzendbureau BV

As per 4 June 2017, Accent Covebo Group BV, a 55% owned entity by HOHR, acquired 100% of the issued share capital of Effect Uitzendbureau BV, a company specialized in general staffing for infrastructure and technical solutions. Effect was founded in 2009 by Dennis Ikink and Rick Scholten and became a strong regional player in its domain.

The total consideration for the acquisition of 100% of the shares of Effect Uitzendbureau BV amounts to EUR 8.75 million.

As part of the reorganization of the Group, the Group acquired as per 21 June 2018 the remaining shares of Accent Covebo Group BV and therefore also acquired the remaining shares of Effect Uitzendbureau BV. Refer to Note 4.4 for more information.

Redmore Group

As per 31 December 2017, the Proclus Holding BV, a 75% owned entity by HOHR, acquired 100% of the issued shares capital of Redmore Group. The Redmore Group is a leading service provider in the Netherlands, offering flexible and all-round solutions and exists out of three labels in the financial services sector and in the fields of finance & control and ERP.

The remaining shares of Proclus Holding BV are owned by Yosafi BV, Triple A Participaties, Trust Foundation and former management of the Redmore Group.

The consideration paid by the Proclus Holding BV to acquire 100% of the shares of the Redmore Group amounts to EUR 153.17 million.

No changes were noted in the shares held by the Group as a result of the legal reorganization of the Group that was completed throughout 2018. The legal reorganization of the Redmore Group has been completed in 2019.

Mach Professionals GmBH

On 23 November 2017, TimePartner Group Service GmbH, a 75% entity owned by the Group acquired 100% of Mach Professionals GmbH, a company active in specialized staffing of highly qualified aviation employees. With this acquisition, TimePartner reinforces its presence in the aviation and aerospace domains.

The consideration paid for 100% of the issued shares of Mach Professionals GmbH amounts to EUR 14.25 million.

As part of the reorganization of the Group, the Group acquired as per 21 June 2018 the remaining shares of TP Group Service GmbH. Refer to the Note 4.4 for more information.

- **2018 acquisitions**

  A. *Acquisitions previously classified as joint ventures*

Zaquensis Group

On 31 May 2016, the Group, via its subsidiary, Accent Jobs for People NV, acquired an initial stake of 65% of the issued share capital of the Zaquensis Group ("Zaquensis"), a German company specialized in temp-to-perm operations in healthcare, technical work, administration, finance and manufacturing. The remaining shares were at that moment hold by the former management of the Group (Mr. Lothmann and Mr. Ackmann).

The 65% initial investment in the Zaquensis Group qualifies as a joint venture and was accounted for using the equity method at 31 December 2016 and 31 December 2017. Refer to note 4.2 for more information.

The remaining shares of the Zaquensis Group were acquired as part of the legal reorganization of the Group that was completed in June 2018. As from then the Zaquensis Group became a subsidiary and a purchase price allocation was performed in accordance with IFRS 3 Business Combinations.

The consideration for the additional acquisition of shares amounts to EUR 6.55 million. The previously held interest with a book value of EUR 2.19 million has been remeasured to fair value at the acquisition date, resulting in a gain of EUR 9.98 million which has been recognized in the income statement.

TEC Alliance Group

The Group, via its subsidiary, Accent Jobs for People NV, acquired an initial stake of 73,5% of the issued share capital of the TEC Alliance Group ("TEC Alliance") on 31 August 2016. TEC Alliance is a group mainly active in the engineering business, through its contribution of the Logic-Technic business into TEC Alliance Group. The remaining shares are held by Mr. Marc Rummens and former management who brought into the TEC Alliance Group the Human Capital Group SA. In 2017 the Group acquired an additional stake in TEC Alliance, resulting in a total stake of 74,75%.

The investment in TEC Alliance in 2016 has been classified as a joint venture and was therefore accounted for using the equity method at 31 December 2016 and 31 December 2017. Refer to Note 4.2 for more details.

The Group acquired additional shares (20%) from the minority shareholder as per 1 January 2018 resulting in the Group obtaining control over the TEC Alliance Group. As per 1 January 2018 a purchase price allocation in accordance with IFRS 3 has been performed. The consideration for the additional acquisition of shares amounts to EUR 12.59 million. The previously held interests with a book value of EUR 31.99 million has been remeasured to fair value at the acquisition date. A gain of EUR 14.50 million has been recognized in the income statement.

The remaining shares of the TEC Alliance Group (5,25%) were acquired as part of the reorganization of the Group as per 21 June 2018. The total acquisition cost for the remaining shares amounts to EUR 2.23 million. No fair value exercise has been performed as of that date. The Group adjusted both its controlling interest and non-controlling interests. The difference between the fair value of the consideration and the amount of non-controlling interest has been adjusted in the equity attributable to the owners of the Group.

B. *Acquisitions acquired that are accounted for as a subsidiary*

Weiderer Personaldienste GmBh and Aartos Personaldienste GmBh

On 15 January 2018, TP Group Service GmbH, 75% owned by HOHR, acquired 95,5% of Weiderer Personaldienste GmBh and 92,79% of the Aartos Personaldienste GmBh. Both entities are active in general staffing. Via this acquisition TimePartner will be present in Niederbayern, a region in Germany in which they were not yet active prior to the acquisition.

The initial price paid for the acquisitions amounts to EUR 13.40 million. The Group acquired the remaining shares of both entities as per 1 August 2018 for an amount of EUR 2.41 million.

Schollmeyer & Steidl GmBH

On 26 June 2018, HOHR, via its subsidiary Vialegis Europe NV, 74% owned by the Group, acquired 75% of the issued shares capital of the Schollmeyer & Steidl GmBH Group. Schollmeyer & Steidl GmBH is the reference company in Germany for the recruitment of lawyers and tax experts. The company was founded in 2005, employs 15 people and has offices in Frankfurt, Cologne and Munich.

The consideration for acquiring 75% of the Schollmeyer & Steidl Group amounts to EUR 9.77 million.

MTenV Professionals Group BV

On 15 June 2018, HOHR, via its subsidiary Continu Group, 70% owned by the Group, acquired 100% of the issued shares of MTenV BV. MTenV BV is specialized in sourcing construction, civil engineering, mechanical engineering and electrical engineering & electrical installation staff to its customers. This acquisition strengthens its position in the construction, civil engineering and housing corporation sectors.

The consideration for acquiring 100% of the MTenV BV Group amounts to EUR 26.37 million.

V-NOM Project & Interim management B.V

On 4 July 2018, HOHR, via its subsidiary Covebo Group, 100% owned by the Group, acquired 67.5% of the issued share capital of Covebo VNOM BV which holds 100% of the share capital of V-NOM Project- & Interim management BV. The acquired business is based in Rotterdam and represents a fast-growing player in the construction and engineering sectors. The company was founded in 2009.

The consideration for acquiring 100% of V-NOM Project- & Interim management BV amounts to EUR 20.08 million.

Hartd BV

On 21 December 2018, HOHR, via its subsidiary Continu Group BV, 100% owned by the Group, acquired 100% of the Dutch company Hartd. Hartd offers talents the assurance of a permanent position combined with varied work in the niches of mechanical engineering, metals and electrical and installation engineering. This acquisition has strengthened Continu's position in the Netherlands in the mechanical engineering, metals and the electrical and installation engineering sectors.

The consideration for acquiring 100% of Hartd amounts to EUR 7.70 million.

Eurotech Group

On 20 April 2018, HOHR, via Newco Belgatech SA, 75% owned by the Group, acquired 100% of the shares of the Eurotech SA Group. The Eurotech Group owns 100% of the shares of Belgatech Engineering Services SPRL and Fratech RP SAS. Belgatech and Fratech are focused on engineering services and support their partners through their development cycle, offering guidance from R&D to post-production.

The consideration for acquiring 100% of the Eurotech Group amounts to EUR 2.88 million.

Pharma Insight BVBA

On 19 December 2018, HOHR, via PI Holding, 75% owned by the Group, acquired 100% of the shares of Pharma Insight BVBA. Pharma Insights provides practitioners in the life science industry with dedicated support systems, professional training and empathetic management.

The consideration for acquiring 100% of Pharma Insight BVBA amount to EUR 13.2 million.

Pensioen Perspectief B.V.

On 30 August 2018, HOHR, via its subsidiary Redmore Group, 75% owned by the Group acquired 100% of the issued shares of the company Pensioen Perspectief BV. The acquired business is an independent pension consultancy firm providing pension advice to employers, workers councils and tax and legal service providers in various sectors.

The consideration for acquiring 100% of Pensioen Perspectief B.V. amounts to EUR 0.85 million.

ITDS Group

On 18 December 2018, HOHR, via its subsidiary Redmore Group, 75% owned by the Group, acquired 100% of the shares of the company ITDS Business Consultants. ITDS is a consultancy firm for financial services providers with about 175 employees in the Netherlands and Poland. The acquisition enables financial service providers to be offered an integrated advice and implementation service consisting of consultancy, secondment, digitalization and risk management.

The consideration for acquiring 100% of ITDS Group amounts to EUR 21.38 million.

Legalia NV

On 27 December 2018, HOHR, via its subsidiary Vialegis Europe, 74% owned by the Group, acquired 100% of the issued shares of the company Legalia NV. The acquired business is a specialized recruitment and interim management agency with a focus on the legal sector. This acquisition has strengthened the position of Vialegis within the legal recruitment sector, particularly in the French-speaking market.

The consideration for acquiring 100% of Legalia amounts to EUR 1.52 million.

(ii) Overview of acquired fair values and determination of the associated goodwill

Details of the purchase consideration, the net assets acquired and goodwill for all businesses acquired can be summarized as follows:

	2016		2017				
Consideration for acquiring the business	**TimePartner group**	**Total 2016**	**Vialegis group**	**Effect uitzendbureaus BV**	**Mach professionals GmbH**	**Redmore group**	**Total 2017**
Cash	141.358.128	141.358.128	16.573.300	6.810.514	14.252.910	153.172.240	190.808.964
Equity instruments in the Group	—	—	—	—	—	—	—
Earn-out	—	—	—	1.935.638	—	—	1.935.638
Total consideration transferred for 100% of the business	**141.358.128**	**141.358.128**	**16.573.300**	**8.746.152**	**14.252.910**	**153.172.240**	**192.744.602**
Indemnification asset	—	—	—	—	—	—	—
Fair value of equity interest in the acquired entities held before the business combination	—	—	—	—	—	—	—
Total consideration for paid for the acquisition	**141.358.128**	**141.358.128**	**16.573.300**	**8.746.152**	**14.252.910**	**153.172.240**	**192.744.602**

	2016		2017				
Fair value of the acquired assets (@ 100%)	**TimePartner group**	**Total 2016**	**Vialegis group**	**Effect uitzendbureaus BV**	**Mach professionals GmbH**	**Redmore group**	**Total 2017**
Cash and cash equivalents . .	2.383.541	2.383.541	2.860.059	146.032	724.450	14.491.436	18.221.978
Intangible assets	146.675	146.675	—		3.822	446.455	450.277
Acquisition-related intangible assets: trademarks	23.721.035	23.721.035	982.386	105.590	2.127.534	11.389.343	14.604.853
Acquisition-related intangible assets: customer relationships	30.060.122	30.060.122	4.126.021	2.805.891	2.782.159	45.621.301	55.335.372
Land and buildings	—	—	—	—	—	—	—
Property, plant, equipment .	4.158.473	4.158.473	6.772	67.545	9.062	1.282.657	1.366.035
Other assets	478.592	478.592	309.140	5.790	—	120	315.051
Trade and other receivables .	45.666.578	45.666.578	3.644.729	707.202	5.502.255	19.766.147	29.620.333
Deferred income tax assets .	222.345	222.345	—	—	—	—	—
Borrowings	(85.505)	(85.505)	(147.516)	—	—	—	(147.516)
Trade and other payables . .	(5.359.019)	(5.359.019)	(2.178.086)	(403.094)	(615.623)	(37.832.219)	(41.029.023)
Income tax liabilities (asset) .	(3.576.674)	(3.576.674)	(826.283)		(280.671)	1.327.612	220.657
Payroll liabilities	(27.157.778)	(27.157.778)	(95.547)	(26.867)	(2.039.784)	(11.006.143)	(13.168.342)
Deferred income tax liabilities	(17.066.554)	(17.066.554)	(1.736.348)	(728.078)	(1.557.846)	(14.912.118)	(18.934.389)
Total identifiable net assets acquired	**53.591.830**	**53.591.830**	**6.945.326**	**2.680.011**	**6.655.359**	**30.574.591**	**46.855.287**
Less: Non-controlling interest	—	—		—	—	—	—
Add: Goodwill	87.766.297	87.766.297	9.627.974	6.066.141	7.597.551	122.597.649	145.889.315
Net assets acquired	**141.358.128**	**141.358.128**	**16.573.300**	**8.746.152**	**14.252.910**	**153.172.240**	**192.744.602**

Consideration for acquiring the business	MT&V	Eurotech group	Pharma insight BVBA	Hardt BV	Pensioen perspectief BV	ITDS group	Legalia NV	Schollmeyer & steidl GmBH	Weiderer personal-dienste GmBH	V-NOM	TEC alliance group	Zaquensis group	Total 2018
	2018												
Cash	24.549.000	2.875.000	11.340.100	5.005.325	455.000	22.181.000	727.500	9.771.000	13.397.000	18.083.000	12.589.036		120.972.961
Contribution of assets			1.859.900									6.552.670	8.412.570
Equity instruments in the Group	—			—	—	—		—		—	—	—	—
Earn-out	1.821.732			2.695.175	391.721	−805.000	794.400	—		1.995.000	—	—	6.893.028
Total consideration transferred for 100% of the business	**26.370.732**	**2.875.000**	**13.200.000**	**7.700.500**	**846.721**	**21.376.000**	**1.521.900**	**9.771.000**	**13.397.000**	**20.078.000**	**12.589.036**	**6.552.670**	**136.278.559**
Indemnification asset	—			—	—	—		—	—	—	—	—	—
Fair value of equity interest in the acquired entities held before the business combination	—			—	—	—		—	—	—	46.503.471	12.169.244	58.672.716
Total consideration for paid for the acquisition	**26.370.732**	**2.875.000**	**13.200.000**	**7.700.500**	**846.721**	**21.376.000**	**1.521.900**	**9.771.000**	**13.397.000**	**20.078.000**	**59.092.507**	**18.721.914**	**194.951.275**

Fair value of the acquired assets (@ 100%)	MT&V	Eurotech group	Pharma insight BVBA	Hardt BV	Pensioen perspectief BV	ITDS group	Legalia NV	Schollmeyer & steidl GmBH	Weiderer personal-dienste GmBH	V-NOM	TEC alliance group	Zaquensis group	Total 2018
	2018												
Cash and cash equivalents	598.075	309.138	1.422.632	423.758	1.650	3.545.108	350.712	526.916	3.316.197	2.202.576	2.459.893	659.715	15.816.370
Intangible assets	—	—	4.497	—	—	—	3.324	15.125	10.154	33.168	466.310	57.654	590.231
Acquisition-related intangible assets: trademarks	—	—	—	126.239	—	593.686	—	466.534	1.484.538	581.245	10.821.070	7.125.974	21.199.286
Acquisition-related intangible assets: customer relationships	6.139.181	—	—	2.389.731	—	4.487.660	—	1.959.441	1.941.319	5.915.188	24.204.685	20.163.963	67.201.168
Land and buildings	—	—	—	—	—	—	—	—	—	—	—	—	—
Property, plant, equipment	44.985	94.533	59.652	20.443	42.226	644.913	15.457	8.821	252.326	124.483	2.965.131	648.483	4.921.453
Other assets	70.049	38.597	5.610	—	20.746	78.511	270	20.300	—	—	56.493	10.350	300.925
Inventory	—	—	—	—	—	—	—	—	—	—	5.569.565	—	5.569.565
Trade and other receivables	5.876.440	1.658.455	3.046.627	846.390	303.833	3.123.477	435.006	287.678	3.684.986	2.925.899	40.954.029	19.057.475	82.200.296
Deferred income tax assets	—	—	—	—	—	—	—		—	—	6.499	714.505	721.004
Borrowings	—	−68.891		—	—	0	—		−15.432	—	−26.892.200	−26.783.959	−53.760.482
Provisions			−165.000								−395.691		−560.691
Trade and other payables	−670.456	−447.944	−470.460	−53.120	−51.307	−1.197.325	−198.115	−23.929	−1.170.917	−285.913	−23.085.505	−4.626.544	−32.281.534
Income tax liabilities (asset)	−1.059.107	−79.390	−147.107	−160.518	−69.296	−497.132	−98.197	−173.915	−1.344.579	−989.912	−4.230.788	−1.463	−8.851.403
Payroll liabilities	−876.925	−594.206	−786.354	−279.547	−31.040	−466.738	−7.536	−105.983	−2.637.904	−354.321	−6.167.621	−11.554.084	−23.862.259
Deferred income tax liabilities	−1.303.553	—	—	−535.891	—	−1.073.501	—	−769.762	−1.087.025	−1.400.033	−8.756.439	−6.793.088	−21.719.290
Total identifiable net assets acquired	**8.818.689**	**910.292**	**2.970.097**	**2.777.485**	**216.812**	**9.238.659**	**500.922**	**2.211.225**	**4.433.663**	**8.752.382**	**17.975.431**	**−1.321.020**	**57.484.638**
Less: Non-controlling interest	—			—	—	−199.333		−138.753	−117.353	—	539.103		83.664
Add: Goodwill	17.552.043	1.964.708	10.229.903	4.923.015	629.909	12.336.674	1.020.978	7.698.528	9.080.689	11.325.618	40.577.974	20.042.935	137.382.973
Net assets acquired	**26.370.732**	**2.875.000**	**13.200.000**	**7.700.500**	**846.721**	**21.376.000**	**1.521.900**	**9.771.000**	**13.397.000**	**20.078.000**	**59.092.507**	**18.721.914**	**194.951.275**

The goodwill as a result of these acquisitions is attributable to the workforce and the expected high profitability of the acquired business. The goodwill is not deductible for tax purposes.

Accounting policy choice for non-controlling interests

IFRS allows the Group to recognize the non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

Group Management decided to recognize all the non-controlling interests at fair value.

Acquired receivables

The following table summarizes the fair value of acquired trade receivables as per acquisition date:

	2018	2017	2016
Acquired receivables	**Total acquired receivables per 2018**	Total acquired receivables per 2017	Total acquired receivables per 2016
Contractual amount of trade receivables due	**82.877.108**	29.620.633	46.297.476
Amount of uncollectible trade receivables	**−676.812**	0	−630.898
Fair value of acquired trade receivables	**82.200.296**	29.620.633	45.666.578

The gross amount of the acquired trade receivables approximates its fair value. As per 31 December 2016 and 31 December 2018 respectively, an amount of EUR 0.6 million and EUR 0.7 million has been impaired. Group management is expecting that the full contractual amounts can be collected.

Revenue and profit contribution

The acquired businesses contributed since its acquisition dates the following amount of revenue and net profit to the Group:

Contribution to revenue and net profit since the date of the acquisition:	**2018** Total 2018	2017 Total 2017	2016 Total 2016
Revenue	**195.848.241**	7.051.451	20.342.341
Net profit	**9.324.297**	750.769	−2.330.942

If the acquisitions had occurred on 1 January of the year, consolidated pro-forma revenue and net profit for the year ended would have been:

Contribution to revenue and net profit as if the acquisition was completed per 1 January:	**2018** Total 2018	2017 Total 2017	2016 Total 2016
Revenue	**310.720.834**	147.058.692	261.189.147
Net profit	**17.213.065**	36.155.223	−1.173.548

These amounts have been calculated using the subsidiary's results, adjusting them for:

- differences in the accounting policies between the Group and the subsidiary, and
- the additional depreciation and amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January of every year, together with the consequential tax effects.

Contingent assets and contingent liabilities

The Group did not recognize any material contingent asset or contingent liabilities under the purchase price allocation exercise.

Reconciliation to the cash-flow statement

Outflow of cash to acquire subsidiary, net of cash acquired	**31 December 2018**	31 December 2017	31 December 2016
Cash consideration	**120.972.961**	190.808.964	141.358.128
Less: balances acquired			
Cash consideration	**– 15.816.370**	– 18.221.978	– 2.383.541
Bank overdraft			
Total	**– 15.816.370**	– 18.221.978	– 2.383.541
Net flow of cash—investing activities for business combination	**105.156.591**	172.586.986	138.974.587

Acquisition related costs

The total acquisition-related costs related to these acquisitions amount to EUR 1.93 million as per 31 December 2018 (31 December 2017: EUR 0.92 million and 31 December 2016: EUR 3.03 million).

All these costs have been expensed within the statement of financial performance at the transaction date.

(iii) Acquisitions completed after year-end

The Group has acquired Pharmacos as per February 2, 2019 and Mykelson as per April 3, 2019. Pharmacos is specialized in the pharma and bio-engineering industry. Abylsen acquired 76.67% of its shares. Mykelson is a project consulting business and has been acquired by Abylsen (100% of the shares have been acquired, with minority shareholders still present at the local Opco's Eastelson and Consulting).

Furthermore, HOHR has obtained 20% of the shares in Happy Recruiter as per March 8, 2019, a Romanian entity focusing on digital recruitment.

4.2 Interests in joint ventures

The Group invested, via its subsidiary Accent Jobs for People NV, in two joint ventures in 2016, which, in the opinion of the directors of the Group, are material to the Group. The share capital of the Zaquensis Group (a general staffing company mainly dedicated to blue collar workers with specialization in healthcare and interim work) only consists of ordinary shares. The share capital of the TEC Alliance Group (a Group mainly active in the engineering business), however, both consists of ordinary shares and preferred shares. These preferred shares provide to the holder a right of a preferential dividend of 8% per annum that becomes payable upon the resolution of the Shareholders' Assembly. The preferred shares, however, do not have any voting rights. Consequently, there is a difference between the proportion of ownership interests held and the voting rights held by the Group for TEC Alliance Group.

The country of incorporation or registration is also their principal place of business.

As per November 2017, the Group acquired an additional stake of 0.32% of the ordinary shares of the TEC Alliance Group from the other shareholders of TEC Alliance Group for a price of EUR 239 thousand.

Both joint ventures became subsidiaries as the Group acquired from the minority shareholders the remaining shares in 2018. Refer to Note 4.1 and 4.5 for more information. Per 31 December 2018 there are no material interests in joint ventures.

Set out below are the joint ventures of the Group as well as the proportion of the ownership interest held and dividend right as per 31 December 2017, 2016 as well as 1 January 2016:

		Proportion of ownership interest held and dividend rights			
Name of joint venture	Place of business	**2018***	31 December 2017	2016	1 January 2016
TEC Alliance Group	Belgium	—	77,50%	77,18%	—
Zaquensis Group	Germany	—	65,00%	65,00%	—

* Roll-over has taken place resulting in the acquisition of the remaining shares held by the minority shareholders

The carrying amount of the joint ventures included in the statement of financial position as per 31 December 2017 and 2016 is set out in the below table:

	Carrying amount			
Name of joint venture	**2018***	31 December 2017	2016	1 January 2016
TEC Alliance Group	—	31.994.054	29.298.103	—
Zaquensis Group	—	2.191.201	2.729.132	—
Total	—	34.185.255	32.027.235	—

The result of the period of the joint ventures included in the statement of comprehensive income as per 31 December 2018, 2017, 2016 is set out in the below table:

	Carrying amount		
Name of joint venture	**2018***	31 December 2017	2016
TEC Alliance Group	—	2.457.306	(349.959)
Zaquensis Group	—	(537.931)	(537.120)
Total	—	1.919.375	(887.079)

The movement in the carrying amount of the joint ventures since its acquisition is shown in the following table:

Joint venture	**2018***	31 December 2017	2016	1 January 2016
At 1 January	**34.185.256**	32.027.235	—	—
Acquisition of joint venture	—	238.645	32.914.314	
Share of profit	—	1.919.375	(887.079)	—
Change in the consolidation perimeter*	**(34.185.256)**	—	—	—
At 31 December	—	34.185.256	32.027.235	—

*: Refer to Note 4.1 and 4.5 for more information.

Summarized financial information for joint ventures

The tables below provide summarized financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not the share of The Group of those amounts. These figures have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

Summarised balance sheet (@ 100%)	TEC 31 December 2017	TEC 31 December 2016	Zaquensis 31 December 2017	Zaquensis 31 December 2016
Current assets				
Cash and cash equivalents	2.459.893	10.909.519	6.046.238	5.963.471
Other current assets	46.523.594	28.631.641	15.131.470	15.721.490
Total current assets	48.983.487	39.541.160	21.177.709	21.684.961
Non-current assets	59.868.619	64.930.436	34.905.408	37.129.489
Total assets	**108.852.106**	**104.471.596**	**56.083.116**	**58.814.450**
Current liabilities				
Financial liabilities (excluding trade payables)	9.550.530	10.390.112	2.405.397	765.699
Other current liabilities	24.132.627	17.654.218	14.487.683	16.537.111
Total current liabilities	33.683.156	28.044.330	16.893.079	17.302.810
Non-current liabilities	—	—	—	—
Financial liabilities (excluding trade payables)	26.040.000	26.040.000	26.785.796	27.826.086
Other non-current liabilities	7.913.765	12.463.700	9.049.722	9.504.658
Total non-current liabilities	33.953.765	38.503.700	35.835.517	37.330.744
Total liabilities	**67.636.921**	**66.548.031**	**52.728.597**	**54.633.554**
Net assets	**41.225.686**	**37.938.318**	**3.354.519**	**4.180.896**
Reconciliation to carrying amounts:				
Opening net assets 1 January	37.938.318	—	4.180.896	—
Incorporation of the entity	—	38.414.452	—	5.007.234
Profit for the period	3.287.367	(476.135)	(826.377)	(826.338)
Other comprehensive income	—	—	—	—
Dividends	—	—	—	—
Closing net assets	**41.225.685**	**37.938.318**	**3.354.519**	**4.180.896**
Group's share in % (equity)	77,50%	77,18%	65,00%	65,00%
Group's share in % (profit)	74,75%	73,50%	65,00%	65,00%
Group's share in EUR	31.994.054	29.298.103	2.191.201	2.729.132
Goodwill	—	—	—	—
Carrying amount	**31.994.054**	**29.298.103**	**2.191.201**	**2.729.132**

Summarised statement of comprehensive income	TEC 31 December 2017	TEC 31 December 2016	Zaquensis 31 December 2017	Zaquensis 31 December 2016
Revenue	116.562.168	34.774.860	112.990.867	68.614.246
Cost of services	(88.235.180)	(25.787.047)	(90.532.581)	(54.610.942)
Selling expenses	(16.090.859)	(4.673.296)	(15.195.982)	(10.160.074)
Other G&A expenses	(5.493.721)	(2.198.022)	(6.398.007)	(3.669.035)
Finance income	56.023	14.859	5.281	2.967
Finance expense	(2.232.075)	(1.487.723)	(2.086.915)	(1.151.015)
Income tax expense	(1.278.989)	(1.119.765)	390.960	147.514
Profit for the period	**3.287.367**	**(476.135)**	**(826.377)**	**(826.338)**
Other comprehensive income	—	—	—	—
Total comprehensive income	3.287.367	(476.135)	(826.377)	(826.338)
Dividends received from joint venture entities	—	—	—	—

Significant restrictions on joint ventures

There are no significant restrictions on the ability of a joint venture or associate to transfer funds in the form of cash dividends, or to repay loans or advances made by the Group.

Commitments and contingent liabilities in respect of joint ventures

The Group is not exposed to provide additional funding if called by any of its joint ventures. There are no contingent liabilities to the Group's interest in these joint ventures.

4.3 Interests in associates

The Group has per December 31, 2018 shares in Proclus Pooling and Ariad. These entities are accounted for as associates and are considered not material for the total group.

4.4 Non-controlling interests

The summarized financial information for the subsidiaries of the Group that has non-controlling interests that are material to the Group is represented in below overview:

1 January 2016	Continu	Covebo	Abylsen	TOTAL
Non-current assets	48.221.484	38.617.856	128.297.310	215.136.650
Current assets	13.276.483	22.806.497	42.893.837	78.976.817
Total assets	**61.497.966**	**61.424.353**	**171.191.148**	**294.113.467**
Non-current liabilities	−20.302.127	−19.797.661	−55.525.655	−95.625.443
Current liabilities	−22.530.763	−25.151.422	−22.602.664	−70.284.848
Total liabilities	**−42.832.890**	**−44.949.083**	**−78.128.318**	**−165.910.291**
Net assets	−13.154.844	−11.571.660	−69.295.559	−94.022.063
Accumulated NCI	**−5.510.233**	**−4.903.611**	**−23.767.270**	**−34.181.113**

31 December 2016	Continu	Covebo	Abylsen	TimePartner	TOTAL
Non-current assets	48.979.047	34.994.474	128.413.281	145.935.677	358.322.478
Current assets	17.957.317	34.690.365	45.271.224	49.148.759	147.067.665
Total assets	**66.936.363**	**69.684.839**	**173.684.505**	**195.084.436**	**505.390.142** 0
Non-current liabilities	−29.097.464	−30.318.109	−54.390.562	−71.743.763	−185.549.898
Current liabilities	−12.405.345	−25.324.648	−17.809.817	−53.363.280	−108.903.090
Total liabilities	**−41.502.810**	**−55.642.757**	**−72.200.379**	**−125.107.042**	**−294.452.988**
Net assets	−18.574.807	−8.235.858	−78.718.122	−58.315.573	−163.844.359
Accumulated NCI	**−6.858.747**	**−5.806.224**	**−22.766.004**	**−11.661.821**	**−47.092.796**
Revenu	49.638.648	152.603.862	78.680.166	20.342.341	301.265.017
Profit for the period	4.451.603	1.473.030	9.390.071	−2.330.942	12.983.761
Other comprehensive income					
Profit allocated to NCI	**1.348.515**	**902.613**	**2.093.047**	**−388.180**	**3.955.995**
Dividens allocated to NCI					

31 December 2017	Continu	Covebo	Abylsen	TimePartner	Redmore	Vialegis	TOTAL
Non-current assets	48.282.893	43.833.857	128.081.984	153.603.130	181.285.078	15.343.232	570.430.174
Current assets	28.806.889	45.292.151	58.130.517	61.032.713	37.094.256	5.530.753	235.887.279
Total assets	**77.089.782**	**89.126.008**	**186.212.502**	**214.635.842**	**218.379.334**	**20.873.985**	**806.317.453**
Non-current liabilities	−30.786.661	−35.540.374	−50.591.182	−85.529.027	−93.549.435	−8.785.665	−304.782.343
Current liabilities	−20.975.472	−39.208.574	−23.595.813	−56.894.723	−21.906.206	−1.881.135	−164.461.924
Total liabilities	**−51.762.133**	**−74.748.948**	**−74.186.995**	**−142.423.750**	**−115.455.641**	**−10.666.800**	**−469.244.267**
Net assets	−18.129.650	−8.284.881	−83.130.082	−57.945.692	−88.619.618	−7.623.467	−263.733.389
Accumulated NCI	**−7.198.000**	**−6.092.179**	**−28.895.424**	**−14.266.400**	**−14.304.075**	**−2.583.719**	**−73.339.797**
Revenu	61.710.946	193.752.198	97.021.895	298.268.713	0	5.528.473	656.282.225
Profit for the period	1.987.022	681.057	10.738.576	7.191.041	0	533.692	21.131.389
Other comprehensive income							
Profit allocated to NCI	**437.512**	**250.876**	**2.742.632**	**1.742.268**	**0**	**129.860**	**5.303.148**
Dividens allocated to NCI	**346.112**	**87.808**		**137.689**			**571.609**

31 December 2018	Belgatech	Pharma insight	VNOM	Redmore	Vialegis Europe	TOTAL
Non-current assets	2.102.167	10.299.649	17.680.047	194.275.041	9.643.289	234.000.194
Current assets	981.378	−1.530.741	6.384.833	37.365.049	1.856.449	45.056.969
Total assets	**3.083.545**	**8.768.908**	**24.064.880**	**231.640.091**	**11.499.738**	**279.057.162**
Non-current liabilities	−45.885	−165.000	−13.533.067	−98.092.857	−8.224.377	−120.061.186
Current liabilities	−1.326.145	−1.403.921	−5.518.692	−21.828.490	−857.226	−30.934.475
Total liabilities	**−1.372.030**	**−1.568.921**	**−19.051.759**	**−119.921.347**	**−9.081.604**	**−150.995.661**
Net assets	−826.327	−5.039.987	−3.383.866	−93.705.660	−1.312.442	−104.268.282
Accumulated NCI	**−885.189**	**−2.160.000**	**−1.629.255**	**−18.013.083**	**−1.105.693**	**−23.793.220**
Revenu	5.179.920		14.540.541	109.420.744	3.201.747	132.342.952
Profit for the period	90.755		1.013.092	7.952.636	131.893	9.188.376
Other comprehensive income						
Profit allocated to NCI	**22.689**	**0**	**329.255**	**3.240.920**	**185.129**	**3.777.993**
Dividens allocated to NCI						

This table represents the non-controlling interests that are material to the Group. Next to above mentioned items, the NCI has been impacted by the non-controlling interests in Accent Romania (EUR 0.14 million for 2016 and 2015) and the dividend allocation to minorities of Accent (EUR 0.8 million for 2018, EUR 3 million for 2017 and EUR 1,6 million for 2016).

4.5 Legal reorganization of the Group in 2018

The Group (consisting of the parent HOHR and its direct and indirect subsidiaries) completed a legal reorganization (hereinafter "legal reorganization" or "rollover") as per 21 June 2018. This legal reorganization was completed in the following phases and resulted in the following changes in the paid-in capital of the Group:

	Shares	Total value shares	Total value share premium	Total capital contributed
Share capital as per 31 December 2017	**371.746.370**	**373.550.154**	**—**	**373.550.154**
Phase 1: Transfer of legal entities, legal merger and de-mergers, contribution in kind of intrest on convertible bond	6.893.459	−4.655.589		−4.655.589
Phase 2: Elimination of non-controlling interests	95.333.903	92.880.242	69.243.876	162.124.118
Phase 3: Contribution in cash (June 10, 2018)	4.821.873	4.697.770	5.786.719	10.484.489
Phase 4: Contribution in cash (August 14, 2018)	1.022.826	996.501	1.227.491	2.223.992
Share capital as per 31 December 2018	**479.818.431**	**467.469.078**	**76.258.086**	**543.727.164**

- *Phase 1: Transfer of legal entities, legal mergers and (partial) de-mergers of various entities controlled by the Group*

In 2018, the Group completed a number of internal transfers of legal entities within the Group as well as it completed a number of legal mergers and (partial) de-mergers of various entities that were under the control of the parent.

In addition, all assets and liabilities hold by The House of Loyalty NV, a special purpose entity which is fully owned by key management of the Group, were merged with these of HOHR. The House of Loyalty NV did not have any other business purpose/activities than holding shares in HOHR. As a result of this transaction, key management of the Group effectively exchanged their shares held in "The House of Loyalty NV" into shares in "HOHR NV".

As the legal merger is considered as a transaction between the Group parent company (HOHR) and its shareholders, there is no change at the level of HOHR. Therefore, transactions with shareholders do not give rise to profit or loss, any gain or loss is recognized directly in the equity of the Group.

The remaining internal transfers completed by the Group did not result in material changes in the composition of the assets and liabilities of the Group. The number of shares of the Group increased with 6.893.459 shares corresponding to a decrease in paid-in capital of EUR 4.66 million.

- *Phase 2: Elimination of non-controlling interests held by former management of the acquired businesses*

All non-controlling interests held by former management of the Group into the different sub holdings were eliminated throughout the second phase of the reorganization of the Group[1]. These non-controlling interest holders both held ordinary and preference shares in the operating subsidiaries (OpCos) that were both classified as equity under IFRS.

1 Elimination of the minority shares for Continu Group, Covebo Group, Zaquensis Group, Vialegis International, TEC Group, Abylsen Group and Timepartner Group as well as partially the share-base payment accounted for within We Are One BVBA

The minority shareholders exchanged their non-controlling interests, together with any related shareholder loans (financial liabilities recognized in various sub-entities of the Group) for cash and new shares issued by the Group. Once the transaction was completed, the Group owned all equity instruments of the majority of its subsidiaries.

The following contributions were made by the former minority shareholders towards the Group:

Contribution in kind by minority shareholders	in EUR
Contributed outstanding receivables	59.361.000
Contributed ordinary and preference shares	68.058.000
Contributed subordinated loans	34.705.000
TOTAL	**162.124.000**

The following consideration by the Group was provided for this contribution in kind:

Total consideration provided for by the Group	in EUR
Number of new shares issued by the Group	95.333.901
Par value per share	0,97
Total value of the issued shares	92.880.242
Share premium	69.243.876
TOTAL	**162.124.118**

The Group issued the following classes of shares:

Compensation provided for by the Group	in EUR
Ordinary C shares	21.720.198
Tracking shares:	
Accent convertable tracking shares	3.311.913
Abylsen convertable tracking shares	9.664.594
Continu convertable tracking shares	6.288.128
Covebo convertable tracking shares	2.169.936
Vialegis convertable tracking shares	1.088.622
TimePartner convertable tracking shares	9.974.196
Zaquensis convertable tracking shares	2.109.526
TEC convertable tracking shares	546.592
Preference shares (PA 8)	17.390.087
Preference shares (PA 8.5)	21.070.109
TOTAL	**95.333.901**

Besides above-mentioned contributions done by the former minority shareholders, a total of EUR 54.07 million of ordinary and preferred shares has been sold by the minority shareholders to HOHR.

The newly issued shares had the following terms and conditions:

1. Ordinary C shares:

   Ordinary C shares provide the holder with the right to a dividend which is discretionary upon decision of the general shareholders' meeting. In case of a departure of a holder of the shares, different purchase and sales options exist, depending upon the type of departure (defined as a "Good Leaver Event" or a "Bad Leaver Event").

Each ordinary share and convertible tracking share give right to one vote. C shares do not give right to appoint the members of the board of directors. Tag-along and drag-along rights are also attached to class C shares.

2. Class C convertible tracking shares

Class C convertible tracking shares are convertible into the ordinary shares of the parent when predetermined events provided for in the articles of association of the parent company or the shareholders' agreement take place. The conversion of convertible tracking shares in a number of ordinary shares will be based upon a predefined formula. The tracking shares entitle their holders to rights linked to the performance of the respective OpCo, in the event of a liquidation or dissolution of the Company, a dividend distribution by the Company or an Exit.

3. Preference shares

Preference shares in the Group are issued as a compensation for old preference shares and shareholder loans of the subsidiaries that were hold by the former non-controlling interest holders. The holders of the preference shares are, with regard to each financial year of the company for which the shares have been issued, entitled to the distribution of a cumulative preferential dividend from the (possible) profit and reserves available for distribution within the Company, at the annual fixed percentage of 8% (PA 8) and 8.5% (PA 8.5). Distribution of the preference dividends are subject to the decision of the General shareholders meeting. The preferential dividends do not confer a further right to participate in the profits of the Company other than the preferential dividends.

Shareholders of the Group can decide to distribute dividends on ordinary and tracking shares. The share of total dividend "allocated" to the tracking shares depends on the performance of the OPCOs (increase in its equity value). However, the group has no contractual obligation to distribute dividends on tracking shares, the normal declaration and approval procedures apply. Dividend on ordinary share cannot be distributed unless preference shares cumulative dividend is paid out first.

Changes in the non-controlling interests in the Group's ownership interest after control is obtained, that do not result in a change in control of the subsidiary, have been accounted for within equity. Therefore, no gain or loss in the income statement on selling the subsidiary's shares has been recognized. Neither any additional goodwill has been reflected when acquiring additional shares. Instead, the carrying amount of the non-controlling interest has been adjusted to reflect the change in the ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the Group's equity holders.

Some of the rollover transactions (Zaquensis Group and TEC Alliance Group) resulted in a change of control—before the transaction the group had no controlling interest in these equity accounted entities—refer for more information to Note 4.2. For these transactions, the Group allocated the fair value of the consideration transferred to the fair value of assets and liabilities acquired and the residual amount should be recognized on the balance sheet as goodwill. The pre-existing interest has been remeasured to fair value as part of the purchase price allocation exercise with a resulting gain recognized in the profit at the acquisition date.

The Group valued the issued equity instruments at fair value at the date when the financial liabilities were extinguished.

- *Phase 3: Contribution in cash as per 10 June 2018*

The Group increased its share capital by EUR 4.7 million by a contribution in cash. The following shares were issued as per that date:

Type of shares issued	Shares	Total value shares	Total value share premium
Ordinary C shares	1.361.349	1.326.311	1.633.752
Tracking shares:			
Abylsen convertible tracking shares	2.502.112	2.437.714	3.002.778
Continu convertible tracking shares	350.685	341.659	420.856
TimePartner convertible tracking shares	575.534	560.721	690.697
TEC convertible tracking shares	32.193	31.364	38.635
TOTAL	**4.821.873**	**4.697.769**	**5.786.718**

- *Phase 4: Contribution in cash as per 14 August 2018*

The Group further increased its share capital by EUR 1.0 million by a contribution in cash. The following shares were issued as per that date:

Type of shares issued	Shares	Total value shares	Total value share premium
Tracking shares:			
Continu convertible tracking shares	1.022.826	996.501	1.227.491
TOTAL	**1.022.826**	**996.501**	**1.227.491**

4.6 Overview of subsidiaries and joint ventures

(i) Overview of subsidiaries

The Group's principal subsidiaries at 31 December 2018, 31 December 2017 and 31 December 2016 are set out below. The table indicates the % hold by the Group of ownership (including shares with voting and non-voting rights) as well as dividend interests. The country of incorporation is also the principal place of business.

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Belgium							
Accent Jobs For People NV	**100,00%**	**100,00%**	100,00%	100,00%	100,00%	100,00%	Belgium
Accent Construct NV	**100,00%**	**100,00%**	100,00%	100,00%	100,00%	100,00%	Belgium
The House of Building NV	**0,00%**	**0,00%**	100,00%	100,00%	100,00%	100,00%	Belgium
Nowjobs NV	**100,00%**	**100,00%**	100,00%	100,00%	100,00%	100,00%	Belgium
Accent Group NV	**100,00%**	**100,00%**	100,00%	100,00%	100,00%	100,00%	Belgium
We Are One BVBA	**0,00%**	**0,00%**	100,00%	100,00%	100,00%	100,00%	Belgium
Gighouse BVBA	**100,00%**	**100,00%**	100,00%	100,00%	100,00%	100,00%	Belgium
Continu Carrière BVBA	**100,00%**	**100,00%**	73,17%	70,00%	73,17%	70,00%	Belgium
House of Pledge NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
Home Maid BVBA	**0,00%**	**0,00%**	0,00%	0,00%	100,00%	100,00%	Belgium
Abylsen Belgium BVBA	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	Belgium
Vialegis International NV	**100,00%**	**100,00%**	75,00%	75,00%	0,00%	0,00%	Belgium
Vialegis Europe NV	**74,00%**	**74,00%**	75,00%	75,00%	0,00%	0,00%	Belgium
Vialegis NV	**100,00%**	**100,00%**	75,00%	75,00%	0,00%	0,00%	Belgium
Viapublic NV	**100,00%**	**100,00%**	75,00%	75,00%	0,00%	0,00%	Belgium
The House of Finance NV	**100,00%**	**100,00%**	100,00%	100,00%	0,00%	0,00%	Belgium
6BO SAS	**55,67%**	**55,67%**	0,00%	0,00%	0,00%	0,00%	Belgium
NEWCO BELGATECH NV	**46,51%**	**75,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
EUROTECH SA	**46,51%**	**75,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
BELGATECH SPRL	**46,51%**	**75,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
Logi—Technic Infra NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
Logi—Technic NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
Logi—Technic Building NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
TEC Blue NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
TEC Alliance NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
TEC NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
TEC Projects NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
PCI NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
ADVITEK NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
CTRL-F II NV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
Pharma Insight BVBA	**70,00%**	**75,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
PI Holding NV	**70,00%**	**75,00%**	0,00%	0,00%	0,00%	0,00%	Belgium
Legalia BVBA	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Belgium

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
The Netherlands							
Continu Holding BV	**100,00%**	**100,00%**	73,17%	70,00%	73,17%	70,00%	The Netherlands
Continu BV	**100,00%**	**100,00%**	73,17%	70,00%	73,17%	70,00%	The Netherlands
Continu Recruitment Services BV	**100,00%**	**100,00%**	73,17%	70,00%	73,17%	70,00%	The Netherlands
TEC Nederland BV	**100,00%**	**100,00%**	73,17%	70,00%	73,17%	70,00%	The Netherlands
MT&V BV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	The Netherlands
Hartd BV	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	The Netherlands
3G Payroll BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Accent Covebo Group BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Accent Jobs For People BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Covebo BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Covebo Bouw BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
EU Facility Services BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Covebo Food BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Covebo Logistiek BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Covebo Metaal en Techniek	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Covebo Projecten BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Covebo Uitzendgroep BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
FYGI BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
PRAN BV	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	The Netherlands
Effect Uitzendbureau BV	**100,00%**	**100,00%**	58,13%	56,75%	0,00%	0,00%	The Netherlands
Covebo VNOM BV	**67,50%**	**67,50%**	0,00%	0,00%	0,00%	0,00%	The Netherlands
V-NOM P & I B.V.	**67,50%**	**67,50%**	0,00%	0,00%	0,00%	0,00%	The Netherlands
Redmore Holding BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Redmore Group BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Talent en pro Holding BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Talent & Pro Nederland BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Redmore Interim BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Redmore Solutions BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Triple S Unlimited BV	**0,00%**	**0,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Triple A—Risk Finance Holding BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Triple A—Risk Finance Certification BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Triple A—Risk Finance BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Triple A—Benefits Consulting BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Triple A—Risk Finance International BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Profource Holding BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Profource BV	**85,38%**	**60,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Profource Cloud Services BV	**0,00%**	**0,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Profource Service Center BV	**0,00%**	**0,00%**	85,38%	60,00%	0,00%	0,00%	The Netherlands
Pensioen Perspectief BV	**85,38%**	**60,00%**	0,00%	0,00%	0,00%	0,00%	The Netherlands
ITDS BV	**85,38%**	**60,00%**	0,00%	0,00%	0,00%	0,00%	The Netherlands
Amvox BV	**85,38%**	**60,00%**	0,00%	0,00%	0,00%	0,00%	The Netherlands

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Poland							
Covebo Work Office Sp Zoo	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	Poland
Covebo Jobs Sp Zoo	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	Poland
Triple A—Risk Finance Poland Sp. Zoo	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Poland
PRAN Sp Zoo	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	Poland
Covebo Poland Zoo	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Poland
ITDS Polska Sp. Zoo	**44,40%**	**31,20%**	0,00%	0,00%	0,00%	0,00%	Poland

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Germany							
Covebo Deutschland GmBH	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	Germany
TP Group Service GmbH	**100,00%**	**100,00%**	75,76%	75,00%	83,33%	83,33%	Germany
Time Partner Personalmanagement GmbH	**100,00%**	**100,00%**	75,76%	75,00%	83,33%	83,33%	Germany
AERO High Professionals GmbH	**100,00%**	**100,00%**	75,76%	75,00%	83,33%	83,33%	Germany
IBB Konstructionsdienstleistungs GmbH .	**100,00%**	**100,00%**	75,76%	75,00%	83,33%	83,33%	Germany
TimePartner Account Services GmbH .	**100,00%**	**100,00%**	75,76%	75,00%	83,33%	83,33%	Germany
Weiderer Personaldienste GmbH	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
aartos Personalservice GmbH	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
opTEAMum Personaldienstleistungen GmbH . . .	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
aartos Personalservice Passau GmbH . .	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
Abylsen GmbH	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	Germany
Schollmeyer & Steidl GmbH	**55,50%**	**55,50%**	0,00%	0,00%	0,00%	0,00%	Germany
Schollmeyer, Steidl & Stadler GbR . . .	**55,50%**	**55,50%**	0,00%	0,00%	0,00%	0,00%	Germany
Mach Professionals GmbH	**100,00%**	**100,00%**	75,00%	75,00%	0,00%	0,00%	Germany
ZAQUENSIS Holding GmbH	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
ZAQUENSIS GmbH	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
ZAQUENSIS Service GmbH	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
AixTime Personaldienstleistungen GmbH . . .	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
Jobwerk Service GmbH	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany
ZAQUENSIS Personalservice GmbH . . .	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Germany

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Luxembourg							
Accent Jobs For People Sarl . .	**100,00%**	**100,00%**	100,00%	100,00%	100,00%	100,00%	Luxembourg
Qissme Sarl	**0,00%**	**0,00%**	100,00%	100,00%	100,00%	100,00%	Luxembourg
Abylsen Luxembourg SA	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	Luxembourg
Vialegis SA	**60,00%**	**60,00%**	75,00%	75,00%	0,00%	0,00%	Luxembourg

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
France							
NewCo Abylsen SAS . . .	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
CG Holding SAS	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
CG Management SAS . .	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abylsen SAS	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abylsen Gamma SASU . .	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abylsen Sigma SASU . . .	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abylsen Omega SASU . .	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abylsen Phi SASU	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abylsen ST/RA SASU . . .	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abylsen Sud SASU	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
Abyslsen EST SASU	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	France
FRATECH RP SAS	**46,51%**	**75,00%**	0,00%	0,00%	0,00%	0,00%	France

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Spain							
PRAN Spain	**100,00%**	**100,00%**	58,13%	56,75%	58,13%	56,75%	Spain
Iterlegis legal Staffing Solutions S.L.	**51,80%**	**51,80%**	52,50%	52,50%	0,00%	0,00%	Spain

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Romania							
Covebo Recrutare SRL	**100,00%**	**100,00%**	0,00%	0,00%	0,00%	0,00%	Romania
Accent Jobs For people Romania . . .	**100,00%**	**100,00%**	100,00%	100,00%	90,00%	90,00%	Romania

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Portugal							
Accent Portugal Lda .	**100,00%**	**100,00%**	100,00%	100,00%	100,00%	100,00%	Portugal

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Switzerland							
Abylsen Switzerland .	**100,00%**	**100,00%**	74,46%	74,46%	77,71%	77,71%	Switzerland

* Ordinary shares + preferred shares

Significant restrictions on certain assets within the subsidiaries

Cash and short-term deposits held in the Netherlands are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends. The carrying amount of the assets included within the consolidated financial statements to which these restrictions apply is EUR 4.86 million as per 31 December 2018 (31 December 2017: EUR 4.0 million, 31 December 2016: EUR 3.4 million and 1 January 2016: EUR 2.9 million).

(ii) Overview of material joint ventures

Set out below are the joint ventures of the Group as at 31 December 2017 and 2016 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares (Zaquensis) and consisting of ordinary and preferred shares (TEC), which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The Group recognizes these joint-ventures as described in Note 4.2.

Following the restructuring of 2018 there are no material joint ventures per 31 December 2018.

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Belgium							
TEC Alliance NV	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Belgium
Logi-Technic Infra NV .	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Belgium
Logi-technic NV	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Belgium
Logi-Technic Building NV	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Belgium
TEC Blue NV	**0%**	**0%**	0,00%	0,00%	0,00%	0,00%	Belgium
TEC NV	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Belgium
TEC Projects NV	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Belgium
PCI NV	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Belgium
ADVITEK NV	**0%**	**0%**	77,80%	74,75%	77,18%	73,50%	Luxembourg

* Ordinary shares + preferred shares

	2018		2017		2016		
	% of ownership interest*	**% of dividend rights**	% of ownership interest*	% of dividend rights	% of ownership interest*	% of dividend rights	Country of incorporation
Germany							
Zaquensis Holding GmbH . . .	**0%**	**0%**	65,00%	65,00%	65,00%	65,00%	Germany
Zaquensis GmbH	**0%**	**0%**	65,00%	65,00%	65,00%	65,00%	Germany
ZAQUENSIS Service GmbH . .	**0%**	**0%**	65,00%	65,00%	65,00%	65,00%	Germany
AixTime Personaldienstleistungen GmbH	**0%**	**0%**	65,00%	65,00%	65,00%	65,00%	Germany
Jobwerk Service GmbH	**0%**	**0%**	65,00%	65,00%	65,00%	65,00%	Germany
Zaquensis Personalservice GmbH	**0%**	**0%**	65,00%	65,00%	65,00%	65,00%	Germany

* Ordinary shares + preferred shares

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including limited foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses. The Group uses derivative financial instruments to hedge certain interest risk exposures. In particular, the Group protects the variable interest rate on loans via the use of caps that limit the exposure to fluctuations of Euribor.

Risk management is carried out by the Group's treasury. Group's treasury identifies, evaluates and hedges financial risks with approval from the board of directors.

• *Market risk*

Foreign exchange risk

Overview of exchange rates	**31 December 2018**		31 December 2017		31 December 2016		1 January 2016
	Average	**at year-end**	Average	at year-end	Average	at year-end	at year-end
RON	**4,65**	**4,66**	4,63	4,65	4,52	4,53	4,53
PLN	**4,26**	**4,30**	4,26	4,18	4,36	4,41	4,26
CHF	**1,17**	**1,14**	0,90	0,85	0,92	0,93	0,92

The Group's exposure to foreign exchange risk is very limited as the Group's operations are essentially denominated in euro. Therefore, the impact of fluctuations of these currencies of +/−10% is considered as immaterial.

Interest rate risk

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group's cash flow to an interest rate risk which is offset by the interest rate caps.

Caps in place cover 50% of the long-term bank borrowings at year-end 2018 (2017—none (no caps), 2016—77%, 2015—22%) of the variable loan principal outstanding.

At 31 December 2018, the Group had EUR 600 million of outstanding bank loans, structured as a bullet loan under the Senior Facility Agreement. Once per year, excess cash flow is calculated based on final audited accounts which serve to determine whether a mandatory prepayment should take place under this agreement. So far, no mandatory prepayments have taken place. These loans are floating rate borrowings, with interest based on Euribor floored to zero plus a fixed margin of 4.25%. At year-end 2018, 50% of these floating rate borrowings have been hedged via caps. The cap is set at 0.5%. If Euribor rises above zero, the Group will be exposed to the interest rate risk only up to the 0.5%, and the interest rate can therefore rise up to the maximum cap of 4.75%. Any increase of Euribor above 0.5% will be covered by the cap agreement, and the Group will receive cash flows under the cap agreement that will offset any cash outflows paid for increased interest to the banks. Therefore, the Group may only pay maximum interest of 4.75%, calculated net of hedge.

At 31 December 2017, the Group had EUR 475 million of bank loans under the Senior Facility agreement, which also had floating interest rate of Euribor plus 4.25% margin. There were no active cap agreements at the moment given the SFA was only closed on 21 December 2017. The caps were signed at the beginning of 2018.

At 31 December 2016, the Group had EUR 315.5 million of outstanding bank loans under the Senior Facility Agreement. These loans are floating rate borrowings, with interests based on Euribor plus a fixed margin, of 3.25% or 3.75% depending on a tranche. At year-end 2016, 77% of these floating rate borrowings have been hedged via caps. Euribor is fixed to zero and the cap is set to zero as well. Any increase of Euribor above zero will be covered by the cap agreement, and the Group will receive cash flows under the cap agreement that will offset any cash outflows paid for increased interest to the banks. Therefore, the Group may only pay maximum interest of 3.25% or 3.75%, depending on the tranche, calculated net of hedge.

At 1st January 2016, the Group had EUR 111.6 million of outstanding bank loans, which were obtained locally by subsidiaries. Only the loans at Accent were covered by the swaps, and they represent 22% of the total loan amount.

At all four reporting periods, these floating rate borrowings are entirely accounted for at amortized cost, and therefore the impact of changes in the market interest rate on the fair value of these floating rate borrowings at the closing date will have no impact on the income statement or on the equity. The Group does not apply hedge accounting. A derivative financial asset is recognized for these swaps and accounted for at fair value.

The cap confirmations require settlement of net interest receivable or payable every 3 months. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Euribor floating rate borrowings which are not covered by the swaps are subject to interest rate risk. An increase (decrease) of 100 basis points in interest rate as per year-end would have an effect on profit after tax and equity as follows:

	31/12/2018	31/12/2017	31/12/2016
Increase 100 bps	**(3.599.000)**	(130.000)	(0)
Decrease 100 bps	**0***	0*	0*

* covered by the swap

The impact of an increase of the Euribor is limited as a consequence of these arrangements. As in 2016, the entire volume of floating interest rate bearing borrowings is covered by SWAPS, no impact could be expected from an increase (decrease) in the Euribor. In 2017, a limited exposure should be considered as the CAP rate is set at zero with only a short period of unhedged exposure at year-end as the new SFA was signed. Of the total impact of 2018, EUR 1.4 million is from the period when the new SFA was not yet covered by the CAP. The remaining EUR 2.2 million is from the period after the cap was in place (starting 22 May 2018). This can be explained by two factors: 1) the period covered by the cap is longer as this starts at 22 May 2018 and 2) the cap only becomes active on half of the outstanding amount and when interest rate is above 0.5%. As the base margin is the 3M Euribor which was mostly around −0.3%, which was then impacted by +100bp for the sensitivity analysis, the amount of interest above 0.5% which is covered by the CAP is rather limited.

Finally, a decrease of the Euribor interest rate has no impact, as the Euribor has a floor of 0%, with a negative Euribor throughout the different reporting periods.

The Group has in total EUR 8.45 million of borrowings from related parties outstanding at the period ended 31 December 2018 (EUR 17.7 million at 31 December 2017, EUR 177.8 million at 31 December 2016, and EUR 192.1 million at 1 January 2016).

- *Credit risk*

Credit risk for the Group mainly arises from cash and cash equivalents, favorable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Risk management

The Group has no significant concentrations of credit risk other than that for ordinary debtors. The Group has policies to ensure that the services are provided to customers with an appropriate credit history.

Credit risk is managed locally by each subgroup (brand). Certain subsidiaries have implemented credit control tools that helps the day-to-day management of collection of receivables. Certain companies have credit insurance in place. Credit risk mainly arises as credit exposures to customers, including outstanding receivables.

The credit quality of customers, considering the financial position of customers, past experience and other factors, is closely assessed by the credit department on a regular basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the finance committee. The utilization of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of services;
- contract assets resulting from project services in progress;
- debt investments carried at amortized cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

- *Trade receivables and contract assets*

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before each reporting year-end, starting from 31 December 2015, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2018, 31 December 2017, 31 December 2016 and 1 January 2016 (on adoption of IFRS 9) was determined as follows for both trade receivables and contract assets:

	Current	More than 30 days past due	More than 60 days past due	More than 1 year past due	Total
31 December 2018					
Expected loss rate	0,03%	0,64%	4,39%	0,50%	0,22%
Gross carrying amount—Trade receivables	216.919.678	6.373.430	8.684.592	5.987.645	237.965.345
Loss allowance	**69.779**	**40.839**	**381.566**	**30.158**	**521.281**
31 December 2017					
Expected loss rate	0,04%	0,33%	7,22%	0,00%	0,26%
Gross carrying amount—Trade receivables	200.802.158	9.449.894	6.229.350	1.773.200	218.254.602
Loss allowance	**82.152**	**30.850**	**450.043**	**0**	**563.045**
31 December 2016					
Expected loss rate	0,06%	0,28%	1,08%	0,00%	0,10%
Gross carrying amount—Trade receivables	144.580.344	5.951.373	4.953.858	673.174	156.158.749
Loss allowance	**89.978**	**16.601**	**53.411**	**0**	**159.990**
1 January 2016					
Expected loss rate	0,10%	0,74%	11,14%	6,48%	0,52%
Gross carrying amount—Trade receivables	99.278.274	6.700.031	3.353.879	625.050	109.957.234
Loss allowance	**103.144**	**49.657**	**373.539**	**40.532**	**566.873**

The closing loss allowances for trade receivables and contract assets as at 31 December 2018 reconcile to the opening loss allowances as follows:

Movements in the provision for impairment of trade receivables	31 December 2018		31 December 2017		31 December 2016	
	Trade receivables	**Contract assets**	Trade receivables	Contract assets	Trade receivables	Contract assets
Balance at January 1	**3.076.519**	**0**	3.301.249	0	2.852.911	0
Acquisition of subsidiaries	**687.970**	**0**	0	0	630.898	0
Increase in loss allowance recognised in profit or loss during the year	**2.690.231**	**0**	1.399.716	0	637.182	0
Unused amounts and write offs	**−2.684.746**	**0**	−1.624.446	0	−819.742	0
Balance at December 31	**3.769.974**	**0**	3.076.519	0	3.301.249	0

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. Several factors are considered in assessing the likelihood of impairment which is assessed on a case-by-case basis.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the period prior to year-end 2015, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognized in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor,
- probability that the debtor will enter bankruptcy or financial reorganization, and
- default or late payments (more than 120 days overdue).

Impairment losses on trade receivables and contract assets are presented as net impairment losses within the selling expenses and the other general and administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Current accounting policy for impairment of the trade receivables

As from 1st January 2016, the Group first applies this policy under the incurred loss model, and then, for the rest of receivables which are not provided for, the Group applies the expected credit loss model, and recognizes an additional provision.

The aging overview as of each year-end date is as follows:

	31 December 2018		31 December 2017		31 December 2016		1 January 2016	
	amount	**%**	amount	%	amount	%	amount	%
Less than 1 month	**207.277.366**	**87%**	178.457.342	82%	128.919.960	83%	87.346.816	79%
Between 1 and 2 months	**15.478.189**	**7%**	18.942.815	9%	14.786.513	9%	10.384.220	9%
Between 2 months and 1 year	**8.225.012**	**3%**	17.545.127	8%	10.817.224	7%	11.097.407	10%
Between 1 and 2 years	**6.448.262**	**3%**	3.309.318	2%	1.635.476	1%	1.116.799	1%
More than 2 year .	**487.699**	**0%**	0	0%	0	0%	12.416	0%
of which								
Not impaired	**234.195.371**	**98%**	215.178.082	99%	152.857.499	98%	107.104.323	97%
Impaired	**3.769.974**	**2%**	3.076.520	1%	3.301.250	2%	2.852.911	3%

As of 31 December 2018, trade receivables of EUR 62.98 million (31 December 2017: EUR 65.4 million, 31 December 2016: EUR 48.3 million, 1 January 2016: EUR 38.3 million) were past due but not impaired. These receivables are expected to be recovered and have not been provided for because they relate to well-known customers and they are strictly followed up by the credit department. The ageing analysis of these trade receivables is as follows:

Receivables past due but not provided for:	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Less than 1 month	**45.548.836**	50.989.034	40.029.349	30.409.587
Between 1 and 2 months	**6.290.315**	9.409.889	5.888.093	6.320.641
Between 2 months and 1 year	**6.870.424**	4.004.244	2.426.951	1.541.168
Between 1 and 2 years	**4.049.323**	1.042.981	20.984	67.384
More than 2 year	**216.827**	814	5.417	0
Total	**62.975.725**	65.446.962	48.370.794	38.338.780

As of 31 December 2018, trade receivables of EUR 3.8 million (31 December 2017: EUR 3.1 million, 31 December 2016: EUR 3.3 million, 1 January 2016: EUR 2.9 million) were impaired and provided for, as shown in the table below. The provision was made in line with the expected credit loss model and incurred loss model, as described in the Note 5.1 under the credit risk section.

Receivables past due and provided for	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Less than 1 month	**144.545**	82.003	64.292	103.144
Between 1 and 2 months	**91.120**	40.005	63.279	49.657
Between 2 months and 1 year	**1.814.167**	2.225.107	2.526.907	2.101.912
Between 1 and 2 years	**1.478.090**	729.405	646.772	437.342
More than 2 year	**242.053**	—	—	160.856
Total	**3.769.974**	3.076.521	3.301.250	2.852.911

The credit quality of trade receivables and cash is as follows:

Trade receivables	**31 December 2018**	31 December 2017	31 December 2016	31 December 2015
Counterparties with external credit rating				
Prime	**43.937.110**	38.353.058	30.436.082	—
High grade	**4.822.307**	58.187.580	48.345.065	49.969.621
Upper medium grade	**26.634.732**	264.006	541.059	—
Lower medium grade	**1.661.640**	384.643	1.294.799	—
Non-ivestment grade speculative	**177.735**	788.641	761.467	—
Highly speculative	**33.210**	301.597	129.957	—
Extremely speculative	**4.347**	—	195.028	—
In default	**243.677**	—	—	—
Total amount for counterparties with external credit rating	**77.514.759**	98.279.525	81.703.457	49.969.621
Counterparties without external credit rating				
Group 1—new customers (less than 6 months)	**24.523.624**	10.160.363	6.279.686	6.479.300
Group 2—existing customers (> 6 months) with no defaults in the past	**16.593.152**	42.210.706	12.676.052	1.079.359
Group 3—existing customers (> 6 months) with some dfaults in the past	**115.515.020**	64.527.488	52.198.304	49.576.043
Total amount for counterparties without external credit rating	**156.631.796**	116.898.557	71.154.042	57.134.702
Total trade receivables	**234.146.555**	215.178.082	152.857.499	107.104.323

Cash and cash equivalents	**31 December 2018**	31 December 2017	31 December 2016	31 December 2015
Prime	**13.604.224**	15.904	1.332.973	36.893
High grade	**1.378.474**	18.247.247	538.880	5.172.059
Upper medium grade	**99.513.034**	73.805.387	60.436.670	39.636.810
Lower medium grade	**626.611**	781.053	1.558.763	2.110.057
In default	**—**	—	—	—
Cash and cash equivalents	**115.122.343**	92.849.591	63.867.286	46.955.820

- *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and use of trade supplier credit terms.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 16) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements. The Group also uses factoring agreements with certain banks in order to obtain early access to cash flows.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Surplus cash is retained to finance future growth of the group through acquisitions.

The table below analyses the Group's non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include future contractual interest payment, as a result, those amounts differ from the balances in the statement of financial position.

At 31 December 2018	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total contractual cash flows**
Non-derivatives					
Subordinated loans	5.207.854	43.313	7.360.360	3.806.642	16.418.168
Bank loans	25.857.839	26.066.191	77.491.667	627.908.333	757.324.030
Convertible bond					0
Commercial finance	49.205.222				49.205.222
Finance lease liabilities	2.435.142	2.196.607	2.174.077	37.195	6.843.021
Trade and other payables	47.517.710				47.517.710
Shareholder loan					0
Total non-derivatives	**130.223.766**	**28.306.111**	**87.026.104**	**631.752.170**	**877.308.151**
Derivatives					
Trading and net settled derivatives financial instruments (interest rate swaps)					
Total derivatives	—	—	—	—	—

At 31 December 2017	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total contractual cash flows**
Non-derivatives					
Subordinated loans	1.945.406	1.525.490	9.035.547	—	12.506.443
Bank loans	18.897.743	20.467.882	61.459.722	517.561.979	618.387.326
Convertible bond	—	—	—	4.791.947	4.791.947
Commercial finance	25.000.000	—	—	—	25.000.000
Finance lease liabilities	1.982.414	1.727.778	2.373.049	192.320	6.275.562
Trade and other payables	25.183.100	—	—	—	25.183.100
Financial guarantee contracts	—	—	—	—	—
Total non-derivatives	**73.008.663**	**23.721.150**	**72.868.318**	**522.546.246**	**692.144.378**
Derivatives					
Trading and net settled derivatives finaicial instruments (interest rate swaps)	—	—	—	—	—
Total derivatives	—	—	—	—	—

At 31 December 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
Non-derivatives					
Subordinated loans	465.312	1.605.421	9.853.942	1.339.315	13.263.990
Bank loans	47.778.136	38.743.311	244.211.434	—	330.732.881
Convertible bond	3.766.111	3.863.436	12.068.074	193.154.364	212.851.985
Commercial finance	—	—	—	—	—
Finance lease liabilities	1.743.242	1.534.488	2.151.318	415.262	5.844.310
Trade and other payables	19.628.423	—	—	—	19.628.423
Financial guarantee contracts	—	—	—	—	—
Total non-derivatives	**73.381.224**	**45.746.656**	**268.284.768**	**194.908.941**	**582.321.589**
Derivatives					
Trading and net settled derivatives finaicial instruments (interest rate swaps)	146.405	134.599	112.159	—	393.163
Total derivatives	**146.405**	**134.599**	**112.159**	**—**	**393.163**

At 1 January 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
Non-derivatives					
Subordinated loans	251.788	465.312	9.927.674	1.531.689	12.176.463
Bank loans	19.980.862	16.926.525	56.102.949	32.946.013	125.956.349
Vendor loans	—	—	—	201.251.670	201.251.670
Non-convertible bond	1.575.000	1.630.125	5.240.759	48.336.457	56.782.341
Commercial finance	40.014.240	—	—	—	40.014.240
Finance lease liabilities	1.908.093	2.057.711	2.227.092	629.629	6.822.525
Trade and other payables	12.488.686	—	—	—	12.488.686
Financial guarantee contracts	—	—	—	—	—
Total non-derivatives	**76.218.669**	**21.079.673**	**73.498.474**	**284.695.458**	**455.492.274**
Derivatives					
Trading and net settled derivatives finaicial instruments (interest rate swaps)	280.737	—	—	—	280.737
Total derivatives	**280.737**	**—**	**—**	**—**	**280.737**

In order to meet its cash outflow obligations, the Group uses cash flows generated from operating activities and credit facilities with financial institutions if necessary. In order to mitigate the liquidity obligations in the less than one-year bucket, cash flows from revolving credit facilities with drawdown rights for additional EUR 80 million are available until the termination date of SFA, 20 June 2024.

5.2 Capital risk management

- *Borrowings and related gearing ratio*

	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Total borrowings	**592.002.185**	499.650.737	485.438.869	343.269.854
Less: cash and cash equivalents	**−115.122.343**	−92.849.590	−63.867.285	−46.955.821
Net debts	**476.879.842**	406.801.147	421.571.584	296.314.033
Total equity	**526.795.618**	441.429.935	285.191.175	183.980.153
Total capital	**1.003.675.460**	848.231.082	706.762.759	480.294.186
Gearing ratio	**48%**	48%	60%	62%

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Under the terms of the Senior Facilities Agreement, the Group is required to comply with the financial covenant that the leverage ratio must be not more than 6.0:1.

The Group has complied with this covenant throughout the reporting period. As at 31 December 2018, the leverage ratio of the group (net debt to EBITDA) was 2.73:1 (2.9:1 as at 31 December 2017).

- *Dividends*

The Group currently has a capital maintenance policy and thus in general no dividends are paid out to majority shareholders. For the dividends declared and paid to minority shareholders, please refer to the Note 4.4 on non-controlling interest.

5.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted (unadjusted) market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date. The fair value of fuel price derivatives is determined by using the fair values of the adjusted future positions at the end of the year. These instruments are included in level 2.

The instruments included in level 3 are those for which one or more significant inputs are not based on observable market data.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The following tables present the Group's assets and liabilities that are measured or disclosed at fair value at 31 December 2018, 31 December 2017, 31 December 2016 and 1 January 2016:

31 December 2018	Level 1	Fair value Level 2	Level 3	Carrying amount
Assets measured at fair value				
Derivative financial instruments (note 11)	0	0	0	**0**
Assets for which fair values are disclosed (note 12, 14)				
Trade receivables	0	0	234.195.371	**234.195.371**
Loans to related parties	0	0	0	**0**
Cash and cash equivalents	0	0	115.122.343	**115.122.343**
Other non-current assets	0	0	3.200.066	**3.200.066**
Other receivables	0	0	28.941.451	**28.941.451**
Liabilities measured at fair value				
Derivative financial instruments (note 11)	0	0	0	**0**
Liabilities for which fair values are disclosed (note 16)				
Trade and other payables	0	0	47.517.710	**47.517.710**
Bank borrowings	0	0	600.000.000	**600.000.000**
Convertible bond	0	0	0	**0**
Non-convertible bond	0	0	0	**0**
Vendor loans	0	0	5.642.000	**5.642.000**
Shareholder's loans	0	0	2.804.000	**2.804.000**
Commercial finance	0	0	0	**0**
Other borrowings—financial leases	0	0	6.644.419	**6.644.419**

31 December 2017	Level 1	Fair value Level 2	Level 3	Carrying amount
Assets measured at fair value				
Derivative financial instruments (note 11)	0	0	0	**0**
Assets for which fair values are disclosed (note 12, 14)				
Trade receivables	0	0	215.178.082	**215.178.082**
Loans to related parties	0	0	50.066.341	**50.066.341**
Cash and cash equivalents	0	0	92.849.590	**92.849.590**
Other non-current assets	0	0	2.670.034	**2.670.034**
Other receivables	0	0	25.433.190	**25.433.190**
				0
Liabilities measured at fair value				**0**
Derivative financial instruments (note 11)	0	0	0	**0**
Liabilities for which fair values are disclosed (note 16)				**0**
Trade and other payables	0	0	24.955.514	**24.955.514**
Bank borrowings	0	0	475.000.000	**475.000.000**
Convertible bond	0	0	4.791.946	**4.791.946**
Non-convertible bond	0	0	0	**0**
Vendor loans	0	0	2.142.000	**2.142.000**
Shareholder's loans	0	0	5.507.508	**5.507.508**
Subordinated loans for preference shares	0	0	5.330.432	**5.330.432**
Commercial finance	0	0	25.000.000	**25.000.000**
Other borrowings—financial leases	0	0	6.153.760	**6.153.760**

31 December 2016	Level 1	Fair value Level 2	Level 3	Carrying amount
Assets measured at fair value				
Derivative financial instruments (note 11)	0	0	32.820	**32.820**
Assets for which fair values are disclosed (note 12, 14)				
Trade and other receivables	0	0	152.857.499	**152.857.499**
Loans to related parties	0	0	52.953.086	**52.953.086**
Cash and cash equivalents	0	0	63.867.285	**63.867.285**
Other non-current assets	0	0	1.371.633	**1.371.633**
Other receivables	0	0	15.976.077	**15.976.077**
				0
Liabilities measured at fair value				**0**
Derivative financial instruments (note 11)	0	0	0	**0**
Liabilities for which fair values are disclosed (note 16)				**0**
Trade and other payables	0	0	19.627.966	**19.627.966**
Bank borrowings	0	0	315.300.377	**315.300.377**
Convertible bond	0	0	167.191.739	**167.191.739**
Non-convertible bond	0	0	0	**0**
Vendor loans	0	0	5.000.000	**5.000.000**
Shareholder's loans	0	0	4.238.583	**4.238.583**
Subordinated loans for preference shares	0	0	1.339.315	**1.339.315**
Commercial finance	0	0	0	**0**
Other borrowings—financial leases	0	0	5.745.577	**5.745.577**

1 January 2016	Level 1	Fair value Level 2	Level 3	Carrying amount
Assets measured at fair value				
Derivative financial instruments (note 11)	0	0	702.690	**702.690**
Assets for which fair values are disclosed (note 12, 14)				**0**
Trade and other receivables	0	0	107.104.323	**107.104.323**
Loans to related parties	0	0	0	**0**
Cash and cash equivalents	0	0	46.955.821	**46.955.821**
Other non-current assets	0	0	904.587	**904.587**
Other receivables	0	0	6.232.676	**6.232.676**
				0
Liabilities measured at fair value				**0**
Derivative financial instruments (note 11)	0	0	283.445	**283.445**
Liabilities for which fair values are disclosed (note 16)				**0**
Trade and other payables	0	0	12.488.686	**12.488.686**
Bank borrowings	0	0	112.114.209	**112.114.209**
Convertible bond	0	0	0	**0**
Non-convertible bond	0	0	38.746.042	**38.746.042**
Vendor loans	0	0	148.156.779	**148.156.779**
Shareholder's loans	0	0	5.238.584	**5.238.584**
Subordinated loans for preference shares	0	0	0	**0**
Commercial finance	0	0	39.014.240	**39.014.240**
Other borrowings—financial leases	0	0	6.683.803	**6.683.803**

At the opening balance sheet date as well as at 31 December 2016, 2017 and 2018, a level 3 fair value has been used for all financial instruments measured at fair value.

	31 December 2018	31 December 2017	31 December 2016
Opening balance	—	32.820	419.245
Acquisitions	—	—	—
Transfers into Level 3	—	—	—
Gains losses and losses recognized in profit and loss	—	(32.820)	(419.245)
Fair value adjustment	—	—	32.820
Other	—	—	—
Closing balance	—	—	32.820

The following table describes the significant unobservable inputs used in the valuation:

Type of asset / liability measured using level 3 valuation technique	**Valuation technique**	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity to the input to fair value**
Embedded derivative asset—early payment option for non-convertible bond recognised at 1st January 2016	The fair value of the derivative was measured at the intrinsic value of the derivative. This value is determined with a reference to the relevant forward market interest rate by subtracting the fair value of the liability without the option from the fair value of the liability if the option is exercised at the valuation date including the indemnity to be paid.	Credit risk	5.5% - 6.5% (6%)	+/− 0.5% change in the credit spread would impact the fair value of derivative at year-end 2015 for −/+ EUR 205k.

5.4 Offsetting financial assets and financial liabilities

The following financial assets and financial liabilities are subject to offsetting:

				Related amounts not set off in the statement of financial position	
As at 31 December 2018	**Gross amounts of recognised financial assets**	**Gross amounts of recognised financial liabilities set off in the balance sheet**	**Net amounts of financial assets presented in the statement of financial position**	**Financial instrument collateral**	**Net amount**
Financial assets:					
Trade receivables	234.195.371	0	234.195.371	0	234.195.371
Loans to related parties	0	0	0	0	0
Derivative financial assets	0	0	0	0	0
Cash and cash equivalents	115.122.343	0	115.122.343	− 115.122.343	0
Other non-current assets	3.200.066	0	3.200.066	0	3.200.066
Other receivables	28.941.451	0	28.941.451	0	28.941.451
Total	**381.459.231**	**0**	**381.459.231**	**− 115.122.343**	**266.336.888**

	Gross amounts of recognised financial liabilities	**Gross amounts of recognised financial assets set off in the balance sheet**	**Net amounts of financial liabilities presented in the statement of financial position**	**Financial instrument collateral**	**Net amount**
Financial liabilities:					
Trade payables	47.517.710	0	47.517.710	0	47.517.710
Bank borrowings	583.555.301	0	583.555.301	− 115.122.343	468.432.958
Borrowings from related parties	8.446.883	0	8.446.883	0	8.446.883
Other borrowings—financial leases	6.644.419	0	6.644.419	0	6.644.419
Derivative financial liabilities	0	0	0	0	0
Total	**646.164.313**	**0**	**646.164.313**	**− 115.122.343**	**531.041.970**

As at 31 December 2017	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the statement of financial position	Related amounts not set off in the statement of financial position	
				Financial instrument collateral	Net amount
Financial assets:					
Trade receivables	215.818.273	−640.191	215.178.082	−5.771.582	209.406.500
Loans to related parties . .	50.066.341	0	50.066.341	−50.066.341	0
Derivative financial assets .	0	0	0	0	0
Cash and cash equivalents	92.857.277	−7.687	92.849.590	−92.849.590	0
Other non-current assets .	2.670.034	0	2.670.034	0	2.670.034
Other receivables	25.433.190	0	25.433.190	−8.385.919	17.047.271
Total	**386.845.115**	**−647.878**	**386.197.237**	**−157.073.432**	**229.123.805**

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the statement of financial position	Financial instrument collateral	Net amount
Financial liabilities:					
Trade payables	25.595.705	−640.191	24.955.514	0	24.955.514
Bank borrowings	481.886.538	−7.687	481.878.851	−157.073.432	324.805.419
Borrowings from related parties	17.771.886	0	17.771.886	0	17.771.886
Other borrowings— financial leases	6.153.760	0	6.153.760	0	6.153.760
Derivative financial liabilities	0	0	0	0	0
Total	**531.407.889**	**−647.878**	**530.760.011**	**−157.073.432**	**373.686.578**

As at 31 December 2016	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the statement of financial position	Related amounts not set off in the statement of financial position	
				Financial instrument collateral	Net amount
Financial assets:					
Trade receivables	153.267.671	−410.172	152.857.499	−1.330.858	151.526.641
Loans to related parties . .	52.953.086	0	52.953.086	−52.953.086	0
Derivative financial assets .	32.820	0	32.820	0	32.820
Cash and cash equivalents	63.877.935	−10.650	63.867.285	−63.867.285	0
Other non-current assets .	1.371.633	0	1.371.633	0	1.371.633
Other receivables	15.976.077	0	15.976.077	−9.085.285	6.890.792
Total	**287.479.222**	**−420.822**	**287.058.400**	**−127.236.514**	**159.821.886**

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the statement of financial position	Financial instrument collateral	Net amount
Financial liabilities:					
Trade payables	20.038.171	−410.175	19.627.996	0	19.627.996
Bank borrowings	307.679.882	−10.650	307.669.232	−127.236.514	180.432.718
Borrowings from related parties	177.769.637	0	177.769.637	0	177.769.637
Other borrowings— financial leases	5.745.577	0	5.745.577	0	5.745.577
Derivative financial liabilities	0	0	0	0	0
Total	**511.233.267**	**−420.825**	**510.812.442**	**−127.236.514**	**383.575.928**

				Related amounts not set off in the statement of financial position	
As at 1 January 2016	**Gross amounts of recognised financial assets**	**Gross amounts of recognised financial liabilities set off in the balance sheet**	**Net amounts of financial assets presented in the statement of financial position**	**Financial instrument collateral**	**Net amount**
Financial assets:					
Trade receivables	107.413.184	−308.861	107.104.323	−104.172.628	2.931.695
Loans to related parties . .	0	0	0	0	0
Derivative financial assets .	702.690	0	702.690	0	702.690
Cash and cash equivalents	46.955.821	0	46.955.821	−46.955.821	0
Other non-current assets .	904.587	0	904.587	0	904.587
Other receivables	6.232.676	0	6.232.676	0	6.232.676
Total	**162.208.958**	**−308.861**	**161.900.097**	**−151.128.449**	**10.771.648**

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the statement of financial position	Financial instrument collateral	Net amount
Financial liabilities:					
Trade payables	12.797.123	−308.437	12.488.686	0	12.488.686
Bank borrowings	151.128.449	0	151.128.449	−151.128.449	0
Borrowings from related parties	192.141.405	0	192.141.405	0	192.141.405
Other borrowings— financial leases	6.683.803	0	6.683.803	0	6.683.803
Derivative financial liabilities	283.445	0	283.445	0	283.445
Total	**363.034.225**	**−308.437**	**362.725.788**	**−151.128.449**	**211.597.339**

There are no enforceable master netting arrangements. The related receivable and payable in the statement of financial position are presented gross while upon payment the net position is settled. Bank overdrafts are netted against cash as there is a legally enforceable right to offset.

The Group has pledged cash on bank accounts, intercompany receivables, and shares of the Group and the most material subsidiaries, as described in the Note 16 on borrowings. In case of default, the banks would be able to cover the debt from cash and intercompany receivables as shown in the table above, and the rest in shares of the Group and related subsidiaries.

6 Critical accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of the consolidation scope of the Group

The Group invested, via its subsidiary Accent Jobs for People NV, in two joint ventures (Zaquensis Group and TEC Group) in 2016, which, in the opinion of the directors of the Group, are material to the Group. Refer to Note 4.5 for more information on the actual percentages of shares held by the Group.

The share capital of the Zaquensis Group (a German company specialized in temp-to-perm operations in healthcare, technical work, administration, finance and manufacturing) only consists of ordinary shares. The share capital of the TEC Alliance Group (a Group mainly active in the engineering business), however, consists both of ordinary shares and preferred shares. These preferred shares provide the holder a right to a preferential dividend of 8% per annum that becomes payable upon resolution by the Shareholders' Assembly. The preferred shares, however, do not have any voting rights. Consequently, there is a difference between the proportion of ownership interests held and the proportion of voting rights held by The Group for TEC Alliance Group.

Through the shareholders' agreement, all significant financial and operating decisions related to the relevant activities of both Joint Ventures require the approval of both The Group and the minority shareholders (for the TEC Alliance Group) or require a quorum of 70% or more (for the Zaquensis Group).

Consequently, the Group does not have control, yet joint control, over both TEC Alliance and Zaquensis. The investments have been accounted for initially as joint ventures. The Group, however, acquired the remaining shares of both the Zaquensis Group (June 2018) and TEC Group (January 2018). Since then these investments became subsidiaries and have been consolidated in full.

Refer to joint venture (Note 4.2) and business combination note (Note 4.1) for more information.

Accounting for factoring agreements within the Group

The Group entered into factoring agreements with banks, under which trade receivables of certain entities within the Group are transferred to the factors. These entities are part of Accent Group, and the factoring arrangements involve ING, BNP Paribas and KBC Bank. Significant judgement is needed in order to assess whether the criteria for derecognition of these assets under IFRS 9 has been met, and whether the Group can derecognize trade receivables at the moment of transfer to the factors.

In order to meet the IFRS 9 criteria for the derecognition, substantially all risks and rewards of ownership related to the financial asset (i.e. receivable) need to be transferred to the factor.

For 2016 and 2017 the factoring agreement did not substantially transfer all risks and rewards of ownership to the factor. As from 2018 a new factoring agreement was agreed which transferred all risks and rewards of ownership to the factor, resulting in a derecognition of the trade receivables at the moment of transfer to the factors.

Lease classification

The Group entered, as a lessee, into a number of lease contracts for real estate as well as company cars. Group Management exercises judgement in assessing whether or not the Group, at the inception of a lease contract, has received substantially all of the risks and rewards related to the lease, and therefore the lease is to be accounted for as a finance lease.

Group management's assessment of its lease portfolio revealed that leased company cars for which there is a mandatory purchase clause to be exercised by the Group at the termination of the contract have to be accounted for as a finance lease by the Group.

The Group also accounted for its headquarter building in Roeselare as a finance lease as the minimum lease payments made by the Group over the estimated lease term substantially covers the fair value of the leased asset.

The Group entered, as a lessor, into a number of lease contracts for housing accommodation which it subleases to individual employees of the Group. These contracts have been classified by the Group as operating lease contracts as the lease term for the Group does represent the majority of the lease term of the underlying asset being leased.

Capitalization of development costs

The Group internally develops software applications that are used in the day-to-day service offerings.

Development costs are capitalized in accordance with the accounting policy in Note 2. Initial capitalization of costs is based on management's judgement that technological and economic feasibility of the internally developed software is confirmed. Group management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

6.2 Critical judgments in applying the entities accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment testing on goodwill

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 8.

Fair value of financial instruments

The Group has issued convertible and non-convertible bonds, which are initially measured at fair value, and subsequently at amortized cost. The fair value was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate which approximates the market interest rate for a similar instrument on the market. Judgement is required in determining this market rate. The Group determined the credit risk of the company based on the interest rate for the bank loan that the Group has obtained during the year, adjusted for the risk-free rate of the Eurozone prevalent on the market at issue. Based on the credit risk determined above, a credit margin was estimated based on the BB and B USD composite curve. Total discount rate was estimated as a Euro Swap Curve increased with the credit margin at the date of valuation. For more details refer to Note 16 on borrowings.

In relation to the non-convertible bond mentioned above, a derivative financial asset has been recognized in relation to the embedded derivative—the right for the issuer to exercise an early payment option. As this option is not considered to be closely related to the host contract, a derivative asset has been recognized separately from the host contract and has been measured at the fair value on initial recognition and subsequently at fair value through income statement. Upon early repayment, exercised in July 2016, the bond has been derecognized with any impact through income statement, as well as the derivative asset, and any previously recognized deferred taxes. The fair value of the derivative was measured as an intrinsic value of the derivative. This value is determined with reference to the relevant forward market interest rate by subtracting the fair value of the liability without the option from the fair value of the liability if the option is exercised at the valuation date including the indemnity (1%) to be paid. The market rates used were determined through zero-coupon bonds based on the Euro Swap Curve plus the credit risk margin based on the BB and B composite US credit curves as of the valuation date for each interest payment date. The effective yield to maturity used for the valuation of derivatives at the end of 2015 was 6.0%. For more details refer to Note 11 on derivatives.

Share-based payment plans and ratchets

The Group has offered to a selected group of managers share options on the shares of We are One BVBA, a 100% subsidiary of HOHR, in order incentivize them to further develop the activities of the Group. The options are initially measured at fair value at grant date, which is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer Group companies. Significant judgement was made in order to determine these assumptions. For more details on the assumptions used, refer to the Note 19.

The company also offers ratchet plans to the managers of the different Group entities. These managers are often also minority shareholders in the respective Group Companies. The ratchets are initially measured at fair value at the grant date. The fair value is independently determined using an adjusted form of the Black & Scholes Model which includes a Monte Carlo simulation model that takes into account the following assumptions: the exercise price, the term of the ratchet, the impact of dilution (where material), the share price at the grant date, the expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the ratchet and the correlations and volatilities of the peer Group companies. Significant judgement was made in order to determine these assumptions. For more details on the assumptions used, refer to the Note 19.

Fair value of intangible assets acquired in a business combination

As part of the purchase price allocations that were completed by the Group for the recent acquisitions of the Group, both brand names and customer relationships have been accounted for by the Group at their estimated fair value. In determining the fair value of these intangible assets, assumptions and estimates are made in relation to the long-term growth rate, discount rates and contributory asset charges are made. Refer to note 4.1 for more information.

Taxes

Uncertainties may exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognized.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Useful life and residual value of intangible assets and property, plant and equipment

Judgement is required in estimating the useful lives and residual value of intangible and tangible assets. The residual value is the estimated amount that would be currently obtained from the disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Group management reviews its estimated useful live as well as the residual value of intangible and tangible assets on an annual basis.

Refer to the PP&E note (Note 9) and intangible assets note (Note 7) for more information.

7 Intangible assets

	Acquisition related intangible assets						
	Brand names	Customer relationships	Internally generated software	Software under development	Externally acquired software	Other	Total
At 1 January 2016							
Cost	6.597.748	0	2.758.423	1.447.158	327.547	158.482	11.289.358
Accumulated amortization and impairment	−236.842	0	−445.824	−19.926	−73.038	−23.591	−799.220
Net book amount	**6.360.906**	**0**	**2.312.599**	**1.427.232**	**254.510**	**134.891**	**10.490.138**
Movements in 2016							
Acquisition of subsidiaries	23.721.035	30.060.122	649.577	0	2.935.281		57.366.015
Acquisition of subsidiaries—accumulated depreciations	0		−649.577	0	−2.788.606		−3.438.183
Additions	0	0	480.413	2.789.296	1.357.020	191.869	4.818.598
Transfers—Acquisition value	0	0	3.680.200	−3.680.200	0	0	0
Amortisation/impairment	−571.634	−313.126	−990.310	0	−198.831	−36.736	−2.110.636
Closing balance at December 31, 2016	**29.510.308**	**29.746.996**	**5.482.902**	**536.328**	**1.559.374**	**290.025**	**67.125.932**
Cost	30.318.783	30.060.122	7.568.614	556.254	4.619.848	350.351	73.473.972
Accumulated amortization and impairment	−808.476	−313.126	−2.085.712	−19.926	−3.060.474	−60.326	−6.348.040
Balance at December 31, 2016	**29.510.308**	**29.746.996**	**5.482.902**	**536.328**	**1.559.374**	**290.025**	**67.125.932**
At 1 January 2017							
Cost	30.318.783	30.060.122	7.568.614	556.254	4.619.848	350.351	73.473.972
Accumulated amortization and impairment	−808.476	−313.126	−2.085.712	−19.926	−3.060.474	−60.326	−6.348.040
Net book amount	**29.510.308**	**29.746.996**	**5.482.902**	**536.328**	**1.559.374**	**290.025**	**67.125.932**
Movements in 2017							
Acquisition of subsidiaries	14.605.686	55.335.372	754.904	0	0	62.070	70.758.032
Acquisition of subsidiaries—accumulated depreciations	0	0	−318.539	0		−16.113	−334.652
Additions	0	0	717.984	3.889.598	448.429	3.866	5.059.877
Disposals—reversal of gross book value	0	0	−94.850	0	−95.471	0	−190.321
Disposals—reversal of accumulated amortisation/impairment	0	0	94.850	0	17.333	0	112.182
Transfers—Acquisition value	0	0	3.232.578	−3.232.578	0	0	0
Amortisation/impairment	−2.054.498	−4.187.159	−1.914.004	0	−372.273	−59.013	−8.586.949
Closing balance at December 31, 2017	**42.061.495**	**80.895.208**	**7.955.823**	**1.193.348**	**1.557.392**	**280.835**	**133.944.101**
Cost	44.924.469	85.395.494	12.179.229	1.213.274	4.972.807	416.287	149.101.560
Accumulated amortization and impairment	−2.862.974	−4.500.286	−4.223.406	−19.926	−3.415.415	−135.452	−15.157.458
Balance at December 31, 2017	**42.061.495**	**80.895.208**	**7.955.823**	**1.193.348**	**1.557.392**	**280.835**	**133.944.101**
At 1 January 2018							
Cost	44.924.469	85.395.494	12.179.229	1.213.274	4.972.807	416.287	149.101.560
Accumulated amortization and impairment	−2.862.974	−4.500.286	−4.223.406	−19.926	−3.415.415	−135.452	−15.157.458
Net book amount	**42.061.495**	**80.895.208**	**7.955.823**	**1.193.348**	**1.557.392**	**280.835**	**133.944.101**
Movements in 2018							
Acquisition of subsidiaries	21.199.286	67.201.168	1.155.148			15.125	89.570.727
Acquisition of subsidiaries—accumulated depreciations			−593.368				−593.368
Additions			1.532.599	3.830.172	1.365.620	111.024	6.839.414
Disposals—reversal of gross book value			−14.919				−14.919
Disposals—reversal of accumulated amortisation/impairment			13.675				13.675
Transfers—Acquisition value			2.051.070	−2.035.909	−5.117	−65.320	−55.276
Transfers—Accumulated depreciations			−34.403	19.926	3.443	26.944	15.910
Amortisation/impairment	−3.695.276	−14.271.261	−2.702.714		−663.780	−84.469	−21.417.501
Closing balance at December 31, 2018	**59.565.504**	**133.825.115**	**9.362.912**	**3.007.536**	**2.257.557**	**284.138**	**208.302.764**
Cost	66.123.754	152.596.662	16.903.128	3.007.536	6.333.309	477.115	245.441.505
Accumulated amortization and impairment	−6.558.250	−18.771.547	−7.540.216	0	−4.075.752	−192.977	−37.138.742
Balance at December 31, 2018	**59.565.504**	**133.825.115**	**9.362.912**	**3.007.536**	**2.257.557**	**284.138**	**208.302.764**

(i) Acquisition related intangible assets

The carrying amounts of the customer relationships and the brand names as per 31 December 2018 amount to EUR 133.83 million (31 December 2017: EUR 80.90 million, 31 December 2016: EUR 29.75 million, 1 January 2016: EUR 0) and EUR 59.57 million (31 December 2017: EUR 42.06 million, 31 December 2016: EUR 29.5 million, 1 January 2016: EUR 6.36 million) respectively.

The customer relationships and brand names were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

The fair value is determined on a basis that reflects an amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available.

Refer to the Business Combination note (Note 4.1) for more information on the additions to the customer relationships and the brand names.

(ii) Software

The Group capitalized amounts of both externally acquired software as internally developed software. Internally developed software is initially classified under the category "Software under development" and is transferred to the category "Internally generated software" once the software becomes available for use. As from that moment amortizations will start.

Externally acquired software

The carrying amount of externally acquired software amounts to EUR 2.26 million as per 31 December 2018 (31 December 2017: EUR 1.56 million, 31 December 2016: EUR 1.56 million, 1 January 2016: EUR 0.25 million).

The main amounts recorded for externally acquired software relates to licenses for ERP packages used within the Group (mainly Tagetik and Navision). The additions in 2016, 2017 and 2018 mainly relate to further enhancements of these ERP packages.

Internally developed software and software under development

The carrying amount of internally generated software under development amounts to EUR 9.36 million as per 31 December 2018 (31 December 2017: EUR 7.96 million, 31 December 2016: EUR 5.48 million, 1 January 2016: EUR 2.31 million).

The carrying amount of software under development amounts to EUR 3.00 million as per 31 December 2018 (31 December 2017: EUR 1.19 million, 31 December 2016: EUR 0.54 million, 1 January 2016: EUR 1.43 million).

The majority of the internally developed software as well as the software under development relates to the "My tools" digital platform that is used by Accent Jobs for People to run the HR business. The development of this platform consists of different separate modules such as the contracting module, the candidate selection module, as well as a billing module. The main additions since 1 January 2016 relate to further enhancements or the development of additional modules for the platform.

The Group did not expense a material amount of research and development expenditure in the income statement since 1 January 2016.

(iii) Other intangibles

The carrying amounts of the other intangibles as per 31 December 2018 are EUR 0.28 million ((31 December 2017: EUR 0.28 million, 31 December 2016: EUR 0.29 million, 1 January 2016: EUR 0.13 million).

Amortizations on intangible assets are charged to the Selling Expenses (2018: EUR 15.13 million, 2017: 4.58 million, 2016: 0.69 million) and the General and administrative expenses (2018: EUR 6.29 million, 2017: 4.01 million, 2016: 1.35 million) in the statement of financial performance. An amount of EUR 71 thousand of amortizations on intangible assets was allocated to the cost of services during 2016.

8 Goodwill

Goodwill acquired through business combinations is allocated by Group management to the following 3 cash-generating units for goodwill impairment purposes:

- General staffing: General temp agencies delivering candidates to clients in a fast and flexible way, whenever they are shorthanded.

  The general staffing CGU is composed of the TimePartner and Zaquensis group.

- Specialized staffing: The Group strongly believes it requires specialists to hire specialists. The Group's specialized staffing companies know their niches and their clients like no one else. The Accent group and Covebo group are considered as specialized staffing entities.

- Engineering & consulting: The Group recruits highly skilled professionals to work in fast evolving sectors like energy, pharmaceuticals, technology etc. Search and selection, interim management or secondment—in line with client needs.

  The engineering & consulting CGU is composed of the TEC-group, Vialegis, Abylsen, Continu and Redmore.

Carrying amount of goodwill allocated to each of the cash-generating units

Movements in the goodwill as well as the allocation of the goodwill to the different cash-generating units at year-end is shown in the following table:

	31 December 2018					
CGU	**1 January 2018**	**Acquisition of subsidiaries**	**Disposal of subsidiaries**	**Impairment charge**	**Other adjustments**	**31 December 2018**
General staffing	95.363.849	29.122.961	0	0	41.655	124.528.466
Specialized staffing	303.947.457	11.325.618	0	0	378.362	315.651.438
Consulting and egineering	306.952.736	96.912.207	0	0	120.936	403.985.879
Total	**706.264.043**	**137.360.786**	**0**	**0**	**540.953**	**844.165.782**

	31 December 2017					
CGU	**1 January 2017**	**Acquisition of subsidiaries**	**Disposal of subsidiaries**	**Impairment charge**	**Other adjustments**	**31 December 2017**
General staffing	87.766.297	7.597.552	0	0	0	95.363.849
Specialized staffing	297.881.317	6.066.141	0	0	0	303.947.457
Consulting and egineering	174.727.148	132.225.589	0	0	0	306.952.736
Total	**560.374.762**	**145.889.281**	**0**	**0**	**0**	**706.264.043**

	31 December 2016					
CGU	**1 January 2016**	**Acquisition of subsidiaries**	**Disposal of subsidiaries**	**Impairment charge**	**Other adjustments**	**31 December 2016**
General staffing	0	87.766.297	0	0	0	87.766.297
Specialized staffing	297.881.317	0	0	0	0	297.881.317
Consulting and egineering	178.550.450	205.139	−4.028.441	0	0	174.727.148
Total	**476.431.767**	**87.971.436**	**−4.028.441**	**0**	**0**	**560.374.762**

Key assumptions used in value in use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 31 December 2018, 2017, 2016 and 1 January 2016 reporting period, the recoverable amount of the CGU's was determined based on value-in-use calculations which require the use of assumptions.

The calculations use cash flow projections based on financial budgets approved by management covering a three-year period for 2016 impairment test, a four-year period for the 2017 impairment and a five-year window for the 2018 impairment. Cash flows beyond the projection period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The calculation of value in use for all CGU's are most sensitive to the following assumptions:

As at 31 December 2018			
CGU	**Pre-tax discount rate**	**EBITDA margin**	**Growth rate**
General staffing	13,14%	9,45%	2,00%
Specialized staffing	12,56%	9,52%	2,00%
Consulting and engineering	12,53%	16,82%	2,00%

As at 31 December 2017			
CGU	**Pre-tax discount rate**	**EBITDA margin**	**Growth rate**
General staffing	14,34%	9,48%	2,00%
Specialized staffing	13,89%	9,55%	2,00%
Consulting and engineering	13,92%	20,78%	2,00%

As at 31 December 2016			
CGU	**Pre-tax discount rate**	**EBITDA margin**	**Growth rate**
General staffing	14,02%	7,65%	2,00%
Specialized staffing	14,80%	8,10%	2,00%
Consulting and engineering	14,47%	20,87%	2,00%

As at 1 January 2016			
CGU	**Pre-tax discount rate**	**EBITDA margin**	**Growth rate**
General staffing	14,02%	7,65%	2,00%
Specialized staffing	14,80%	8,10%	2,00%
Consulting and engineering	14,47%	20,87%	2,00%

- ***Pre-tax discount rates:*** Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.
- ***EBITDA margin:*** The EBITDA margins are based upon past performance and management's expectations for the future.
- ***Growth rate estimates:*** Rates are based on published inflation rates provided by the IMF (International Monetary Fund). For the reasons explained above, the long-term rate is used to extrapolate the projections.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the three CGU's, being Specialized Staffing, Consulting and Engineering and General Staffing, Group's management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

9 Property, plant and equipment

Property, plant and equipment	Land and buildings	Plant, machinery and equipment	Furniture, office equipment and vehicles	Other tangible fixed assets	Leased PP&E	Total PPE
At 1 January 2016						
Cost		884.761	10.254.173	13.380.271	8.323.247	32.842.453
Accumulated depreciation and impairment		(638.831)	(8.884.581)	(9.801.521)	(1.583.436)	(20.908.369)
Net book amount		**245.931**	**1.369.593**	**3.578.750**	**6.739.811**	**11.934.083**
Movements in 2016						
Acquisition of subsidiaries		—	4.814.850	6.620.887	—	11.435.737
Acquisition of subsidiaries—accumulated depreciations			(1.700.852)	(5.576.412)		(7.277.264)
Additions		235.161	2.653.182	1.238.194	2.374.817	6.501.355
Disposals—reversal of gross book value		(397.200)	(2.360.452)	(586.189)	(3.243.867)	(6.587.708)
Disposals—reversal of accumulated amortisation/impairment		345.296	1.706.404	476.511	1.335.587	3.863.798
Depreciation/impairment		(108.052)	(961.498)	(1.431.329)	(1.350.780)	(3.851.659)
Closing balance at December 31, 2016		**321.136**	**5.521.227**	**4.320.412**	**5.855.568**	**16.018.342**
At 31 December 2016						
Cost		722.722	15.361.754	20.653.163	7.454.197	44.191.836
Accumulated depreciation and impairment		(401.587)	(9.840.527)	(16.332.751)	(1.598.629)	(28.173.494)
Net book amount		**321.136**	**5.521.227**	**4.320.412**	**5.855.568**	**16.018.342**
At 1 January 2017						
Cost		722.722	15.361.754	20.653.163	7.454.197	44.191.836
Accumulated depreciation and impairment		(401.587)	(9.840.527)	(16.332.751)	(1.598.629)	(28.173.494)
Net book amount		**321.136**	**5.521.227**	**4.320.412**	**5.855.568**	**16.018.342**
Movements in 2017						
Acquisition of subsidiaries—acquisition value		1.456.515	554.027	745.938	—	2.756.480
Acquisition of subsidiaries—accumulated depreciations		(868.700)	(328.507)	(193.239)		(1.390.446)
Additions		19.007	4.193.512	2.024.599	2.315.098	8.552.215
Disposals—reversal of gross book value		(12.195)	(1.664.020)	(1.278.389)	(1.483.679)	(4.438.283)
Disposals—reversal of accumulated amortisation/impairment		—	670.180	1.235.557	909.506	2.815.243
Depreciation/impairment		(93.828)	(2.322.824)	(1.762.731)	(1.260.679)	(5.440.062)
Transfers—acquisition value		—	(17.803)	17.803	—	—
Closing balance at December 31, 2017		**821.934**	**6.605.792**	**5.109.950**	**6.335.814**	**18.873.489**
At 31 December 2017						
Cost		2.186.050	18.427.469	22.163.114	8.285.616	51.062.249
Accumulated depreciation and impairment		(1.364.115)	(11.821.678)	(17.053.164)	(1.949.802)	(32.188.759)
Net book amount		**821.934**	**6.605.792**	**5.109.950**	**6.335.814**	**18.873.489**
At 1 January 2018						
Cost		2.186.050	18.427.469	22.163.114	8.285.616	51.062.249
Accumulated depreciation and impairment		(1.364.115)	(11.821.678)	(17.053.164)	(1.949.802)	(32.188.759)
Net book amount		**821.934**	**6.605.792**	**5.109.950**	**6.335.814**	**18.873.490**
Movements in 2018						
Acquisition of subsidiaries—acquisition value	18.645	1.911.592	3.534.749	1.881.835	2.358.918	9.705.739
Acquisition of subsidiaries—accumulated depreciations		(1.332.120)	(1.903.051)	(1.018.969)	(527.119)	(4.781.259)
Additions	380.231	800.645	4.844.006	3.658.353	1.426.887	11.110.122
Disposals—reversal of gross book value		(177.023)	(573.071)	(480.669)	(2.421.982)	(3.652.745)
Disposals—reversal of accumulated amortisation/impairment		164.308	24.762		1.179.060	1.368.130
Depreciation/impairment	(166.418)	(636.012)	(2.758.203)	(2.336.515)	(1.503.592)	(7.400.739)
Transfers—acquisition value		51.884	417.081	(473.611)		(4.646)
Transfers—accumulated depreciations		(12.518)	(200.237)	245.768		33.013
Closing balance at December 31, 2018	**232.458**	**1.592.690**	**9.991.827**	**6.586.142**	**6.847.987**	**25.251.104**
At 31 December 2018						
Cost	398.876	4.773.148	26.650.233	26.749.022	9.649.439	68.220.718
Accumulated depreciation and impairment	(166.418)	(3.180.458)	(16.658.406)	(20.162.880)	(2.801.453)	(42.969.614)
Net book amount	**232.458**	**1.592.690**	**9.991.827**	**6.586.142**	**6.847.987**	**25.251.104**

The Group's main PP&E items relate to owned company cars, office furniture, hardware-equipment as well as leasehold improvements the Group has made in its leased headquarters and regional offices (branches). The caption "Leased PP&E" includes various company cars as well as the headquarters' building in Roeselare under non-cancellable finance lease agreements. The remaining lease terms as per 31 December 2018 are between 1 year to 6 years, and ownership of the assets lies within the Group at the end of the lease term.

Changes into PP&E as per 31 December 2016 relates mainly to the completion of the TimePartner Group business combination. Other investments relate to replacement of office furniture as well as the lease of additional company cars.

Changes into PP&E as per 31 December 2017 is the result of the completion of several business combinations of which Redmore Group is the largest. Other investments relate to replacement of office furniture, investments into hardware equipment as well as the lease of additional company cars.

Changes into PP&E as per 31 December 2018 mainly relate to the acquisitions done in 2018, the replacement of office furniture and the lease of additional company cars.

Refer to Note 4.1 for more information on the different business combinations that have been completed by the Group.

Depreciations on PP&E are charged to the Selling Expenses (2018: EUR 5.23 million, 2017: EUR 2.89 million, 2016: EUR 1.25 million) and the General and administrative expenses (2018: EUR 2.17 million, 2017: 2.54 million, 2016: 2.47 million) in the statement of financial performance. An amount of EUR 0.14 million of depreciations on PP&E was allocated to the cost of services as per 31 December 2016.

10 Financial instruments by category

The Group holds the following financial instruments:

Financial assets	Financial assets at fair value through OCI (FVOCI)	Financial assets at fair value through P&L (FVPL)	Financial assets at amortised cost	Total
31 December 2018				
Trade receivables	0	0	234.195.371	234.195.371
Loans to related parties	0	0	0	0
Derivative financial instruments	0	0	0	0
Cash and cash equivalents	0	0	115.122.343	115.122.343
Other non-current assets	0	0	3.200.066	3.200.066
Other receivables	0	0	28.941.451	28.941.451
Total financial assets	**0**	**0**	**381.459.231**	**381.459.231**
31 December 2017				
Trade receivables	0	0	215.178.082	215.178.082
Loans to related parties	0	0	50.066.341	50.066.341
Derivative financial instruments	0	0	0	0
Cash and cash equivalents	0	0	92.849.590	92.849.590
Other non-current assets	0	0	2.670.034	2.670.034
Other receivables	0	0	25.433.190	25.433.190
Total financial assets	**0**	**0**	**386.197.237**	**386.197.237**
31 December 2016				
Trade receivables	0	0	152.857.923	152.857.923
Loans to related parties	0	0	52.953.086	52.953.086
Derivative financial instruments	0	32.820	0	32.820
Cash and cash equivalents	0	0	63.867.285	63.867.285
Other non-current assets	0	0	1.371.633	1.371.633
Other receivables	0	0	15.976.077	15.976.077
Total financial assets	**0**	**32.820**	**287.026.004**	**287.058.824**
1 January 2016				
Trade receivables	0	0	107.104.323	107.104.323
Loans to related parties	0	0	0	0
Derivative financial instruments	0	702.690	0	702.690
Cash and cash equivalents	0	0	46.955.821	46.955.821
Other non-current assets	0	0	904.587	904.587
Other receivables	0	0	6.232.676	6.232.676
Total financial assets	**0**	**702.690**	**161.197.407**	**161.900.097**

Financial liabilities	Financial liabilities at fair value through profit and loss (FVPL)	Financial liabilities at amortised cost	Total
31 December 2018			
Trade and other payables	0	47.517.710	47.517.710
Bank borrowings	0	583.555.301	583.555.301
Convertible bond	0	0	0
Non-convertible bond	0	0	0
Vendor loans	0	5.642.000	5.642.000
Shareholder's loans	0	2.804.883	2.804.883
Subordinated loans for preference shares	0	0	0
Commercial finance	0	0	0
Other borrowings—financial leases	0	6.644.419	6.644.419
Derivative financial liabilities	0	0	0
Total financial liabilities	**0**	**646.164.313**	**646.164.313**
31 December 2017			
Trade and other payables	0	24.955.514	**24.955.514**
Bank borrowings	0	456.878.851	**456.878.851**
Convertible bond	0	4.791.946	**4.791.946**
Non-convertible bond	0	0	**0**
Vendor loans	0	2.142.000	**2.142.000**
Shareholder's loans	0	5.507.508	**5.507.508**
Subordinated loans for preference shares	0	5.330.432	**5.330.432**
Commercial finance	0	25.000.000	**25.000.000**
Other borrowings—financial leases	0	6.153.760	**6.153.760**
Derivative financial liabilities	0	0	**0**
Total financial liabilities	**0**	**530.760.011**	**530.760.011**
31 December 2016			
Trade and other payables	0	19.627.996	**19.627.996**
Bank borrowings	0	307.669.232	**307.669.232**
Convertible bond	0	167.191.739	**167.191.739**
Non-convertible bond	0	0	**0**
Vendor loans	0	5.000.000	**5.000.000**
Shareholder's loans	0	4.238.583	**4.238.583**
Subordinated loans for preference shares	0	1.339.315	**1.339.315**
Commercial finance	0	0	**0**
Other borrowings—financial leases	0	5.745.577	**5.745.577**
Derivative financial liabilities	0	0	**0**
Total financial liabilities	**0**	**510.812.442**	**510.812.442**
1 January 2016			
Trade and other payables	0	12.488.264	**12.488.264**
Bank borrowings	0	112.114.209	**112.114.209**
Convertible bond	0	0	**0**
Non-convertible bond	0	38.746.042	**38.746.042**
Vendor loans	0	148.156.779	**148.156.779**
Shareholder's loans	0	5.238.584	**5.238.584**
Subordinated loans for preference shares	0	0	**0**
Commercial finance	0	39.014.240	**39.014.240**
Other borrowings—financial leases	0	6.683.803	**6.683.803**
Derivative financial liabilities	283.445	0	**283.445**
Total financial liabilities	**283.445**	**362.441.921**	**362.725.366**

The majority of financial assets and liabilities are classified as assets/liabilities at amortized cost, except for derivatives which are measured at the fair value through profit or loss. For more details on accounting policies applied for each category, please refer to the note 2.

11 Derivative financial instruments

The Group has the following derivative financial instruments:

	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Non-current assets				
Early payment option on non-convertible bond	—	—	—	702.690
Current assets				
Interest rate swap	—	—	32.820	—
Total	—	—	32.820	702.690
Non-current liabilities				
Interest rate swap	—	—	—	—
Current liabilities				
Interest rate swap		—	—	283.445
Total	—	—	—	283.445

The Group does not use derivatives for speculative investments. The full fair value of a hedging derivative is classified as a non-current financial asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current financial asset or liability if the maturity of the hedged item is less than 12 months.

(i) Interest rate swaps and rate swaps

HOHR and Accent Jobs for People have entered into interest rate swaps and interest rate cap contracts to limit the Group's exposure to changes in the variable interest rate. The interest rate swaps a variable interest rate on the external borrowings against a fixed interest rate. The interest rate cap limits the variability of the interest rate.

The table below provides an overview of the notional amount and the fair value of the interest rate swaps and the interest rate caps.

		January 1, 2016			
		Assets		**Liabilities**	
Entity	**Counterparty**	**Notional amount**	**Fair value**	**Notional amount**	**Fair value**
Accent Jobs for People	KBC	—	—	11.621.700	283.445
		—	**702.690**	**11.621.700**	**283.445**

		December 31, 2016			
		Assets		**Liabilities**	
Entity	**Counterparty**	**Notional amount**	**Fair value**	**Notional amount**	**Fair value**
HOHR	HSBC	95.200.000	9.948	—	—
HOHR	Belfius	47.600.000	12.697	—	—
HOHR	KBC	95.200.000	10.175	—	—
		238.000.000	**32.820**	**—**	**—**

There were no interest rate swaps within the group as per 31 December 2017.

		December 31, 2018			
		Assets		Liabilities	
Entity	Counterparty	Notional amount	Fair value	Notional amount	Fair value
HOHR	ING		—	150.000.000	46.345
HOHR	ABN Amro	—	—	150.000.000	46.698
			—	**300.000.000**	**93.043**

(ii) Early payment option on non-convertible bond

The Group has issued a EUR 35 million non-convertible bond in March 2015 as disclosed in borrowings (please refer to Note 16 for more details). A derivative financial asset has been recognized in relation to an embedded derivative—the right for the issuer to exercise an early payment option with an early payment penalty of either 2% or 1%, depending on the timing of exercise. As this option is not considered to be closely related to the host contract, a derivative asset has been recognized separately from the host contract and has been measured at the fair value on initial recognition with subsequent changes in fair value recorded in the income statement. At year-end 2015, a derivative financial asset of EUR 0.70 million has been recognized. Upon early repayment, exercised in July 2016, the bond has been derecognized through income statement, as well as the derivative asset, and any previously recognized deferred taxes.

The fair value of the derivative was measured as an intrinsic value of the derivative. This value is determined with a reference to the relevant forward market interest rate by subtracting the fair value of the liability without the option from the fair value of the liability if the option is exercised at the valuation date including the indemnity (1%) to be paid. The market rates used were represented by zero-coupon bonds based on the Euro Swap Curve plus the credit risk margin based on the BB and B composite US credit curves as of the valuation date for each interest payment date. The effective yield to maturity used for the valuation of derivatives at the end of 2015 was 6.0%.

12 Trade and other receivables

12.1 Current trade receivables

Trade receivables	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Trade receivables with third parties	**237.965.345**	212.483.020	154.827.891	109.957.234
Trade receivables with related parties	**0**	5.771.582	1.330.858	0
Less: provision for impairment	**−3.769.974**	−3.076.520	−3.301.250	−2.852.911
Trade receivables, net	**234.195.371**	215.178.082	152.857.499	107.104.323

(i) Classification as current trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables have varying due dates, a period of 0 - 90 days comprises the range for credit terms. Therefore, they are classified as current asset. Trade receivables are recognized initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

(ii) Transferred receivables

The carrying amounts of the trade receivables as per 1 January 2016 and 31 December 2017 include receivables which are subject to factoring arrangements. Under these arrangements, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. The Group, however, has retained late payment risk and credit risk. The Group therefore continues to recognize the transferred assets on its balance sheet. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring these receivables at amortized cost.

The amount of factored receivables amounts to EUR 25 million as per 31 December 2017 and EUR 39 million as per 1 January 2016.

As from 2018 a new commercial finance agreement of EUR 50 million has been signed. As the late payment risk and credit risk has been transferred to the counterparty, this agreement has been accounted for as a non-recourse agreement. Hence this amount has been deducted from the open trade receivables as per December 31, 2018.

(iii) Fair value of receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iv) Impairment and risk exposure

Information about the impairment of trade receivables and the Group's exposure to credit risk can be found in Note 5. As the Group is mainly active in the EURO-zone, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

12.2 Other financial assets at amortized cost

The group classifies its financial assets at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortized costs as per 31 December 2018 include:

Other financial assets at amortised cost	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Loans to related parties	**0**	50.066.341	52.953.086	0
Other non-current assets	**3.200.066**	2.670.034	1.371.633	904.587
Total non-current assets	**3.200.066**	52.736.375	54.324.719	904.587
Other receivables	**13.007.112**	14.264.416	5.669.466	5.004.577
CICE receivable	**1.798.487**	1.760.680	1.221.327	1.194.424
Other receivbles with related parties	**32.840**	9.408.095	9.085.285	33.674
Costs to fullfill the contract	**14.103.012**	0	0	0
Total current assets	**28.941.451**	25.433.191	15.976.078	6.232.675

(i) Loans to related parties as well as other receivables to related parties

Loans and other receivables outstanding to related parties mainly relate to loans as well as cash pool arrangements that are in place between the Group and its joint ventures, TEC Alliance Group and the Zaquensis Group for 2017 and 2016. As from 2018 the Group has full control over these entities.

Further information relating to loans to related parties is set out in Note 33.

(ii) Other non-current assets

The other non-current assets outstanding at year-end mainly relate to financial guarantees paid by the Group for its ongoing lease contracts of branches and housing accommodation.

(iii) Other current receivables

The main amounts of other current receivables are related to amounts recoverable for VAT.

(iv) CICE receivable

CICE receivables arise from tax credits under the French Competitive Employment Act (CICE). This act is aimed at improving the competitiveness of the French economy and at reducing the unemployment rate. The tax credit is calculated as a percentage of wages and salaries paid to employees with a salary that is less than 2.5 times the French minimum wage. The tax credit can be offset against the income tax liability payable with respect to the calendar year to which the wages relate. Any excess credit on an annual basis can be carried forward and offset against the tax liability during the next three years. The amount accounted for as a current receivable is expected to be due in the following year.

(v) Fair values of other financial assets at amortized cost

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(vi) Impairment and risk exposure

The Group did not account any loss allowances on the other receivables. As the Group is mainly active in the EURO-zone, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

(vii) Contract assets

Refer to note 22.2 and 22.3 with respect to this matter.

13 Income tax

13.1 Income tax expense

This note provides an analysis of the Group's income tax expense, shows what amounts are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

13.1.1 Income tax expense

The major components of income tax expense for the years ended are:

Income tax expense	**31 December 2018**	31 December 2017	31 December 2016
Current tax:			
Current tax on profits for the year	**41.262.119**	25.013.472	18.723.303
Adjustments in respect of prior years	**300.918**	20.097.552	50.077
Total current tax	**41.563.037**	45.111.024	18.773.380
Deferred tax			
Decrease/(increase) in deferred tax asset	**−2.096.925**	706.212	−385.360
(Decrease)/increase in deferred tax liabilities	**−7.836.833**	474.790	−5.551.060
Total deferred income tax	**−9.933.758**	1.181.002	−5.936.420
Income tax expense	**31.629.279**	46.292.026	12.836.959
Income tax expense is attributable to :			
Profit from continuing operations	**31.629.279**	46.292.025	12.836.960
Income tax expense	**31.629.279**	46.292.025	12.836.960

13.1.2 Numerical reconciliation of income tax expense

The tax expenses as shown above have been calculated in conformity with local and international tax laws. The tax on the Company's profit before tax differs from the theoretical amount that would arise using the domestic rate in each individual jurisdiction of the consolidated companies as follows:

	31 December 2018	31 December 2017	31 December 2016
Profit before income tax	**111.712.426**	11.594.016	46.603.635
Total	**111.712.426**	11.594.016	46.603.635
Tax calculated at domestic tax rates applicable to profit in the respective countries	**35.631.902**	3.935.866	14.563.909
Theoretical income tax rate in %	**32%**	34%	31%
Tax effect of amounts which are not deductible in calculating taxable income:			
Adjustment in respect of prior years	**300.918**	20.097.552	50.077
Neutralization internal plus/less value			
Expenses not deductible for tax purposes			
Share-based payments	**4.611.178**	14.552.313	1.386.909
Advantages to employees	**3.321.690**	1.327.011	986.797
Other		−80.723	903.282
Notional interest deduction	**−5.502**	−10.831	−31.110
Gain on determination of the fair value of the previously acquired interest	**−8.318.565**		
Re-measurement of deferred tax: change in domestic tax rates	**−5.156.536**	−1.844.135	−142.750
Tax computed on other basis	**−662.574**	751.030	−6.796.691
Dividends allocated to preference shareholders	**−36.616**	−764.165	−511.827
Unrecognised deferred income tax losses	**1.983.340**	7.961.966	2.617.782
Other	**−39.955**	366.142	−189.418
Income tax expense	**31.629.279**	46.292.025	12.836.960

The weighted average applicable tax rate was 32% (31 December 2017: 34%, 31 December 2016: 31%). Primary drivers that impacted the effective tax rates for 2018, 2017 and 2016 include the following:

(i) Adjustment in respect of prior years

The Group has been subject in 2017 to a tax audit on some of its Belgian operational entities. The Group has fully cooperated with the authorities. By December 2017, a final settlement was agreed upon by the Group and the Tax Authorities.

(ii) Expenses not deductible for income tax purposes

The recurring expenses not deductible for tax purposes include permanent differences such as expenses which are non-deductible under local tax laws (e.g. car expenses and meal expenses).

The Group has offered to a selected group of managers share options on the shares of We are One BVBA, a 100% subsidiary of HOHR having different grant dates. The Group also offers ratchet plans to the managers of the different Group entities. These managers are often also minority shareholders in the respective Group Companies.

At the end of 2017, the Board of the Group has decided to settle both the existing share option plan as well as the ratchets in the context of the 2018 roll-over. The settlement of the share option plan was not deductible for tax purposes. In 2018, a new option plan was executed at the level of the shareholders of HOHR and has been accounted for as an employee benefit expense.

(iii) Re-measurement of deferred tax—change in domestic tax rates

The impact of the re-measurement of deferred taxes mainly relate to changes in the applicable income tax rates in Belgium and the Netherlands.

The Belgian Corporate Income Tax regime has been modified by the Belgian Government by means of the Corporate Income Tax Reform Act of 25 December 2017 (Official Gazette of 29 December 2017). This reform includes a reduction of the corporate tax rate form 33,99% to 29,58% from the year ending 31 December 2018 with further reduction to 25% as from the year 31 December 2020. Further to the Belgian tax reform, the use of certain deductions will be limited to EUR 1 million. Therefore, 30% of the tax base in excess of EUR 1 million cannot be offset. The limitation applies to carried forward tax losses, carried forward participation exemption, carried forward innovation deduction, as well as the new incremental notional interest deduction.

As a result of the reform, Group management remeasured its deferred income tax balances. Deferred income tax expected to be reversed in the year to 31 December 2018 and 31 December 2019 have been measured using the effective rate that will apply in Belgium for the period (29,58%). Deferred income tax expected to be reversed beyond 31 December 2019 have been measured with an effective rate of 25%.

Also the Corporate Income Tax regime in the Netherlands has been modified. This reform includes a reduction of the corporate tax rate from 25% from the year ending 31 December 2018 and 2019 to 22,55% from the year ending 31 December 2020, with a further decrease to 20,5% as from the year ending 31 December 2021.

The impact of this change in the tax rate has been recognized in the tax expense in profit and loss except to the extent that it relates to items previously recognized outside of profit and loss. For the Group these items are limited to the translation of foreign operations using a different presentation currency as the one applied by the Group.

(iv) Taxes computed on another basis

The amounts for which taxes are calculated using another basis fully relate to the capital gains realized by the Group on the sale of the shares of the TEC entities in August 2016. At that moment, realized capital gains on the sale of shares in Belgium are taxed at 0.412% instead of the normal income tax percentage of 33,99%.

(v) Unrecognized income tax assets

The Group decided not to recognize additional deferred income tax assets on losses carried forward in some of its entities as the Group believes that the realization of the related tax benefit through the future taxable profits is not probable.

The majority of the unrecognized deferred income tax losses relates to the House of HR NV, the entity on which the Corporate projects are performed that are applicable for the total group.

(vi) Gain on equity investment

The Group has acquired full control in 2018 over its joint ventures Zaquensis and TEC. A surplus value has been accounted for on these shares for which no deferred income tax is applicable.

13.2 Amounts recognized directly in equity

The following deferred income taxes have been recognized directly in equity:

Amounts recognised directly in equity	**31 December 2018**	31 December 2017	31 December 2016
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		0	0
Deferred income tax expenses on value of conversion rights—convertible bonds		0	−2.449.295
Deferred income tax on conversion of the convertible bond into equity		4.225.592	0
Deferred income tax on the equity pick-up of entities that were previously not under control			
Current tax			
Deferred tax		4.225.592	−2.449.295
Total	**0**	4.225.592	−2.449.295

13.3 Deferred taxes

Using the balance sheet liability method, deferred tax assets and liabilities are recognized to provide for temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to the same tax jurisdiction.

Deferred tax assets and liabilities are valued at tax rates enacted or substantially enacted at year-end and which are expected to apply in the coming years when the assets and liabilities are expected to be realized or settled. The analysis of the deferred income tax assets and deferred income tax liabilities is as follows:

	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Deferred tax assets:				
Deferred tax asset to be recovered after more than 12 months	**2.205.051**	71.395	810.178	1.119.611
Deferred tax asset to be recovered within 12 months	**608.016**	148.296	275.586	286.117
Total deferred income tax assets	**2.813.068**	219.691	1.085.764	1.405.728
Deferred tax liabilities:				
Deferred tax liability to be recovered after more than 12 months	**(37.813.888)**	(35.021.967)	(26.257.741)	(14.191.889)
Deferred tax liability to be recovered within 12 months	**(15.437.769)**	(4.795.373)	(985.170)	(5.366)
Total deferred income tax liabilities	**(53.251.657)**	(39.817.340)	(27.242.911)	(14.197.255)
Deferred tax assets/(liabilities) (net)	**(50.438.590)**	(39.597.649)	(26.157.147)	(12.791.527)

The gross movement on the deferred income tax account is as follows:

	2018	2017	2016
Opening balance	**(39.597.649)**	(26.157.148)	(12.791.527)
Acquisition of a subsidiary	**(21.051.405)**	(18.934.389)	(16.844.209)
Income statement credit/(charge)	**9.933.758**	(1.232.969)	5.936.420
Tax charged (credit) directly to equity		6.674.887	(2.449.295)
Tax charged (credited) directly to other comprehensive income		—	—
Other movements	**276.707**	51.970	(8.537)
Balance at 31 December	**(50.438.589)**	(39.597.649)	(26.157.148)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting within the same jurisdiction, is as follows:

Deferred tax assets:	Cash flow hedges	Tax losses	Capitalization expenses	Fair value step-up/ other	PPA adjustments	Provisions	Convertible bond	Employee benefit obligation	Other	Total
Balance at 1 January 2016	**96.343**	**—**	**—**	**34.881**	**—**	**190.033**	**565.184**	**137.687**	**730.915**	**1.755.042**
Tax charged directly to other comprehensive income	—	—	—	—	—	—	—	—	—	—
Income statement credit / (charge)	(96.343)	877.906	32.048	415.303	—	(199.172)	(565.184)	39.892	(110.553)	393.897
Tax charged (credit) directly to equity	—	—	—	—	—	—	—	—	—	—
Acquisition of a subsidiary	—	—	139.137	—	—	57.240	—	29.417	—	225.794
Other movements	—	—	—	—	—	—	—	—	(8.537)	(8.537)
Balance at 31 December 2016	**—**	**877.906**	**171.185**	**450.184**	**—**	**48.101**	**—**	**206.996**	**611.825**	**2.366.197**
Balance at 1 January 2017	**—**	**877.906**	**171.185**	**450.184**	**—**	**48.101**	**—**	**206.996**	**611.825**	**2.366.197**
Tax charged directly to other comprehensive income	—	—	—	—	—	—	—	—	—	—
Income statement credit / (charge)	—	(773.501)	29.535	34.178	—	109.928	—	96.110	(253.777)	(757.526)
Tax charged (credit) directly to equity	—	—	—	—	—	—	—	—	—	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	96.866	—	96.866
Other movements	—	—	—	—	—	—	—	—	—	—
Balance at 31 December 2017	**—**	**104.405**	**200.720**	**484.361**	**—**	**158.029**	**—**	**399.972**	**358.048**	**1.705.538**
Balance at 1 January 2018	**—**	**104.405**	**200.720**	**484.361**	**—**	**158.029**	**—**	**399.972**	**358.048**	**1.705.538**
Tax charged directly to other comprehensive income	—	—	—	—	—	—	—	—	—	—
Income statement credit / (charge)	—	(403.799)	157.156	—	—	5.984	—	2.182	1.729.427	1.490.949
Tax charged (credit) directly to equity	—	—	—	(484.361)	—	—	—	—	34.196	(450.165)
Acquisition of a subsidiary	—	672.449	—	—		20.208	—	—	—	692.657
Other movements	—	—	—	—	—	—	—	—	—	—
Balance at 31 December 2018	**—**	**373.054**	**357.876**	**0**	**—**	**184.220**	**—**	**402.154**	**2.121.671**	**3.438.979**

Deferred tax liabilities:	Cash flow hedges	Tax losses	Capitalization expenses	Fair value step-up/ other	PPA adjustments	Provisions	Convertible bond	Employee benefit obligation	Other	Total
Balance at 1 January 2016	**—**	**—**	**(348.320)**	**—**	**(1.619.605)**	**—**	**(12.578.644)**	**—**	**—**	**(14.546.569)**
Tax charged directly to other comprehensive income	—	—	—	—	—	—	—	—	—	—
Income statement credit / (charge)	(11.156)	293.502	(2.516.028)	—	280.526	—	7.495.679	—	—	5.542.523
Tax charged (credit) directly to equity	—	—	—	—	—	—	(2.449.295)	—	—	(2.449.295)
Acquisition of a subsidiary	—	—	—	—	(17.070.003)	—	—	—	—	(17.070.003)
Other movements	—	—	—	—	—	—	—	—	—	—
Balance at 31 December 2016	**(11.156)**	**293.502**	**(2.864.348)**	**—**	**(18.409.082)**	**—**	**(7.532.260)**	**—**	**—**	**(28.523.344)**
Balance at 1 January 2017	**(11.156)**	**293.502**	**(2.864.348)**	**—**	**(18.409.082)**	**—**	**(7.532.260)**	**—**	**—**	**(28.523.344)**
Tax charged directly to other comprehensive income	—	—	—	—	—	—	—	—	—	—
Income statement credit / (charge)	11.156	(293.502)	(2.069.606)	(726.872)	2.196.457	—	857.373	—	(398.480)	(423.474)
Tax charged (credit) directly to equity	—	—	—	—	—	—	6.674.887	—	—	6.674.887
Acquisition of a subsidiary	—	(657.171)	—	—	(18.274.933)	—	—	(6.906)	(92.246)	(19.031.256)
Other movements	—	—	—	—	—	—	—	—	—	—
Balance at 31 December 2017	**—**	**(657.171)**	**(4.933.954)**	**(726.872)**	**(34.487.558)**	**—**	**—**	**(6.906)**	**(490.726)**	**(41.303.187)**
Balance at 1 January 2018	**—**	**(657.171)**	**(4.933.954)**	**(726.872)**	**(34.487.558)**	**—**	**—**	**(6.906)**	**(490.726)**	**(41.303.187)**
Tax charged directly to other comprehensive income										—
Income statement credit / (charge)		657.171	266.817		7.016.430	(23.284)		7.270	514.958	8.439.362
Tax charged (credit) directly to equity				726.872						726.872
Acquisition of a subsidiary					(21.748.686)				9.026	(21.739.660)
Other movements										—
Balance at 31 December 2018	**—**	**—**	**(4.667.137)**	**—**	**(49.219.815)**	**(23.284)**	**—**	**363**	**33.258**	**(53.876.614)**

Deferred income tax assets are recognized for tax losses carried forward, excluding unused notional interest deduction (NID), to the extent that the realization of the related tax benefit through the future taxable profits is probable, i.e. in those companies where, based on business projections over a period of 10 years, the company estimates that the losses can be utilized within this timeframe.

The Group did not recognize deferred income taxes for:

Amount of unrecognised deferred income tax assets	31 December 2018	31 December 2017	31 December 2016
Losses (carried forward)	**7.638.811**	27.725.347	7.124.237
DBI (carried forward)		1.189.399	1.189.399
Investment deduction (carried forward)		195.057	253.219
Total	**7.638.811**	28.914.746	8.313.636

Refer to 13.1 (v) for detail on the losses carried forward.

14 Cash and cash equivalents

Cash and cash equivalents	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Cash at bank and on hand	**109.927.212**	88.853.887	60.447.377	44.037.153
Short-term bank deposits	**337.700**	45	803	33.052
Restricted cash	**4.857.430**	3.995.658	3.419.106	2.885.615
Cash and cash equivalents excluding bank overdrafts	**115.122.343**	92.849.590	63.867.286	46.955.821

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Cash and cash equivalents	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Cash and cash equivalents excluding bank overdrafts	**115.122.343**	92.857.277	63.877.935	46.955.821
Bank overdrafts	**—**	7.687	10.649	—
Cash and cash equivalents	**115.122.343**	92.849.590	63.867.285	46.955.821

The cash and cash equivalents disclosed above and in the statement of cash flows include EUR 4.9 million of restricted cash (31 December 2017: EUR 4.0 million, 31 December 2016: EUR 3.4 million and 1 January 2016: EUR 2.9 million). These deposits are subject to regulatory restrictions in the Netherlands (system of G-accounts containing amounts for taxes to be paid on salaries) and are therefore not available for general use by the other entities within the Group.

As indicated in Note 16 on the borrowings, the Group's current and future cash and cash equivalents are pledged as security for these borrowings. The entire amount of the Group's bank borrowings and accrued interest are secured according to collective pledge agreements.

15 Equity

15.1 Shareholders' equity

The authorized share capital and share premium of the Group as per 31 December 2018 is EUR 543.73 million and consists of 479.82 thousand shares. Since the Group transition date to IFRS (i.e. 1 January 2016), the following movements in the shareholders' equity was noted.

	Total	
	Shares	**Par value**
Opening balance 1 January 2016	**131.626.886**	**131.626.886**
Issuance of ordinary shares on 26 May 2016 for contribution in cash	17.368.226	17.368.226
Issuance of ordinary shares on 5 October 2016 for contribution in cash	3.544.022	3.544.022
Issuance of ordinary shares on 22 November 2016 for contribution in cash	25.748.108	26.650.000
Issuance of ordinary shares on 26 May 2016 for contribution in kind	7.137.288	7.137.288
Total	**53.797.644**	**54.699.536**
Balance 31 December 2016	**185.424.530**	**186.326.422**
Opening balance 1 January 2017	**185.424.530**	**186.326.422**
Issuance of ordinary shares on 11 December 2017 by converting of the converible bond into equity*	186.321.840	187.223.732
Total	**186.321.840**	**187.223.732**
Balance 31 December 2017	**371.746.370**	**373.550.154**
Opening balance 1 January 2018	**371.746.370**	**373.550.154**
Legal (de)mergers + contribution in kind of intrest on convertible bond	6.893.459	−4.655.589
Issuance of shares on 21 June 2018 for contribution in kind	95.333.903	162.124.118
Issuance of shares on 21 June 2018 for contribution in cash	4.821.873	10.484.489
Issuance of shares on 14 August 2018 for contribution in cash	1.022.826	2.223.992
Total	**108.072.061**	**170.177.010**
Balance 31 December 2018	**479.818.431**	**543.727.164**

*: The amount mentioned in the table related to the conversion of the convertible bond into equity represents the nominal amount. Refer to Note 15 for the fair value of the amount as determined in accordance with IFRS.

The following type of shares exist as per 31 December 2018:

- Class A, B, C and D ordinary shares
- Class C convertible tracking shares for Accent, Covebo, Abylsen, Continu, TimePartner, TEC Alliance, Vialegis, Zaquensis
- Preferred equity shares with cumulative preferred dividend of 8%
- Preferred equity shares with cumulative preferred dividend of 8,5%

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares have been paid in full.

The convertible tracking shares provide the holder to dividends, liquidation proceeds and exit proceeds based on the value of the underlying value of the Group.

Preferred Shares can only be held by a shareholder holding ordinary shares or tracking shares. Preference shares do not contain a contractual obligation to pay dividends.

Refer to note 4.5 for more information regarding the details of the shares issued.

The number of shares held as well as the value of the shares is as follows:

	31 December 2018		31 December 2017		31 December 2016		1 January 2016	
	Number of shares	**Value in EUR of the shares**	Number of shares	Value in EUR of the shares	Number of shares	Value in EUR of the shares	Number of shares	Value in EUR of the shares
Ordinary shares								
Shares—class A	**102.435.823**	**106.862.689**	93.369.471	93.393.160	46.360.394	46.372.242	41.884.954	41.884.954
Shares—class B	**264.106.970**	**275.520.615**	265.143.397	266.824.206	131.791.909	132.632.314	88.680.988	88.680.988
Shares—class C	**30.268.986**	**31.577.090**	1.310.944	1.310.944	1.310.944	1.310.944	1.060.944	1.060.944
Shares—class D	**4.909.599**	**5.121.772**	2.322.504	2.333.800	1.161.252	1.166.900	—	—
Shares—class E	—	—	7.088.044	7.088.044	3.544.022	3.544.022	—	—
Shares—class F	—	—	2.512.010	2.600.000	1.256.005	1.300.000	—	—
Tracking shares (class C)								
Accent convertible tracking shares	**3.311.913**	**7.201.292**						
Abylsen convertible tracking shares	**12.166.706**	**26.454.801**						
Continu convertible tracking shares	**7.661.639**	**16.659.163**						
Covebo convertible tracking shares	**2.169.936**	**4.718.222**						
Vialegis convertible tracking shares	**1.088.622**	**2.367.056**						
TimePartner convertible tracking shares	**10.549.730**	**22.938.912**						
Zaquensis convertible tracking shares	**2.109.526**	**4.586.869**						
TEC convertible tracking shares	**578.785**	**1.258.487**						
Redmore convertible tracking shares	—	—						
Preference shares								
Preference shares PA8	**17.390.087**	**17.390.087**						
Preference shares PA8.5	**21.070.109**	**21.070.109**						
Total ordinary shares	**479.818.431**	**543.727.164**	371.746.370	373.550.154	185.424.526	186.326.422	131.626.886	131.626.886

Since the Groups transition date to IFRS, the following changes in the paid-in capital have taken place:

- *Changes in equity structure in 2016*

During 2016, the ordinary share capital has increased by EUR 54.70 million following the issue of 53.80 million shares with a par value between EUR 1 and EUR 1.03. The capital increase was partially completed by means of a contribution in cash (EUR 47.56 million). The remaining increase of EUR 7.14 results from the conversion into equity of debt instruments that were outstanding to FPCI Naxicap Opportunities II, Pro-Manage BVBA, Burgerlijke Vennootschap Conny Vandendriessche-Wim Vanhaelemeersch Pro-Manage.

- *Changes in equity structure in 2017*

The 2016 convertible note issued by the Company, that at the option of the Group was convertible into ordinary shares, has been converted into ordinary shares on 11 December 2017. As a result of the conversion, the number of shares and share capital increased by 186.32 thousand shares and EUR 187.22 million respectively.

Refer to the Borrowings note (Note 16) and the Other Equity note (note 15) for more information.

- *Changes in equity structure in 2018*

Refer to Note 4.5 for more information on the legal reorganization of the Group.

15.2 Value of conversion rights—convertible notes

Other equity for the Group is composed as follows:

in EUR	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Value of conversion rights—convertible notes	—	—	7.205.927	—
Deferred tax liability component	—	—	(2.449.295)	—
Total	—	—	4.756.632	—

The amount shown for other equity securities is the value of the conversion rights relating to the convertible bond, details of which are shown in borrowings note (Note 16).

15.3 Other reserves

The following table shows a breakdown of the balance sheet line item "other reserves" and the movement in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

Other reserves	**Convertible bond**	**Transactions with Non-controlling interests**	**Foreign currency translation**	**Other**	**Total other reserves**
At January 2016	—	—	—	—	—
Acquisition of non-controlling interest in Abylsen Group	—	371.808	—	—	371.808
At 31 December 2016	**—**	**371.808**	**—**	**—**	**371.808**
At January 2017	**—**	**371.808**	**—**	**—**	**371.808**
Currency translation differences	—	—	(160.263)	—	(160.263)
Changes in minorities	—	(481.910)	—	—	(481.910)
Conversion of the convertible bonds to equity	(7.031.311)	—	—	—	(7.031.311)
At 31 December 2017	**(7.031.311)**	**(110.102)**	**(160.263)**	**—**	**(7.301.676)**
At January 2018	**(7.031.311)**	**(110.102)**	**(160.263)**	**—**	**(7.301.676)**
Currency translation differences	—	—	—	—	—
Changes in minorities	—	(128.411.514)	—	—	(128.411.514)
Long-term incentive plan	—	—	—	13.950.000	13.950.000
Legal re-organisation (de-mergers)	—	—	—	(58.948)	(58.948)
Other movements		(3.500.000)			(3.500.000)
At 31 December 2018	**(7.031.311)**	**(132.021.616)**	**(160.263)**	**13.891.052**	**(125.322.138)**

Refer to the Note 16 on the borrowings for more information on the conversion into equity of the convertible bond as per 2017.

15.4 Retained earnings

Movements in retained earnings were as follows:

Retained earnings	**31 December 2018**	31 December 2017	31 December 2016
Balance 1 January	**318,454**	44,938,941	18,081,399
Net profit of the period	**75,069,821**	(43,656,018)	28,196,857
Dividends allocated	**(138,006)**	(964,469)	(1,339,315)
Legal re-organisation (partial (de)mergers)	**9,501,592**		
31 December	**84,751,863**	318,454	44,938,941

16 Borrowings

The following table illustrates the borrowings per 31 December 2018:

Total borrowings	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Non-current borrowings				
Bank borrowings	**561.001.207**	439.117.761	261.835.163	95.714.876
Related party borrowings				
Convertible bond	**0**	4.791.946	167.191.739	0
Non-convertible bond	**0**	0	0	38.746.042
Vendor loan	**5.642.000**	2.142.000	5.000.000	148.156.779
Shareholder loans	**2.804.000**	4.089.175	4.238.583	5.238.584
Subordinated loans for preference shares		5.330.432	1.339.315	0
Total related party borrowings	**8.446.000**	16.353.553	177.769.637	192.141.405
Non-current borrowings	**569.447.207**	455.471.314	439.604.800	287.856.281
Current borrowings				
Bank borrowings	**22.554.094**	17.761.090	45.834.069	16.399.333
Commercial finance	**0**	25.000.000	0	39.014.240
Related party borrowings				
Shareholder loans	**883**	1.418.333	0	0
Current borrowings	**22.554.977**	44.179.423	45.834.069	55.413.573
Total borrowings	**592.002.184**	499.650.737	485.438.869	343.269.854

All borrowings which are due within one year from the year-end date are classified as current borrowings, as well as the current portion of long-term borrowings.

(i) Borrowings

- Bank borrowings

The bank borrowings as at 1st January 2016 relate to various bank loans obtained locally by the subsidiaries from local banks. In June 2016, these loans were repaid and replaced by new bank loans following the signature of a Senior Facility Agreement (SFA) at Corporate level, that bear variable interest rates. The nominal amount of the amounts drawn under the SFA as per 31 December 2016, net of transaction costs, was EUR 307.7 million. The drawings had a maturity of 5 years and a variable interest rate based on Euribor plus a fixed margin. During December 2017, these bank loans were refinanced with a new Senior Facility Agreement at the Corporate level, also with variable interest rates. The carrying amount of the drawings, net of transaction cost, was EUR 456.9 million. The drawings as per 31 December 2017 had 7 years of maturity and a variable interest rate based on Euribor plus a margin. In March 2018, the additional tranche of EUR 125 million was withdrawn under the same terms.

All these loans were initially measured at fair value, with subsequent measurement at amortized cost.

- Non-convertible bond

Besides these bank loans, an EUR 35 million non-convertible bond has been issued by Accent to the reference shareholders in March 2015, with a payable coupon of 4.5%, an annual interest rate to be capitalized of 3.5%, and maturity of 7 years. This bond has been initially measured at fair value based on the discounted cash flow method at the prevailing market interest rate, which resulted in a day one loss of EUR 1.9 million, recorded in the other reserves and an amount of EUR 0.5 million as a derivative. The bond was subsequently measured at amortized cost and has been accruing interest until its repayment date in July 2016. A derivative financial asset has been recognized in relation to the right for the issuer to exercise an early payment option with an early payment penalty of either 2% or 1%, depending on the timing of exercise. As this option is not considered to be closely related to the host contract, a derivative asset has been recognized separately from the host contract and has been measured at the fair value on initial recognition with subsequent measurement at year-end 2015 through profit or loss. At year-end 2015, a financial liability of EUR 38.7 million was recognized, as well as a derivative asset of EUR 0.7 million and related deferred tax asset of EUR 0.6 million.

- Vendor loans

Vendor loans at 1st January 2016 mostly relate to loans provided by the reference shareholders as at 23rd December 2015, with a nominal amount of EUR 180 million, an annual interest of 2% and maturity of 7.5 years. The loan was initially measured at the fair value based on the discounted cash flow method and the prevailing market interest rate. Initial measurement resulted in a fair value of EUR 143 million and a day one gain of EUR 37 million which was recorded in retained earnings. A corresponding deferred tax liability of EUR 12.6 million was recognized. Subsequently, this vendor loan was measured at amortized cost until the extinguishment in May 2016, when the loan was partially repaid and partially converted to a convertible bond issued in the same month. On extinguishment, one portion of the vendor loan was derecognized and paid out, and the other portion was converted into a convertible bond, as indicated further below. A financial loss of EUR 8 million was recognized upon derecognition as a difference between paid amount and net book value of derecognized portion of the loan.

An additional vendor loan of EUR 5 million was provided by shareholders of Continu in 2015 and is measured at amortized cost.

An additional vendor loan note amounting to EUR 17.4 million issued in 2017 has been converted in the same year.

In 2018 a vendor loan of EUR 3.5 million was provided by shareholders of Covebo.

- Convertible bonds

Convertible bonds recognized in 2016 relate to four issuances of the bonds that occurred during May, October and November 2016. The bonds were issued to the various shareholders for a total nominal amount of EUR 187.2 million, with an annual interest rate of 2%, and maturity until June 2023. About 84% was subscribed through a conversion of the vendor loan, as disclosed above, and the remaining 16% was contributed in cash. The vendor loan has been remeasured at fair value upon conversion and a financial loss of EUR 11 million was recognized upon conversion, as shown further in the movement table below. Upon conversion of the vendor loan to convertible bonds and additional subscriptions to bonds in cash, the convertible bonds have been split into two components: a liability (measured as the net present value of the future cash flows discounted at the market interest rate of a similar bond without conversion option) and a residual equity component. The liability component has been further measured at amortized cost. As a consequence, at year-end 2016, a financial liability of EUR 167.2 million was recognized, a deferred tax liability of EUR 7.5 million and an equity component of EUR 7.2 million (EUR 4.7 million net of deferred tax).

Just before the year-end 2017, the convertible bonds have been converted into equity at the conversion rate of 1 share for 1 bond (except for the latest bond issuance in November with a rate of 1.0350275). The carrying amount of liability component was reclassified to equity at conversion through an increase of share capital equal to the value of issued shares, with the difference between the value of issued share capital and the sum of the carrying amount of liability and equity component being recognized as a decrease in other reserves of EUR 11.3 million. Deferred taxes have been released through retained earnings resulting in an increase in other reserves of EUR 4.2 million. The interest due at conversion date of the bond in the amount of EUR 4.8 million was converted to equity after a few months in 2018.

Convertible bond	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Face value of convertible bond issued	**0**	187.223.740	187.223.740	0
Equity component	**0**	7.205.927	7.205.927	0
Liability component on initial recognition	**0**	163.943.666	163.943.666	0
Interest accrued in previous year	**4.791.946**	3.248.073		
Interest expenses	**0**	6.361.109	3.248.073	0
Interest paid	**0**	0	0	0
Converted to equity	**−4.791.946**	−168.760.902	0	0
Liability component at 31 December	**0**	4.791.946	167.191.739	0

- Shareholder's loans

Shareholder's loans mostly relate to long term loans provided in 2015 to Covebo and Continu by minority shareholders. These balances have decreased over the years 2016 and 2017 due to repayments made and were fully settled in 2018. An additional short-term loan was provided in 2017 and has been fully settled in 2018 as well. In 2018, a new shareholders loan has been provided to Vialegis Group.

- Subordinated loans on preference shares

Subordinated loans on preference shares relate to preferential dividends declared before year-end 2017 and 2016 for an amount of EUR 5.3 million and EUR 1.3 million respectively, which was agreed to be paid out only at the later date and was treated as a loan at the moment.

- Current borrowings

Current borrowings relate to the current portion of bank loans and shareholder's loan payable within one year after the year-end date, and also to the liability for factoring (EUR 39 million at year-end 2015, and EUR 25 million at year-end 2017). Refer to credit risk Note 5 for more details on factoring accounting policy. Factoring agreements were not in place as of year-end 2016, therefore there is no liability for that period.

The following tables show the movements of the borrowings of the Group:

Movements in non-current borrowings	1 January 2018 - 31 December 2018	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
Balance at January 1	**455.471.314**	439.604.800	287.856.281
Repayments	**−1.600.108**	−266.835.303	−169.195.027
Acquisition of subsidiaries	**3.586.011**	2.979.487	0
Additional borrowings	**125.442.757**	449.556.565	317.075.503
Remeasurements at fair value	**25.721.734**	0	11.073.970
Contribution in kind resulting from roll-over	**−9.043.254**		
Reclassification to equity	**−4.791.946**	−168.760.902	−7.205.927
Non-current borrowings before reclassification	**594.786.507**	456.544.647	439.604.800
Reclassification to short-term part of non-current borrowings	**−22.576.801**	−1.073.333	0
Reclassification to other short-term debt	**−2.762.500**	0	0
Balance at December 31	**569.447.207**	455.471.314	439.604.800

Movements in current borrowings	1 January 2018 - 31 December 2018	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
Balance at January 1	**44.179.423**	45.834.069	55.413.573
Repayments	**−46.963.331**	−45.834.069	−55.413.573
Acquisition of subsidiaries		345.000	0
Contribution in kind resulting from roll-over	**−1.418.333**		
Additional borrowings	**4.180.419**	42.761.090	45.834.069
Current borrowings before reclassification	**−21.823**	43.106.090	45.834.069
Reclassification to short-term part of non-current borrowings	**22.576.801**	1.073.333	0
Balance at December 31	**22.554.978**	44.179.423	45.834.069

The main movements relate to obtained new borrowings from the banks in 2016, which were repaid in 2017 and refinanced by the new bank borrowings (EUR 475 million nominal amount), as previously disclosed in this note. During 2018, an additional amount (EUR 125 million nominal amount) has been drawn from the SFA. For the transactions related to the convertible bond, please refer to disclosures previously made in this note (2016: fair value measurement of the vendor loan converted to convertible bond of EUR 11 million and recognition of equity portion of EUR 7.2 million; and 2017: reclassification of liability portion to equity on conversion of bonds to share capital of EUR 168.8 million). During 2018, as part of the roll-over (note 4.5), some of the loans payable towards third party have been contributed in kind.

The following are the available undrawn facilities:

Undrawn borrowing facilities	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Fixed rate				
Expiring within one year				
Expiring beyond one year				
Floating rate				
Expiring within one year		125.000.000		
Expiring beyond one year	**80.000.000**	80.000.000	22.500.000	
Total	**80.000.000**	205.000.000	22.500.000	—
Bank guarantees	**EUR 4.7 million is already used as a bank guarantee and is therefore not available**	EUR 3 million is already used as a bank guarantee, and is therefore not available.	EUR 3 million is already used as a bank guarantee, and is therefore not available.	

The maturity of borrowings is included in the liquidity section of Note 5.

• Significant assumptions taken for the fair value calculations at initial measurement

Vendor loans, non-convertible and convertible bonds have been initially measured at fair value, and subsequently accounted for at amortized cost. The fair value was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate which approximates the market interest rate for the similar instrument on the market. Judgement is required in determining this market rate. The Group determined the credit risk of the company based on the interest rate for the bank loan that the Group has obtained during the year, adjusted for the risk-free rate of the Eurozone prevalent on the market at issue. Based on the credit risk determined above, credit margin was estimated as based on the BB and B USD composite curve. Total discount rate was estimated as a Euro Swap Curve plus the credit margin estimated above at the date of valuation.

For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The biggest difference in the table below is for the bank loans and it is due to paid transactions costs that are reflected in the net book value, under the amortized cost method.

	31 December 2018		31 December 2017		31 December 2016		1 January 2016	
Fair value of borrowings	**Carrying value**	**Fair value**	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Bank loans	**583.555.301**	**600.061.460**	456.878.851	475.000.000	307.669.232	315.300.377	112.114.209	112.114.209
Convertible notes	**0**	**0**	4.791.946	4.791.946	167.191.739	164.847.557	0	0
Non-convertible bond	**0**	**0**	0	0	0	0	38.746.042	37.391.944
Vendor loan	**5.642.000**	**5.642.000**	2.142.000	2.142.000	5.000.000	5.000.000	148.156.779	148.156.779
Shareholders loans	**2.804.883**	**2.804.000**	5.507.508	5.507.508	4.238.583	4.238.583	5.238.584	5.238.584
Subordinated loans for preference shares	**0**	**0**	5.330.432	5.330.432	1.339.315	1.339.315	0	0
Commercial finance	**0**	**0**	25.000.000	25.000.000	0	0	39.014.240	39.014.240
Total borrowings	**592.002.184**	**608.507.460**	499.650.737	517.771.886	485.438.869	490.725.832	343.269.854	341.915.756

(ii) Finance lease liabilities

The Group has accounted for the following finance lease liabilities:

	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Gross finance lease liabilities—minimum lease payments:				
—No later than 1 year	**2.435.142**	1.969.438	1.733.512	1.908.093
—Later than 1 year and no later than 5 years	**4.370.685**	4.100.827	3.685.806	4.284.802
—Later than 5 years	**37.195**	192.320	415.262	629.629
Total undiscounted finance lease liabilities	**6.843.022**	6.262.585	5.834.580	6.822.524
Future finance charges on finance leases	**− 198.603**	− 108.825	− 89.003	− 138.721
Present value of finance lease liabilities	**6.644.419**	6.153.760	5.745.577	6.683.803

The discounted finance lease liability is as follows:

	31 December 2018	31 December 2017	31 December 2016	1 January 2016
No later than 1 year	**2.371.663**	1.954.947	1.725.171	1.883.656
Later than 1 year and no later than 5 years	**4.236.340**	4.006.494	3.605.144	4.170.518
Later than 5 years	**36.416**	192.319	415.262	629.629
Present value of finance lease liabilities	**6.644.419**	6.153.760	5.745.577	6.683.803

(iii) Financial covenants

Under the terms of the Senior Facilities Agreement, the Group is required to comply with the financial covenant that the leverage ratio must be not more than 6.0:1.

The Group has complied with this covenant throughout the reporting period. As at 31 December 2018, the leverage ratio of the group (net debt to EBITDA) was 2.73:1 (2.9:1 as at 31 December 2017).

(iv) Collateral for the Group's bank borrowings

For the bank loans in place in years 2018, 2017 and 2016 (SFA loan agreements), multiple pledge agreements have been entered into which collectively secure the bank borrowings for the entire amount outstanding and accrued interest on the bank borrowings. The Group is subject to regular bank reporting, and leverage is monitored. In the event of a default of repayment of the bank borrowings and related interest payments, the pledgee may enforce against the pledged assets. During the period under review, there was no default of the payment obligations.

The present and future assets pledged as collateral include the following:

- All of the shares of the HOHR and material subsidiaries,
- All bank accounts of the HOHR and material subsidiaries;
- All of the intercompany receivables of the Group and material subsidiaries (including cash pooling arrangements for SFA signed in 2016 and excluding cash pooling for SFA signed in 2017).

At year-end 2016, all pledge agreements were in place for SFA signed in 2016. These pledges were released in December 2017, due to a new SFA signed at that moment. At year-end 2017, only a few pledge agreements were in place for SFA signed in December 2017, as remaining pledge agreements were mostly signed in March 2018, in line with the allowed 90 days period for ensuring pledges are in place. These pledges remain valid until the year-end 2018.

17 Provisions for other liabilities and charges

The following table summarizes the movement of the provisions since 1 January 2016:

	Litigations	Provision for decommisioning	Other	Total
Balance at 1 January 2016	**404.422**	**492.500**	**462.886**	**1.359.808**
Movements in 2016				
Additional provision	0	94.722	0	94.722
Amounts used during the year	− 180.527	− 54.722	− 423.032	− 658.281
Balance at 31 December 2016	**223.895**	**532.500**	**39.854**	**796.249**
Non-current provisions	661.175			
Current provisions	135.074			
Balance at 31 December 2016	**796.249**			
Balance at 1 January 2017	**223.895**	**532.500**	**39.854**	**796.249**
Movements in 2017				
Additional provision	940.136	100.247	0	1.040.383
Amounts used during the year	− 68.711	− 65.247	− 1.115	− 135.074
Balance at 31 December 2017	**1.095.320**	**567.500**	**38.739**	**1.701.558**
Non-current provisions	761.422			
Current provisions	940.136			
Balance at 31 December 2017	**1.701.558**			
Balance at 1 January 2018	**1.095.320**	**567.500**	**38.739**	**1.701.558**
Movements in 2018				
Additional provision	123.463		7.250	130.713
Acquisition of subsidiaries	560.691			560.691
Amounts used during the year	− 1.335.827	− 12.500	− 37.517	− 1.385.844
Balance at 31 December 2018	**443.646**	**555.000**	**8.472**	**1.007.118**
Non-current provisions	257.062			
Current provisions	750.057			
Balance at 31 December 2018	**1.007.118**			

(i) Provisions for dismantling obligations

The Group signed a number of lease contracts for branches and headquarters in which mandatory dismantling obligations exist. The amount accrued represents the net present value of the estimated cash-outflows that the Group expects to incur upon termination of the contract to dismantle all leasehold improvements made to the leased properties. The total costs as per 31 December 2018 for dismantling the leasehold improvements amount to EUR 0.56 million (31 December 2017: EUR 0.57 million, 31 December 2016: EUR 0.54 million, 1 January 2016: EUR 0.49 million).

(ii) Provisions for litigations

The amount represents provisions for certain legal claims brought against the Group by former staff members. The provision charge is recognized in the income statement within the "Other general and administrative expenses". The amount recognized as per 31 December 2018 for litigations is expected to be used in 2019 and 2020. Management's view is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for at 31 December 2018.

18 Employee benefit obligations

The table below outlines the outstanding employee benefit obligations that were reported for on the statement of financial position since 1 January 2016:

Obligations accounted for in the statement of financial position:	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Short-term employee benefits	**128.882.025**	120.082.946	80.775.953	44.392.685
Post employment benefits	**1.265.282**	—	—	—
Other long-term employee benefits	**1.391.584**	1.139.221	615.728	423.622
Termination benefits	**7.115**	—	—	—
Total amount of employee benefits	**131.546.007**	121.222.167	81.391.681	44.816.307
Total non-current employee benefits	**2.389.750**	1.002.338	510.095	357.375
Total current employee benefits	**129.156.257**	120.219.828	80.881.586	44.458.932
Total amount of employee benefits	**131.546.007**	121.222.167	81.391.681	44.816.307

18.1 Short-term employee benefits

The amount of short-term employee benefits outstanding at the reporting date mainly relate to unpaid salaries and wages as well as the related taxes on these amounts. The amounts both relate to salaries and wages for temping staff as well as the permanent staff that is working for the Group. Furthermore, the ratchet schemes for Continu and Covebo are accounted for under the short-term employee benefits (EUR 11.57 million for 2017, EUR 0.59 million for 2016 and EUR 0.14 million as per January 1, 2016).

18.2 Post-employment employee benefits

(i) Pension plans

The Group offers a number of defined contribution plans to its employees. Because of the Belgian legislation applicable to the second pillar pension plans (the so-called "Law Vandenbroucke"), all Belgian pension plans that are structured as defined contribution plans are considered defined benefit plans under IFRS. Because of this minimum guaranteed return, the Group is exposed to a financial risk since further contributions could be required if the return on the assets is not sufficient to reach the minimum benefits to be paid. The Group has plans that are financed through insurance contracts. The Group carefully reviewed the different pension plans at the different reporting periods and concluded that the application of the projected unit credit method to calculate the defined benefit obligation would not result in a material amount to be accounted for on the statement of financial position. No similar minimum funding exists in other countries where the Group is active.

The Group does not provide any material defined benefit plans to its employees.

(ii) Disability benefits

The Group also provides disability benefits to its employees which have similar terms and conditions as the defined contribution plans and therefore also have to be accounted for in a similar way. As the Group is insured for these disability benefits, no provision has been accounted for by the Group.

18.3 Other long-term employee benefits

Amounts reported for under the Other long-term employee benefits fully relate to jubilee premiums offered by The Group rewarding employees for long years of service. The Group also provides sickness compensations to its staff in the Netherlands.

(i) Jubilee benefits

The following table shows the split between the non-current and the current employee jubilee benefits:

Obligations accounted for in the statement of financial position for jubilee premiums:	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Non-current jubilee benefits	**1.247.403**	1.002.339	510.095	357.375
Current jubilee benefits	**144.181**	136.882	105.633	66.247
Total amount of other post-employment benefits	**1.391.584**	1.139.221	615.728	423.622

The following assumptions have been used when calculating the jubilee premiums:

Overview of assumptions used:	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Discount rate	**0.5% - 1.5%**	0.5% - 1.5%	0.5% - 1.5%	0.5% - 1.5%
Retirement age	**67**	67	67	67
Turnover		See below		

Years-turnover	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
0 year	**8,75%**	8,75%	8,75%	8,75%
0.5 year	**4,25%**	4,25%	4,25%	4,25%
1 - 2 years	**2,25%**	2,25%	2,25%	2,25%
3 years	**1%**	1%	1%	1%
4 years	**0,50%**	0,50%	0,50%	0,50%

The impact of the remeasurements on the outstanding jubilee premium is accounted for in the statement of financial performance.

(ii) Termination benefits

The Group has no material outstanding termination benefits since 1 January 2016.

19 Share-based payments

The share-based payments consist of the option plan “We are One” offered to the management of Accent, several Ratchet Schemes, offered to the key management of the different acquired subsidiaries (Abylsen, Covebo, Continu, Timepartner, Zaquensis & TEC Alliance) and the new long-term incentive plan on the level of the shareholders of HOHR.

(a) Share option plan “We are one”

The Group has offered to a selected Group of managers share options on the shares of We are One BVBA, a 100% subsidiary of HOHR, in order to incentivize them to further develop the activities of HOHR. The loyalty call option can only be exercised upon exit, or in the context of a refinancing or an extra-ordinary leaver event. The beneficiary has a put option to sell to

HOHR the share options he has bought at fair value of the share option upon exit. The share options are considered, given the put option held by the beneficiary, as cash settled and accounted for as liabilities.

There have been 3 different grant dates for the share options, being in 2014, 2015 and 2016. The share options each vest over a 3-year period, in accordance with the underlying vesting scheme.

Vesting	**Vesting 1st (40%)**	**Vesting 2nd (30%)**	**Vesting 3rd (30%)**
Population 1	1 August 2015	1 August 2016	1 August 2017
Population 2	1 August 2016	1 August 2017	1 August 2018
Population 3	1 August 2017	1 August 2018	1 August 2019

The tables below provide an overview of the options granted at the respective year-end dates and key inputs existing at the respective grant dates.

	31 December 2017		31 December 2016	
	Average exercise price in EUR per share option	**Options**	Average exercise price in EUR per share option	Options
At 1 January	**1,13**	**4.476.375**	1,08	4.318.875
Granted	**—**	**—**	2,58	157.500
Forfeited	**1,13**	**−5.625**	—	0
At 31 December	**1,13**	**4.470.750**	1,13	4.476.375

	Share options			
Grant date	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
1 August 2014	**—**	—	—	3.678.750
1 August 2015	**—**	—		640.125
1 Augusut 2016	**—**	—	157.500	
	—	—	157.500	4.318.875

At grant date	**2014**	**2015**	**2016**
Effective grant date	1-8-2014	1-8-2015	1-8-2016
Number of share options granted	3.678.750	640.125	157.500
Exercise price	1,00	1,49	2,58
Fair value per share option at grant date	0,35	0,49	0,79
Vesting date	2-7-2023	2-7-2023	2-7-2023
Contractual life (years)	8,92	7,92	6,92
Risk-free interest rate at grant date	0,00%	0,00%	0,00%
Expected dividend at grant date	0,00%	0,00%	0,00%
Expected volatility at grant date	30,00%	30,00%	30,00%
Valuation model	Black Scholes	Black Scholes	Black Scholes

Until 2 July 2023, the grantor commits not to transfer any share option to any other person than the key manager. The grantor also commits that no distributions will be made.

Should no exit occur before 1 July 2023 and should the call option not be exercised in the context of a refinancing put option, an extra-ordinary leaver put option or a key manager non-exit put option, then the call option will lapse on 2 July 2023.

In case of an extraordinary leaver or good leaver event, the beneficiary keeps the options already vested. In case of a bad leaver event, all options are cancelled, whether already vested or not.

• Fair value of options at 1 January 2016 and 31 December 2016

The options are granted for no consideration. The fair value is independently determined using an adjusted form of the Black Scholes which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer Group companies. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

At 1 January 2016, the assessed fair value of options and the model inputs are as follows:

	2014	2015
Effective grant date	1-8-2014	1-8-2015
Expiry date	2-7-2023	2-7-2023
Exercice price (€)	1,00	1,49
Share price as of 1 January 2016	2,61	2,61
Expected price volatility of the company's shares as of 1 January 2016	32,38%	32,38%
Expected dividend yield as of 1 January 2016	0,00%	0,00%
Risk-free interest rate as of 1 January 2016	0,69%	0,69%
Fair-value of the options (€)	1,74	1,43

At 31 December 2016, the assessed fair value of options and the model inputs are as follows:

	2014	2015	2016
Effective grant date	1-8-2014	1-8-2015	1-8-2016
Expiry date	2-7-2023	2-7-2023	2-7-2023
Exercice price (€)	1,00	1,49	2,58
Share price as of 31 December 2016	3,84	3,84	3,84
Expected price volatility of the company's shares as of 31 December 2016	28,54%	28,54%	28,54%
Expected dividend yield as of 31 December 2016	0,00%	0,00%	0,00%
Risk-free interest rate as of 31 December 2016	0,25%	0,25%	0,25%
Fair-value of the options (€)	2,87	2,45	1,69

• Settlement of the plan

At the end of 2017, the Board has decided to settle the existing share option plan in the context of the 2018 roll-over. The share option plan has been settled partially in cash (EUR 40.3 million) and partially through the issuance of new shares at the level of HOHR (EUR 12.9 million).

(b) Ratchet schemes

The company offers ratchet plans to the managers of the different Group entities (TimePartner, Zaquensis, Covebo, Continu, TEC Alliance and Abylsen). These managers are often also minority shareholders in the respective Group Companies.

The ratchet consists of a premium that will be paid out to the holders of the ratchet upon exit by the main shareholder. The ratchet premium consists of 25% of the excess return realized by the THOHR upon exit. The ratchet is determined separately at the level of the respective Group companies. The ratchet premium realized for a specific Group company should then be split amongst the different ratchet—holders in accordance with the relevant articles in the entity's shareholder agreement or entity's management agreement of the relevant Group company.

b.1) Ratchet schemes per group

- Continu

Several managers (B-shareholders) of the entity "Continu Holding BV" are entitled to a management incentive program. An element of that incentive program is the payment of a ratchet-payment. In case of an Exit or Sale of shares, the Employee ("Manager") will receive a compensation, which is based on the return achieved by the Group on its initial investment in the entity. From the amount, that exceeds 2.5 times the initial investment made by the Group, 25% will be reserved to be paid as a Ratchet to the different B-shareholders. The Ratchet premium will be allocated based on the relative number of B-shares held by the beneficiaries (minority shareholders). The Grant date of the Ratchet is 14/09/2015.

- TimePartner

The same principle applies to the TimePartner Group Service GmbH (Timepartner). The Group acquired the Time Partner entities in 2016. Next to the shareholder agreement, a ratchet agreement has also been signed between the HOHR, the Managers of Company A and Company B. The same principle applies as for Continu BV: 25% of the excess return which is realized by the HOHR on its investment with HOHR Holding Germany, will be reserved and paid out to the beneficiaries of the ratchet plan upon exit of sale. This excess return can be realized in the context of an Exit event, which is defined as either an IPO by HOHR or Accent Jobs for People NV, a sale of the shares of HOHR Holding Germany GmbH, a sale of HOHR or a sale of Accent Jobs for People NV to a bona fide third party. The beneficiaries of the ratchet mechanism for Timepartner are the minority shareholders (sellers), management Company A and management Company B, and potential future co-investors, acting in their capacity as company managers. The ratchet has been allocated to Managers Company A (2/5), Managers Company B (1/5) and Co-investors (2/5). The grant date of the ratchet is 30 November 2016 for Managers A & B and 23 January 2017 for the co-investors. The contract also foresees specific provisions in case of good leaver/bad leaver events.

- Zaquensis

The Shareholder agreement provides a similar ratchet mechanism. In case of an IPO (of Accent Jobs for People NV, Accent Group NV or HOHR NV), or a sale (of the shares of Accent Jobs for People NV, Accent Group NV or HOHR NV), Accent Jobs for People NV shall pay to Z-Holding an exit premium (ratchet premium) equal to 25% of the amount which exceeds the minimum return realized by Accent Jobs for People NV in respect of its investment in Zaquensis.

- TEC Alliance

The holders of C shares shall be entitled to receive an additional return on their investment in class C shares to the extent such parties are still holders of C shares at such time at charge of the holders of class B shares. This additional return (ratchet) is equal to 25% of the surplus proceeds (the ratchet). The surplus proceeds upon exit represent the amount exceeding 2.5 times its total investment in the Group as from closing date. The grant date of the ratchet is 31 August 2016.

- Covebo

The management team of Covebo (C-shareholders) will receive a ratchet premium upon exit, which is equal to 25% of the excess return upon exit. The Ratchet was granted on 24 June 2015.

- Abylsen

For Abylsen, management contract also foresees in the pay out of a Ratchet in case of an exit, which was granted on 25 March 2015.

b.2) Overview grant dates ratchet schemes

Entity	Grant date
Abylsen	25 March 2015
Covebo	24 June 2015
Continu	14 September 2015
Zaquensis	31 May 2016
TEC	31 August 2016
TimePartner	30 November 2016

The table below provides an overview of the different key inputs of the different Ratchet schemes:

At grant date	Abylsen	Covebo	Continu	Zaquensis	TEC	TimePartner
Effective grant date	25 March 2015	24 June 2015	14 September 2015	31 May 2016	31 August 2016	30 November 2016
Exercise price	—	—	—	—	—	—
Fair value at grant date	3,37	0,18	0,37	0,10	0,42	0,80
Expected vesting date	2 July 2023	2 July 2023	2 July 2023	2 July 2023	2 July 2023	2 July 2023
Contractual life (years)	8,28	8,03	7,80	7,09	6,84	6,59
Risk-free interest rate at grant date	0,31%	0,59%	0,43%	0,06%	0,00%	0,13%
Expected dividend at grant date	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Expected volatility at grant date	31,00%	31,00%	34,25%	29,75%	34,59%	33,96%
Expected departures	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
Valuation model	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

In 2017, management decided to settle the ratchets in the context of the 2018 roll-over. The Ratchet plans have been settled with the following payments:

Entity	Payer	Included	Amount
TimePartner	HOHR	SHA	EUR 7.1 million
Zaquensis	Accent Jobs for¨People NV	SHA	EUR nil
Covebo	Accent Covebo Groep BV	Management contract	EUR 5.4 million
Continu	Ripa Holding	Management contract	EUR 6.7 million
Abylsen	Accent Group NV + HOHR	Management contract	EUR 6.6 million
TEC	N/A	Management contract	EUR nil

b.3) Fair value of ratchets at 1 January 2016 and 31 December 2016

The ratchets are granted for no consideration and vested based on the expected date of exit. The fair value is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the ratchet, the impact of dilution (where material), the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the ratchet and the correlations and volatilities of the peer Group companies. The expected price volatility is based on the historic volatility (based on the remaining life of the ratchets), adjusted for any expected changes to future volatility due to publicly available information.

• Abylsen

The assessed fair value of ratchets and the model inputs are as follows:

Abylsen	1 January 2016	31 December 2016
Effective grant date	25-03-2015	25-03-2015
Expected date of exit	30-06-2019	30-06-2019
Exercice price (€)	N/A	N/A
Share price (€) as of	66,50	101,30
Expected price volatility of the company's shares as of	50,30%	44,49%
Expected dividend yield as of	0,00%	0,00%
Risk-free interest rate as of	0,19%	−0,02%
Fair-value of the ratchets (€ m) as of	4,72	4,98

• Covebo

The assessed fair value of ratchets and the model inputs are as follows:

Covebo	1 January 2016	31 December 2016
Effective grant date	24-06-2015	24-06-2015
Expected date of exit	30-06-2019	30-06-2019
Exercice price (€)	N/A	N/A
Share price (€) as of	20,80	23,70
Expected price volatility of the company's shares as of	36,72%	31,30%
Expected dividend yield as of	0,00%	0,00%
Risk-free interest rate as of	0,41%	0,07%
Fair-value of the ratchets (€ m) as of	1,01	0,71

• Continu

The assessed fair value of ratchets and the model inputs are as follows:

Continu	1 January 2016	31 December 2016
Effective grant date	14-09-2015	14-09-2015
Expected date of exit	30-06-2019	30-06-2019
Exercice price (€)	N/A	N/A
Share price (€) as of	35,00	48,10
Expected price volatility of the company's shares as of	36,72%	28,50%
Expected dividend yield as of	0,00%	0,00%
Risk-free interest rate as of	0,69%	0,07%
Fair-value of the ratchets (€ m) as of	1,95	2,76

• Zaquensis

The assessed fair value of ratchets and the model inputs are as follows:

Zaquensis	1 January 2016	31 December 2016
Effective grant date	N/A	31-05-2016
Expected date of exit	N/A	30-06-2019
Exercice price (€)	N/A	N/A
Share price (€) as of	N/A	4,10
Expected price volatility of the company's shares as of	N/A	34,60%
Expected dividend yield as of	N/A	0,00%
Risk-free interest rate as of	N/A	0,15%
Fair-value of the ratchets (€ m) as of	N/A	0,00

- TEC

The assessed fair value of ratchets and the model inputs are as follows:

TEC	1 January 2016	31 December 2016
Effective grant date	N/A	31-08-2016
Expected date of exit	N/A	30-06-2019
Exercice price (€)	N/A	N/A
Share price (€) as of	N/A	57,10
Expected price volatility of the company's shares as of	N/A	29,15%
Expected dividend yield as of	N/A	0,00%
Risk-free interest rate as of	N/A	0,07%
Fair-value of the ratchets (€ m) as of	N/A	2,05

- Time partner

The assessed fair value of ratchets and the model inputs are as follows:

Time partner	1 January 2016	31 December 2016
Effective grant date	N/A	30-11-2016
Expected date of exit	N/A	30-06-2019
Exercice price (€)	N/A	N/A
Share price (€) as of	N/A	120,70
Expected price volatility of the company's shares as of	N/A	34,60%
Expected dividend yield as of	N/A	0,00%
Risk-free interest rate as of	N/A	0,15%
Fair-value of the ratchets (€ m) as of	N/A	6,79

(c) Long term incentive plan

The Group launched a share-based payment plan throughout 2018 offering the management team to participate in the long-term incentive plan. The purpose of the plan is to create an incentive for members of management and executives of the Group who can make an important contribution to the success and the growth of the Group, to help the Group retaining and attracting managers with the necessary experience and skills, and to align the interests of those managers with the grantors' interests as shareholders of the Company and give them the opportunity to share in the value creation and growth of the Group.

The share options are granted free of charge at the grant date, i.e. 28 August 2018. The exercise price of the options is equal to the current fair market value of the shares (EUR 2.17).

The term of the options runs from the grant date until 28 June 2023 for Belgian tax residents (5 years maximum vesting period). For other beneficiaries, the term of validity is maximum 10 years.

The plan is settled in the ordinary shares of the Company. The option holder may exercise the options subject to the occurrence of an exit event, a non-exit event or a good leaver event.

The plan contains a number of vesting conditions:

a) Service conditions—the beneficiary should have contractual relationship with the group at the vesting date (in case of an exit or a non-exit event) or qualify as a good leaver (in case of a good leaver event);

b) Performance conditions—the number of options that vest (and can be exercised) is determined at the vesting date and depend on the return (or a deemed return) of the grantors on the initial value (effectively the increase in the fair value of the shares of the group since 31/12/2017).

As a result of the accounting for the LTIP during the period, an expense has been recognized in the income statement with a corresponding credit in equity for EUR 13.95 million. The cumulative credit amount in equity at 31 December 2018 amounts to EUR 13,95 million. This LTIP is comprised of 100 million share options, of which 75 million are granted during 2018 (effective grant date: 28 August 2018), 12,5 million during 2019 and 12,5 million during 2020. The fair value per share option at grant date amounts to €2.17. These have a contractual life of 5 years for Belgian tax residents and 10 years for other residents. The options are granted for no consideration.

The value of the LTIP at grant date has been calculated is based on the equity value of the entity, excluding the value of the tracking shares.

20 Trade payables and other payables

Trade payables	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Trade payables to third parties	**47.517.710**	24.922.056	19.396.685	12.488.264
Amounts due to related parties	**—**	33.458	231.311	—
Total	**47.517.710**	24.955.514	19.627.996	12.488.264

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

21 Other liabilities

The other non-current and current liabilities for the period are:

Other non-current and current liabilities	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Lease liabilities	**4.272.756**	4.198.813	4.020.406	4.800.147
Earn-out		2.475.485	355.354	335.069
Ratchets			1.254.144	438.633
Option plan			11.441.066	7.360.724
Amounts due to related parties	**−734**			
Total other non-current liabilities	**4.272.022**	6.674.298	17.070.970	12.934.573
VAT	**30.802.178**	27.427.680	16.721.650	7.467.442
Lease liabilities	**2.371.663**	1.954.947	1.725.171	1.883.656
Bonuses	**1.930.179**	2.246.231	2.335.767	2.072.305
Other accruals (insurance, board fees etc.)	**2.485.851**	2.100.094	1.222.693	2.658.919
Interest accruals	**3.282.203**	1.372.411	2.288.933	435.193
Other liabilities	**2.757.813**	2.197.895	1.012.140	750.793
Option plan		52.650.701		
Related party liabilities				
Ratchets		13.772.110		
Preference shares		782.818		
Earn-out	**12.330.028**			8.268.365
Liability to minority shareholders		1.251.869	69.638	
Liabilities to seller resulting from acquisitions		349.560	344.546	
Liabilities to joint ventures—cash pooling and other		7.065.919	96.892	159.087
Total related party liabilities	**12.330.028**	23.222.276	511.076	8.427.452
Total other current liabilities	**55.959.913**	113.172.235	25.817.430	23.695.760

Other current liabilities towards related parties are further disclosed in Note 33. Preference shares which have been paid in 2018 as a result of the legal re-organization of the Group (Refer to Note 4.5 for more information) are included in other liabilities (EUR 0.8 million at 31 December 2017). Preference shares that have been contributed in kind during 2018 are included in borrowings (EUR 5.3 million at 31 December 2017 and EUR 1.3 million at 31 December 2016). Liabilities to join ventures relate mainly to cash pooling for TEC and Zaquensis.

The earn-out end of 2018 of EUR 12.33 million relates to the business combinations done during the year. Refer to note 4.1 with respect to this matter.

22 Revenues

22.1 Disaggregation of revenue from contracts with customers

Revenue of the Group consists of the fair value of the consideration received or receivable for the services rendered during the year to third parties. The Group mainly derives revenue from the transfer of services over time and at a point in time in the following geographical regions and lines of services:

In EUR	**31 December 2018**	31 December 2017	31 December 2016
Revenue per geographical region			
Belgium	**662.479.592**	478.039.503	450.983.151
The Netherlands	**447.733.778**	254.172.190	201.066.239
Germany	**408.646.252**	298.281.437	20.714.474
France	**97.051.009**	82.494.511	67.683.872
Other	**7.791.864**	3.644.476	4.102.681
Total amount of revenue	**1.623.702.495**	1.116.632.117	744.550.417

In EUR	**31 December 2018**	31 December 2017	31 December 2016
Revenue per type			
Engineering and consulting	**529.518.592**	217.982.682	154.306.976
Specialized recruitment	**761.363.473**	654.102.089	573.949.816
General staffing	**332.820.430**	244.547.346	16.293.625
Total amount of revenue	**1.623.702.495**	1.116.632.117	744.550.417

At 31 December 2018	**Engineering and consulting**	**Specialized recruitment**	**General staffing**	**Total revenue**
Revenue recognised over time	513.062.650	761.363.473	332.820.430	1.607.246.552
Revenue recognised at point in time	16.455.943	—		16.455.943
Total revenue	**529.518.592**	**761.363.473**	**332.820.430**	**1.623.702.495**

At 31 December 2017	**Engineering and consulting**	**Specialized recruitment**	**General staffing**	**Total revenue**
Revenue recognised over time	217.982.682	654.102.089	241.784.386	1.113.869.157
Revenue recognised at point in time	—	—	2.762.960	2.762.960
Total revenue	**217.982.682**	**654.102.089**	**244.547.346**	**1.116.632.117**

At 31 December 2016	Engineering and consulting	Specialized recruitment	General staffing	Total revenue
Revenue recognised over time . .	154.306.976	573.949.816	16.293.625	744.550.417
Revenue recognised at point in time	—	—	—	—
Total revenue	**154.306.976**	**573.949.816**	**16.293.625**	**744.550.417**

The Group mainly generates revenue from offering temporary staffing solutions to its customers. The duration of these temporary staffing solutions may vary between a couple of hours up to a period of two years (without minimum volumes attached to these contracts).

The Group also provides solutions to customers active in larger project-oriented businesses (such as the telecom or the construction industry) where apart from staffing also specific deliverables have to be provided for. Projects may take one week up to two to three months. The Group does not have a single major customer from which it generates revenue.

22.2 Assets and liabilities related to contracts with customers

The Group has recognized the following contract assets and liabilities related to contracts with customers:

Contract assets & liabilities	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Current contract assets related to long-term contracts	**14.103.012**			
Loss allowance				
Total current contract assets	**14.103.012**	0	0	0
Contract liabilities—advance payments received	**632.604**	589.531	793.845	580.983
Contract liabilities—other type				
Total current contract liabilities	**632.604**	589.531	793.845	580.983

The amount of contract liabilities as per year-end mainly relates to advance payments received by the Group for which services are delivered in the course of the following accounting period.

As per year-end, the following amount of contract liabilities and amortization on these contract liabilities are incurred by the Group:

Revenue recognised related to contract liabilities	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Revenue recognised that is included in the contract liability balance at the beginning of the period	**1.944.455**	793.845	580.983	580.983
Revenue recognised from performance obligations satisfied in previous periods				
Revenue recognised that is included in the contract liability	**1.944.455**	793.845	580.983	580.983

22.3 Assets recognized from costs to fulfill contracts

The Group obtained control over the TEC entities as from 1 January 2018. TEC entities are specialized in projects designing, constructing and maintaining telecommunications infrastructure. At the start of these projects the Group often incurs costs to fulfill their obligations under its contracts. These costs are incurred before the services are delivered to the customers. These fulfillment costs mainly include direct labor (e.g. salaries of employees working on these projects) and direct materials (e.g. materials used to construct the infrastructure). As per end of 2018, the Group recognized an amount EUR 1,3 million of costs to fulfill contracts costs.

These costs incurred can be recovered from the customers. These costs to fulfill a contract are amortized on a systematic basis consistent with the pattern of the transfer of the goods and services to which these assets relate.

23 Other gains/(losses)—net

The Group has recognized the following gains and losses in the income statement as per year-end:

Other gains/losses	31 December 2018	31 December 2017	31 December 2016
Other gains			
Capital gain on sale of shares		—	20.250.328
Management fees	**408.872**	1.471.672	864.198
Ratchet	**6.624.000**		
Revaluation shares	**24.297.876**		
Reimbursements		7.250.000	—
Other	**3.538.276**	2.656.570	1.755.639
Total other gains	**34.869.024**	11.378.242	22.870.164
Other losses			
Other losses—tax claim		(2.209.561)	—
Total other losses	—	(2.209.561)	—
Total other gains/(loss)—net	**34.869.024**	9.168.681	22.870.164

The Group has created together with Marc Rummens a new holding company called TEC Alliance NV as per 31 August 2016. Both shareholders into this holding company contributed to the business of the holding by transferring the shares they held in Logi-Technic business (contributed by the Group) and HCG business (contributed by Marc Rummens). The aggregate amount relative to the contribution value of the Logi-Technic shares amounted to EUR 27.7 million. The Group realized a gain on the contribution of the Logi-Technic business into the newly created holding of EUR 17.93 million. The remaining amount of EUR 2.3 million relates to the sale of HomeMaid NV.

An amount of EUR 7.25 million was received as a reimbursement for a claim that was filed against the company throughout 2017.

During 2018 it was decided to transfer the ratchet payable towards Abylsen from HOHR to the shareholders of HOHR, resulting in a reversal of the provision of EUR 6.62 million.

As from 2018, full control was acquired over the TEC Group and Zaquensis Group (cf. note 4). HOHR has remeasured the previously held interest at fair value and has recognized the resultant gain in profit for an amount of EUR 24.30 million.

24 Cost of services

Cost of services comprises expenses directly attributable to revenue. These costs mainly include expenses related to candidates, such as wages, salaries, and social charges. The 'services' relate, among other, to the freelancers and the housing expenses for the foreign employees.

	31 December 2018	31 December 2017	31 December 2016
Wages and salaries	**890.584.146**	655.359.846	417.723.331
Social security	**201.247.592**	151.903.242	110.746.901
Insourced	**80.389.558**	14.088.519	11.290.149
Other	**3.229.389**	264.568	−5.650
Depreciations	**0**	0	201.827
Services	**34.578.094**	19.307.104	15.229.241
Total Cost of Services	**1.210.028.778**	840.923.279	555.185.799

25 Selling expenses

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the branches, advertising and marketing, and other selling expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill.

	31 December 2018	31 December 2017	31 December 2016
Wages and salaries	**94.869.340**	63.496.437	41.618.206
Social security	**18.990.122**	13.294.426	8.816.089
Other	**3.911.953**	2.984.177	664.863
Depreciations	**20.361.472**	7.473.298	1.942.124
Services	**51.462.274**	30.545.248	20.334.477
Total selling expenses	**189.595.160**	117.793.586	73.375.760

26 Other general and administrative expenses

General and administrative expenses comprise personnel and accommodation expenses of head offices, IT expenses, other general and administrative expenses.

	31 December 2018	31 December 2017	31 December 2016
Wages and salaries	**39.146.645**	23.508.484	16.732.804
Social security	**5.202.996**	3.212.556	808.701
Insourced	**9.982**	171.929	−54.735
Other	**2.206.897**	2.194.813	3.393.352
Share based payments	**13.950.000**	64.701.940	5.350.991
Depreciations	**8.463.908**	6.553.713	3.818.344
Services	**48.439.933**	33.172.340	28.886.229
Other income	**−1.908.369**	−2.066.719	−1.463.945
Total Other G&A expenses	**115.511.992**	131.449.056	57.471.742

27 Expenses by nature

The following table provides an overview of the expenses incurred by nature:

December 31, 2018	Costs of services	Other G&A expenses	Selling expenses	Total
Wages and salaries	890.584.146	39.146.645	94.869.340	1.024.600.131
Social security	201.247.592	5.202.996	18.990.122	225.440.710
Insourced	80.389.558	9.982		80.399.540
Car leases	5.902	729.324	7.421.145	8.156.371
Depreciations		8.463.908	20.361.472	28.825.380
Other services in CoS (mainly housing)	34.578.094			34.578.094
Other	3.223.487	2.570.961	1.506.227	7.300.674
Rent		1.525.875	14.559.773	16.085.648
Maintenance		2.290.645	4.107.424	6.398.069
Energy		703.708	2.455.087	3.158.795
External fees		25.257.733	9.493.539	34.751.272
Training		2.578.767	825.177	3.403.944
Marketing and representation		6.690.880	7.229.416	13.920.296
Insurances		1.186.955	1.349.870	2.536.825
Administrative and office related expenses		7.069.255	3.743.655	10.812.910
Bad debt provision		−20.356	2.710.587	2.690.231
Share-based payments		13.950.000		13.950.000
Provision for risks and charges		−3.441	−27.674	−31.115
Losses on disposal of fixed assets		66.525		66.525
Capitalization of internally generated intangibles		−1.908.369		−1.908.369
Total	**1.210.028.778**	**115.511.992**	**189.595.160**	**1.515.135.930**

December 31, 2017	Costs of services	Other G&A expenses	Selling expenses	Total
Wages and salaries	655.359.846	23.508.484	63.496.437	742.364.768
Social security	151.903.242	3.212.556	13.294.426	168.410.224
Insourced	14.088.519	171.929		14.260.448
Car leases		−231.550	4.995.467	4.763.918
Depreciations		6.553.713	7.473.298	14.027.011
Other services in CoS (mainly housing)	19.307.104			19.307.104
Other	264.568	2.322.444	959.283	3.546.295
Rent		784.413	10.729.023	11.513.436
Maintenance		1.191.703	2.891.414	4.083.117
Energy		191.517	1.882.925	2.074.442
External fees		15.194.780	2.675.172	17.869.952
Training		2.383.373	953.124	3.336.497
Marketing and representation		7.649.634	4.497.746	12.147.379
Insurances		660.324	815.459	1.475.782
Administrative and office related expenses		4.985.752	1.836.648	6.822.400
Bad debt provision		113.786	1.285.929	1.399.714
Share-based payments		64.701.940		64.701.940
Provision for risks and charges		−3.765	7.236	3.471
Losses on disposal of fixed assets		124.743		124.743
Capitalization of internally generated intangibles		−2.066.719		−2.066.719
Total	**840.923.279**	**131.449.056**	**117.793.586**	**1.090.165.921**

December 31, 2016	Costs of services	Other G&A expenses	Selling expenses	Total
Wages and salaries	417.723.331	16.732.804	41.618.206	476.074.341
Social security	110.746.901	808.701	8.816.089	120.371.692
Insourced	11.290.149	−54.735		11.235.414
Car leases		310.179	2.450.112	2.760.291
Depreciations	201.827	3.818.344	1.942.124	5.962.296
Other services in CoS (mainly housing)	15.229.241			15.229.241
Other	−5.650	841.217	201.762	1.037.328
Rent		502.034	7.218.792	7.720.825
Maintenance		819.048	2.457.002	3.276.050
Energy		200.352	1.656.165	1.856.517
External fees		15.103.035	933.057	16.036.092
Training		3.234.753	491.586	3.726.339
Marketing and representation		5.347.612	2.670.974	8.018.587
Insurances		299.335	1.536.354	1.835.689
Administrative and office related expenses		2.846.234	1.118.587	3.964.821
Bad debt provision		172.021	465.161	637.182
Share-based payments		5.350.991		5.350.991
Provision for risks and charges		30.913	−200.211	−169.298
Losses on disposal of fixed assets		2.572.847		2.572.847
Capitalization of internally generated intangibles		−1.463.945		−1.463.945
Total	**555.185.799**	**57.471.742**	**73.375.760**	**686.033.301**

28 Depreciation, amortization and impairment of PP&E, and Intangible Assets

In EUR	**31 December 2018**	31 December 2017	31 December 2016
Depreciation or impairment of buildings	**166.418**	—	—
Depreciation or impairment of plant, machinery or equipment	**636.012**	93.828	108.052
Depreciation or impairment of furniture and vehicles	**2.758.203**	2.322.824	961.498
Depreciation or impairment of Other PP&E	**2.336.515**	1.762.731	1.431.329
Depreciation or impairment of leased PP&E	**1.503.592**	1.260.679	1.350.780
Depreciation and impairment of property, plant and equipment	**7.400.739**	5.440.062	3.851.659
Amortization or impairment of customer relationships	**14.271.261**	4.187.159	313.126
Amortization or impairment of brand name	**3.695.276**	2.054.498	571.634
Amortization or impairment of software	**2.702.714**	1.914.004	990.310
Amortization or impairment of Licenses	**663.780**	372.273	198.831
Amortization or impairment of other intabible assets	**84.469**	59.013	36.736
Amortization and impairment of intangible assets	**21.417.501**	8.586.948	2.110.637
Included :			
Cost of services	—	—	*201.827*
Tangibles	—	—	130.381
Intangibles	—	—	*71.446*
Selling of expenses	***20.361.472***	*7.473.298*	*1.942.124*
Tangibles	***5.228.978***	*2.898.351*	*1.254.618*
Intangibles	***15.132.494***	*4.574.946*	*687.507*
General and administrative expenses	***8.463.908***	*6.553.713*	*3.818.344*
Tangibles	***2.173.595***	*2.541.711*	*2.466.661*
Intangibles	***6.290.313***	*4.012.002*	*1.351.684*
Total depreciation and amortizations	**28.825.380**	14.027.011	5.962.296

29 Finance income and costs

	31 December 2018	31 December 2017	31 December 2016
Finance income			
Interest income on short-term bank deposists	**58.755**	3.683	24.939
Interest income on loans to related parties	**604.992**	2.392.409	944.821
Gains on derecognition of non-convertible bond			1.946.592
Cross-charges to related parties		1.391.980	1.226.275
SWAPS			316.265
Other	**332.438**	107.759	51.037
Total finance income	**996.185**	3.895.831	4.509.929
Finance expenses			
Interest expense on loans from related parties	**392.645**	842.933	4.663.172
Interest expense on bank borrowings	**26.831.308**	10.413.638	5.512.971
Interest expense on convertible bonds		6.361.109	3.248.073
Interest expense on non-convertible bonds			1.629.691
Fair value adjustment convertible bond			19.213.632
Derivative asset		32.820	702.690
Interest expense on finance lease liabilities	**551.949**	278.062	232.797
Credit insurance (premiums)	**1.138.825**	965.697	
SWAPS		336.520	1.315.482
Refinancing costs/bank fees	**3.178.293**	10.117.416	493.617
Foreign exchange losses, net	**27.066**		20.695
Other	**599.263**	507.875	1.373.226
Total finance expenses	**32.719.348**	29.856.069	38.406.046
Net finance costs	**−31.723.163**	−25.960.239	−33.896.117

Interest income on loans to related parties relates to the loans provided to joint ventures. Refer to Note 16 on borrowings and Note 33 on related parties for more details.

Gains on derecognition of non-convertible bond of EUR 1.9 million in 2016 relates to a difference between carrying amount of the bond liability and cash paid at derecognition date. Refer to note 16 on borrowings for more details.

Finance income from cross-charges relates to the cost to obtain the bank loans which were recharged to joint ventures, as the part of the bank loan was provided to them by the Group.

Gain on derivative financial instruments of EUR 316 thousand in 2016 relates to a recognition of a derivative asset in relation to swaps of EUR 32 thousand, and a derecognition of a derivative liability of EUR 283 thousand which was recognized in 2015. Refer to the note 11 on derivatives for more details.

Finance expenses include the interest on borrowings from related parties, banks, convertible and non-convertible bonds. Fair value adjustment of EUR 19 million comprises of EUR 8 million of loss on derecognition of one portion of a vendor loan in 2016, and EUR 11 million of loss on remeasurement of a vendor loan at fair value upon conversion to a convertible bond. Refer to Note 16 on borrowings for more details on these liabilities and related interest.

Losses on derivative financial instruments of EUR 32 thousand in 2017 relates to a derecognition of a derivative asset recognized in previous year. Losses on derivative financial instruments of EUR 702 thousand in 2016 relates to a derecognition of a derivative asset in relation to an early payment option on the non-convertible bond of EUR 702 thousand which was recognized in previous year. Refer to the Note 11 on derivatives for more details.

Refinancing costs and bank fees of EUR 10 million for 2017 relate to costs to obtain the bank loans that were paid in 2016 for the SFA signed in June 2016. These costs were capitalized and included in the amortized cost of the loans. However, a new SFA agreement was signed in 2017 which replaced the SFA from 2016, which were paid out. Consequently, the capitalized costs were released to income statement in 2017 upon extinguishment of the 2016 SFA. The refinancing costs for the new SFA of 2017 are gradually released to P&L over the lifetime of the loan (EUR 3.18 million for 2018).

30 Employee benefit expense

Wages, salaries, social security charges and pension charges are included in cost of services for candidates and in personnel expenses for corporate employees.

	31 December 2018	31 December 2017	31 December 2016
Wages and salaries	**951.314.782**	685.454.316	438.616.660
Work accident insurance	**13.798.272**	10.759.884	6.033.946
Social security	**207.052.272**	151.469.136	104.481.059
Holiday pay	**60.052.377**	36.644.805	26.731.012
Social fund	**18.389.984**	16.942.195	15.861.335
Bonuses	**10.579.827**	8.431.844	3.880.178
Retention costs	**1.758.565**	964.438	586.583
Other (travel expenses, etc.)	**1.060.695**	111.896	227.100
Total employee benefit expense	**1.264.006.775**	910.778.514	596.417.873

31 Contingencies

31.1 Contingent liabilities

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business.

31.2 Contingent assets

The Group did not recognize any contingent assets.

32 Commitments

32.1 Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Capital commitments	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Property, Plant and equipment	**273.535**	—	—	—
Intangible assets	**—**	—	—	—
Other	**—**	—	—	—
Total	**273.535**	—	—	—

32.2 Non-cancellable operating lease commitments

The Group leases land and various buildings under non-cancellable operating lease agreements, including lease agreements entered into under concession agreements. The typical lease terms vary depending upon which country the lease agreement is entered into. The majority of lease agreements are renewable at the end of the lease period at market rate. No purchase option exists at the end of leases.

The Group also leases vehicles.

The future aggregate minimum lease payments under non-cancellable operating leases amount to EUR 55,31 million as per 31 December 2018.

33 Related-party transactions

For all periods presented, the Group is controlled by Naxicap Partners (incorporated in France). The remaining shares of the Group are owned by Conny Vandendriessche and former management of the Group.

Refer for more information on the changes in the ownership structure to Note 4.

The following transactions were carried out with related parties:

(i) Sales and purchase of services

The following sales and purchases of services occurred during the period:

Sales of services:	**31 December 2018**	31 December 2017	31 December 2016
Sales of services towards joint venturers	**408.872**	5.647.478	2.189.031
Sales of management services towards joint venturers	**0**	2.863.652	2.177.463
Other purchases from entities controlled by key management	**0**	0	0
Sales of services towards the ultimate parent	**0**	0	0
Total	**408.872**	8.511.130	4.366.494

Purchases of services:	**31 December 2018**	31 December 2017	31 December 2016
Purchase of services from joint venturers	**0**	334.648	302.463
Purchase of management services from joint venturers	**0**	0	0
Other purchases from entities controlled by key management	**1.466.841**	1.257.696	1.133.391
Purchases of services from the ultimate parent	**300.000**	590.000	90.000
Total	**1.766.841**	2.182.344	1.525.854

Sales and purchases of the Group with joint ventures mainly relates to management fees as well as services performed by the joint ventures for the Group.

Purchases from entities controlled by key management are mainly related to rent of branches and/or headquarters.

All services are billed based upon normal commercial terms and conditions as these that are available to third parties.

The following balances remains outstanding at year-end for the sale and purchase of services:

	31 December 2018	31 December 2017	31 December 2016	1 January 2016
Receivables from related parties for services				
—Joint ventures	**0**	5.771.582	1.330.858	0
—Key management personnel	**86.355**	0	0	0
—Ultimate parant	**0**	0	0	0
Payables to related parties for services				
—Joint ventures	**0**	−33.458	−231.311	0
—Key management personnel	**0**	−60.000	−45.000	0
—Ultimate parent	**0**	0	−45.000	0
Total	**86.355**	5.678.124	1.009.547	0

(ii) Key management compensation

Key management includes CEOs and CFOs of the Group and subsidiaries and members of the Board of Directors. The compensation paid or payable to key management for employee services is shown below.

The following amounts for key management compensations have been accounted for throughout the period:

Key management compensation	31 December 2018	31 December 2017	31 December 2016
Salaries and other short-term benefits	**14.470.958**	10.911.675	8.231.462
Post-employment benefits	**58.888**	0	0
Termination benefits	**649.490**	410.000	0
Share-based payment	**13.950.000**	32.260.962	3.352.498
Total	**29.129.336**	43.582.637	11.583.960

The following amounts for key management compensations are outstanding at the end of the have been accounted for throughout the period:

Year-end balance with key management personnel	31 December 2018	31 December 2017	31 December 2016
Outstanding amount towards key management personnel	**2.087.679**	34.507.193	5.688.265
Total	**2.087.679**	34.507.193	5.688.265

(iii) Loans to related parties and other receivables

Loans to related and other receivable	31 December 2018	31 December 2017	31 December 2016
At 1 January	**59.474.436**	62.038.371	0
New loans provided for	**0**	48.735.234	61.683.301
Loan repayments received	**0**	−51.862.301	0
Acquiring control over joint ventures	**−58.556.234**	0	0
Interest charged to the joint ventures	**604.992**	2.392.409	944.821
Interest received from the joint ventures	**−1.523.194**	−1.829.277	−589.751
At 31 december	**0**	59.474.436	62.038.371

The loans to related parties relate to loans to TEC and Zaquensis, outstanding for an amount of EUR 0 at 31 December 2018 (31 December 2017: EUR 50 million, 31 December 2016: EUR 53 million, 1 January 2016: zero).

Other receivables from related parties relate to current accounts and accrued interests. The outstanding balances are EUR 0 at 31 December 2018 (EUR 9.4 million at 31 December 2017, and EUR 9 million at 31 December 2016, and none at 1st January 2016).

(iv) Borrowings from related parties

Borrowings from related parties	**31 December 2018**	31 December 2017	31 December 2016
At 1 January	**17.771.886**	177.769.637	192.141.405
Repayments	**−1.598.272**	−5.000.140	−73.480.151
Acquisition of subsidiaries	**3.500.000**	3.324.487	0
Additional borrowings	**4.034.359**	10.438.804	55.240.340
Contribution in kind resulting from roll-over	**−10.469.143**	0	0
Remeasurements at fair value	**0**	0	11.073.970
Reclassification to equity	**−4.791.946**	−168.760.902	−7.205.927
At 31 december	**8.446.883**	17.771.886	177.769.637

Refer to Note 16 on borrowings for details on related party borrowings. All terms and conditions are disclosed there.

(v) Other liabilities to related parties

Other liabilities to related parties	**31 December 2018**	31 December 2017	31 December 2016
At 1 January	**9.450.166**	511.076	8.427.452
Increase in liabilities	**0**	9.105.620	511.076
Settlement of liability	**−2.384.247**	−166.530	−8.427.452
Interest charged	**0**	0	0
Interest paid	**0**	0	0
Acquiring control over joint ventures	**−7.065.919**	0	0
At 31 december	**0**	9.450.166	511.076

Refer to Note 21 on other liabilities for details on other liabilities to related parties.

(vi) Distributions

Dividends subsequently converted to equity	**31 December 2018**	31 December 2017	31 December 2016	1 January 2016
Declared dividend—subordinated loans for preference shares	**0**	5.330.432	1.339.315	0
Total	**0**	5.330.432	1.339.315	0

Refer to Note 16 on borrowings for more details. Subordinated loans for preference shares relate to preferential dividends declared before year-end 2017 and 2016 for an amount of

EUR 5.3 million and EUR 1.3 million respectfully, which was agreed to be paid out only at the later date and was treated as a loan at the moment.

Dividends to related parties	**31 December 2018**	31 December 2017	31 December 2016
Dividend declared to minority shareholders	**1.235.456**	3.812.297	0
Total	**1.411.923**	3.812.297	0

During the reporting period, dividend distributions were declared in the amount of EUR 1.2 million (EUR 3.8 million for 2017, and none for 2016) at certain subsidiaries of the Group, in order to be paid out to minority shareholders. Refer to Note 15 for equity movement table.

34 Audit fees

	31 December 2018
Audit fee	749 611 EUR
Special assignments	123 440 EUR
Tax	33 791 EUR
Other services	857 077 EUR

35 Events after the reporting date

After year-end 2018, the remaining minority shares of the Vialegis Group and the Redmore Group have been acquired from the minority shareholders resulting in the Group holding 100% of the shares in both groups.

Refer to note 4 with respect to the update on the business combinations.

REGISTERED OFFICE OF THE ISSUER

The House of Finance NV

Beversesteenweg
576
8800 Roeselare
Belgium

LEGAL ADVISORS TO THE ISSUER AND THE GUARANTORS

as to U.S. federal and New York law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

as to Belgian law

Allen & Overy (Belgium) LLP
Avenue de Tervueren 268A,
1150 Brussels, Belgium

as to English law

Allen & Overy LLP
2 Avenue Hoche,
75008 Paris, France

LEGAL ADVISORS TO THE INITIAL PURCHASERS

as to U.S. federal, New York and English law

Latham & Watkins (London) LLP
99 Bishopsgate
London EC2M 3XF
United Kingdom

as to Belgian law

Loyens & Loeff CVBA
Tervurenlaan 2
1040, Brussels
Belgium

INDEPENDENT AUDITORS

PwC Bedrijfsrevisoren CVBA
Woluwedal 18, B-1932
Sint-Stevens-Woluwe, Belgium

TRUSTEE

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

SECURITY AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

PAYING AGENT AND TRANSFER AGENT

Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

REGISTRAR

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

LISTING AGENT

Carey Olsen Corporate Finance Limited
47 Esplanade
St Helier
Jersey
JE1 0BD

PRELIMINARY OFFERING MEMORANDUM

HOUSE OF HR

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The House of Finance NV

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