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LISTING PROSPECTUS

NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

Burger King France SAS

€620,000,000 Floating Rate Senior Secured Notes due 2026

Midco GB

Up to €341,784,556 Senior Pay-If-You-Can PIK Toggle Notes due 2027

Burger King France, a *société par actions simplifiée* organized under the laws of France (the "**SSN Issuer**"), is offering (the "**SSN Offering**") €620.0 million aggregate principal amount of floating rate senior secured notes due 2026 (the "**Senior Secured Notes**"). The Senior Secured Notes will be issued pursuant to an indenture (the "**SSN Indenture**") dated on or about November 2, 2021 (the "**Issue Date**") among, *inter alios*, the SSN Issuer and U.S. Bank Trustees Limited, as trustee (in its capacity as trustee under both of the Indentures, the "**Trustee**") and as security agent (the "**Security Agent**").

Midco GB, a *société par actions simplifiée* organized under the laws of France (the "**PIK Issuer**" and, together with the SSN Issuer, the "**Issuers**"), is offering (the "**PIK Offering**" and, together with the SSN Offering, the "**Offering**") €235.0 million aggregate principal amount of 7.75% / 8.50% senior pay-if-you-can PIK notes due 2027 (the "**PIK Notes**" and, together with the Senior Secured Notes, the "**Notes**") The PIK Notes will be issued by the PIK Issuer under an indenture (the "**PIK Indenture**" and, together with the SSN Indenture, the "**Indentures**") dated as of November 2, 2021 (the "**Issue Date**") among, *inter alios*, the PIK Issuer and U.S. Bank Trustees Limited as Trustee and Security Agent.

The Senior Secured Notes will bear interest at a rate equal to three-month EURIBOR (subject to a 0% floor) plus 475 basis points, as determined by the Calculation Agent and will mature on November 1, 2026. The SSN Issuer will pay interest on the Senior Secured Notes quarterly on each February 1, May 1, August 1 and November 1, commencing on February 1, 2022. Interest will accrue from the Issue Date. At any time on or after November 1, 2022, the Senior Secured Notes may be redeemed at the redemption prices specified herein. Prior to November 1, 2022, the SSN Issuer may also redeem all or a portion of the Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date plus a "make-whole" premium, as described in this listing prospectus (the "**Listing Prospectus**"). The SSN Issuer may also redeem all of the Senior Secured Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the outstanding amount of the Senior Secured Notes plus accrued and unpaid interest and additional amounts, if any. Upon the occurrence of certain events constituting a change of control, each holder of the Senior Secured Notes may require the SSN Issuer to repurchase all or a portion of its Senior Secured Notes at 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any.

The Issuer will pay interest semi-annually on the PIK Notes on May 1 and November 1 of each year, commencing on May 1, 2022. The PIK Notes will mature on November 1, 2027. Interest on the PIK Notes will accrue from the Issue Date. The initial two interest payments on the PIK Notes will be payable in cash. With respect to each interest payment thereafter (other than the final interest payment made at the stated maturity of the PIK Notes, which will be paid in cash), the PIK Indenture will provide that interest is payable (i) entirely in cash, (ii) by increasing the principal amount of the PIK Notes or issuing new PIK Notes (such increase or issuance being referred to herein as "**PIK Interest**") or (iii) a combination of cash interest and PIK Interest, as further described under "*Description of the PIK Notes—Terms of the PIK Notes*". Cash interest will accrue on the PIK Notes at a rate of 7.75% per annum and PIK Interest will accrue on the PIK Notes at a rate of 8.50% per annum. On the Issue Date, the PIK Issuer will deposit into the Cash Interest Account (as defined herein) an amount in euros sufficient to enable the PIK Issuer to pre-fund certain future cash interest payments on the PIK Notes. The PIK Notes will be treated as having been issued with original issue discount for U.S. federal income tax purposes. The PIK Issuer ay issue up to €106,784,556 in additional PIK Notes as PIK Interest. The PIK Issuer will inform the Luxembourg Stock Exchange and the holders of the PIK Notes as to whether it will pay the interest due on the PIK Notes in the form of PIK Interest or in the form of a combination of cash interest and PIK Interest by publication of a notice on the website of the Luxembourg Stock Exchange. Such notice will contain the information about the amount of the PIK Interest and the total amount of PIK Notes outstanding as a result. At any time prior to May 1, 2024, the PIK Issuer will be entitled, at its option, to redeem all or a portion of the PIK Notes at a redemption price equal to 100% of the principal amount of the PIK Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date plus a "make-whole" premium, as described in this Listing Prospectus. At any time on or after May 1, 2024, the PIK Issuer may redeem all or part of the PIK Notes at the redemption prices set forth herein. The PIK Issuer may also redeem all of the PIK Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the outstanding amount of the PIK Notes plus accrued and unpaid interest and additional amounts, if any. Upon the occurrence of certain events constituting a change of control, each holder of the PIK Notes may require the PIK Issuer to repurchase all or a portion of its PIK Notes at 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any. The PIK Issuer shall, if an IPO Event (as defined herein) has occurred (and subject to certain exceptions), redeem the PIK Notes with the net cash proceeds received by the PIK Issuer from certain secondary equity sales at the redemption prices set forth in this Listing Prospectus, plus accrued and unpaid interest and additional amounts, if any. See "*Description of the PIK Notes*".

The Senior Secured Notes will be senior secured obligations of the SSN Issuer and will rank equal in right of payment to all of the SSN Issuer's existing and future senior indebtedness and will rank senior to all of the SSN Issuer's future indebtedness that is subordinated in right of payment to the Senior Secured Notes. Within 120 days after the Issue Date, Burger King Restauration SAS, France BKR SAS, BK Invest France SNC and Financière BKF SAS, each a direct or indirect subsidiary of the SSN Issuer (the "**SSN Guarantors**"), will guarantee the Senior Secured Notes on a senior secured basis (each a "**SSN Guarantee**" and, collectively, the "**SSN Guarantees**"). Each SSN Guarantees will be full and unconditional, subject to such limitations described elsewhere herein. Each SSN Guarantee will be a senior obligation of the relevant SSN Guarantor and will rank equal in right of payment to all of such SSN Guarantor's existing and future senior indebtedness and will rank senior to all of such SSN Guarantor's future indebtedness that is subordinated in right of payment to its SSN Guarantee. Subject to certain Agreed Security Principles (as defined herein), (i) as of the Issue Date, the Senior Secured Notes will be secured by the Issue Date SSN Collateral (as defined herein); and (ii) within 120 days after the Issue Date, the Senior Secured Notes will be secured by the Post-Closing SSN Collateral (as defined herein), in each case on a first-ranking basis. The Issue Date SSN Collateral will include a first-ranking pledge over the shares of the SSN Issuer and certain other assets of the SSN Issuer. The Post-Closing SSN Collateral will include certain assets of the SSN Guarantors, as described under "*Description of the Senior Secured Notes—Security*". The SSN Collateral will also secure the New Revolving Credit Facility Agreement (as defined herein) substantially simultaneously with the same collateral granted to secure the obligations under the Senior Secured Notes on a super senior basis pursuant to the Intercreditor Agreement (as defined herein). In the event of enforcement of the security interests over the SSN Collateral or certain distressed sales, lenders under the New Revolving Credit Facility Agreement and counterparties to certain hedging obligations (if any) will be entitled to be repaid with the proceeds from enforcement or such distressed sale in priority to the Senior Secured Notes. The SSN Guarantees and the security interests in the SSN Collateral will be subject to contractual and legal limitations that may materially limit their enforceability, and the SSN Guarantees may be released under certain circumstances. See "*Risk Factors—Risks Related to the Notes, the SSN Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

The PIK Issuer is a holding company with no revenue-generating operations. As such, the PIK Issuer will be dependent on the amount of cash on hand (including any amounts in the Cash Interest Account (as defined herein)) and on payments from its subsidiaries in order to service its indebtedness. The PIK Notes will be secured on a first-priority basis by security interests over a first-ranking pledge over certain shares of the PIK Issuer and the Cash Interest Account (as defined herein), as described under "*Description of the PIK Notes—Security*". The security interests in the PIK Collateral will be subject to legal limitations that may materially limit their enforceability. See "*Risk Factors—Risks related to the Notes, the SSN Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

There is currently no established trading market for the Notes. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit them to trading on the Euro MTF Market. This offering memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on Prospectuses for securities dated July 16, 2019.

Investing in the Notes involves risks. See "*Risk Factors*" beginning on page 38 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

Issue price for the Senior Secured Notes: 100% of principal plus accrued interest from the Issue Date.
Issue price for the PIK Notes: 100% of principal plus accrued interest from the Issue Date.

The Notes and the SSN 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 laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, the Offering is being made only to "qualified institutional buyers" ("**QIBs**") in reliance on the exemption provided by Rule 144A under the U.S. Securities Act ("**Rule 144A**"). You are hereby notified that the initial purchasers 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 the United States, the Offering is being made in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). See "*Notice to Investors*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

The Senior Secured Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The PIK Notes will each be issued in minimum denominations of €100,000 and integral multiples of €1.00 in excess thereof. The Notes were represented upon issuance by one or more global notes in registered form, which were deposited and registered in the name of a nominee for a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") on the Issue Date. See "*Book-Entry, Delivery and Form*".

SSN Offering
Joint Global Coordinators and Joint Bookrunners

BNP PARIBAS **J.P. Morgan**

Joint Bookrunners

BofA Securities **Crédit Agricole CIB** **Credit Suisse** **Goldman Sachs Bank Europe SE** **Morgan Stanley**

PIK Offering
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The date of this Listing Prospectus is December 30, 2021.

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You should rely only on the information contained in this Listing Prospectus. None of the Issuers or the Initial Purchasers have authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. None of the Issuers or the Initial Purchasers are making an offer of the Notes in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this Listing Prospectusis accurate as of any date other than the date on the front of this Listing Prospectus.

IMPORTANT INFORMATION ABOUT THIS LISTING PROSPECTUS

Notice regarding the BURGER KING® brand and logo

BURGER KING® is a registered trademark and service mark and WHOPPER® is a registered trademark of Burger King Corporation ("**BKC**"), which is an indirect subsidiary of Restaurant Brands International Inc., the ultimate owner of the Burger King brand. Neither BKC nor any of its subsidiaries, affiliates, officers, directors, agents, employees, accountants or attorneys are in any way participating in, approving or endorsing this Offering, and representations made in connection with this Offering or any of the underwriting (if any) or accounting procedures used in this Offering are solely the responsibility of the Issuers. The grant by BKC or its affiliates of any franchise or other rights to us is not intended as, and should not be interpreted as, an express or implied approval, endorsement or adoption of any statement regarding financial or other performance which may be contained in this Listing Prospectus. All financial information in this Listing Prospectusis the Issuers' sole responsibility.

Any review by BKC of this Listing Prospectushas been conducted solely for the benefit of BKC to determine conformity with BKC internal policies, and not to benefit or protect any other person. No prospective investor should interpret such review by BKC as an internal approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in this Listing Prospectus.

The enforcement or waiver of any obligation of the Issuer or any of its subsidiaries under any agreement between the Issuers or any of their subsidiaries and BKC or BKC affiliates is a matter of BKC or BKC affiliates' sole discretion. No prospective investor should rely on any representation, assumption or belief that BKC or BKC affiliates will enforce or waive any particular obligations of the Issuer or any of its subsidiaries under those agreements.

Other notices

This Listing Prospectus has been prepared by the Issuers solely for use in connection with the Offering. This Listing Prospectus does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Notes. You are not to construe the contents of this Listing Prospectus as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to the legal, tax, business, financial and related aspects of purchasing the Notes. You are responsible for making your own examination of the Issuers and their subsidiaries and your own assessment of the merits and risks of investing in the Notes. The Issuers are not, and none of the Trustee, the Agents (as defined herein) and Initial Purchasers are, making any representation to you regarding the legality of an investment in Notes by you under applicable investment or similar laws. You may contact the Issuers if you need any additional information. By purchasing the Notes, you will be deemed to have acknowledged that:

- you have reviewed this Listing Prospectus; and
- you have had an opportunity to request any additional information that you need from us.

No person is authorized in connection with any offering made by this Listing Prospectus to give any information or to make any representation not contained in this Listing Prospectus and, if given or made, any other information or representation must not be relied upon as having been authorized by the Issuers or the Initial Purchasers. The information contained in this Listing Prospectus is as of the date hereof and subject to change, completion or amendment without notice. The delivery of this Listing Prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the information set forth in this Listing Prospectus or in the Issuers' or any of their subsidiaries' affairs since the date hereof. The information contained in this Listing

Prospectus has been furnished by the Issuers and other sources we believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers, any of the Trustee or the Agents or their respective directors, affiliates, advisors and agents as to the accuracy or completeness of any of the information set forth in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by the Initial Purchasers or their respective directors, affiliates, advisors and agents, whether as to the past or the future. Certain documents are summarized herein, and such summaries are qualified entirely by reference to the actual documents, copies of which will be made available to you upon request. By receiving this Listing Prospectus, you acknowledge that you have not relied on the Initial Purchasers, any of the Trustee or the Agents or their respective directors, affiliates, advisors and agents in connection with your investigation of the accuracy of this information or your decision to invest in the Notes. None of the Issuers nor any of their subsidiaries undertakes any obligation to update this Listing Prospectus or any information contained in it, whether as a result of new information, future events or otherwise, save as required by law.

This Listing Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws that apply to you in any place in which you buy, offer or sell the Notes or possess this Listing Prospectus. You must also obtain any consents or approvals that you need in order to purchase the Notes. We, the Initial Purchasers, the Trustee and the Agents are not responsible for your compliance with these legal requirements.

The Issuers reserve the right to withdraw the Offering at any time. The Issuers are making the Offering subject to the terms described in this Listing Prospectus and the purchase agreement relating to the Notes (the "**Purchase Agreement**"). The Issuers and the Initial Purchasers may, for any reason, reject any offer to purchase the Notes in whole or in part, 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 Issuers accept responsibility for the information contained in this Listing Prospectus. To the best of the knowledge and belief of the Issuers, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus is in accordance with the facts and does not omit anything material that is likely to affect the import of such information. However, the content set forth under the headings "*Exchange Rates*", "*Summary*", "*Industry*" and "*Business*" include extracts from information and data, including industry and market data, released by publicly available sources or otherwise published by third parties. While the Issuers accept responsibility for accurately extracting and summarizing such information and data, none of the Issuers, the Initial Purchasers, the Trustee or the Agents have independently verified the accuracy of such information and data, and none of the Issuer, the Initial Purchasers, the Trustee or the Agents accepts any further responsibility in respect thereof. Furthermore, the information set forth in relation to sections of this Listing Prospectus describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*", is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While the Issuers accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, none of the Issuers, the Initial Purchasers, the Trustee or the Agents accepts further responsibility in respect of such information.

STABILIZATION

IN CONNECTION WITH THE OFFERING, BNP PARIBAS (THE "**SSN STABILIZING MANAGER**") AND J.P. MORGAN AG (THE "**PIK STABILIZING MANAGER**" AND, TOGETHER WITH THE SSN STABILIZING MANAGER, THE "**STABILIZING MANAGERS**", AND EACH, A "**STABILIZING MANAGER**") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER ALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF A STABILIZING MANAGER)

WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

NOTICE TO INVESTORS

NOTICE TO U.S. INVESTORS

The Offering is being made in the United States in reliance upon an exemption from registration under the Securities Act for an offer and sale of the Notes that does not involve a public offering.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Listing Prospectus under "*Notice to Investors*".

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

The Notes described in this Listing Prospectus 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 Listing Prospectus. Any representation to the contrary is a criminal offense.

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS LISTING PROSPECTUS, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

This Listing Prospectus has been prepared on the basis that any offer of the Notes in any member state of the European Economic Area ("**EEA**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**") from the requirement to publish a prospectus for offers of the Notes. The Listing Prospectus is not a prospectus for the purposes of the Prospectus Regulation.

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

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, 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 Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

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

NOTICE TO INVESTORS IN FRANCE

This Listing Prospectushas not been prepared in the context of a public offering (other than to qualified investors in France) within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France (other than to qualified investors) and neither this Listing Prospectus nor any other offering material may be distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France (other than to qualified investors only). Such offers, sales and distributions will only be made in France to qualified investors (*investisseurs qualifiés*) as defined in point (e) of Article 2 of the Prospectus Regulation and/or to a limited circle of investors (*cercle restreint d'investisseurs*) each acting for their own accounts, as defined in and in accordance with Articles L. 411-1, L. 411-2 and D. 411-2 to D. 411-4 of the French Monetary and Financial Code. Prospective investors are informed that: (i) neither this Listing Prospectus, nor any other materials relating to the Notes, has been and will be submitted for clearance to, approval by, or registration with, the *Autorité des marchés financiers*; (ii) in compliance with Articles L. 411-2, D. 411-2, D. 411-2-1, D. 411- 4, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code, any qualified investors subscribing for the Notes should be acting for their own account; and (iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-2 of the French Monetary and Financial Code.

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

NOTICE TO UNITED KINGDOM INVESTORS

This document has not been approved by an authorized person in the United Kingdom ("**UK**") and is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations etc**".) of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This document 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 document relates is available only to and will be engaged in only with Relevant Persons.

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS LISTING PROSPECTUS, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

This Listing Prospectus has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") and the Financial Services and Markets Act 2000 from the requirement to publish a prospectus for offers of the Notes. The Listing Prospectus is not a prospectus for the purposes of the UK Prospectus Regulation.

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

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

Any distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") (for the purposes of this paragraph, a "**distributor**") subsequently offering, selling or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes and determining the appropriate distribution channels. Neither the Issuer nor any of the Initial Purchasers make any representations or warranties as to a distributor's compliance with the UK MiFIR Product Governance Rules.

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

NOTICE TO INVESTORS IN CANADA

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National

Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

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

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

For a further description of certain restrictions on offers and sales, see "*Transfer Restrictions*".

AVAILABLE INFORMATION

Each purchaser of Notes from the Initial Purchasers will be furnished with a copy of this Listing Prospectus and any related amendments or supplements to this Listing Prospectus. Each person receiving this Listing Prospectus and any related amendments or supplements to this Listing Prospectus acknowledges that:

(1) such person has been afforded an opportunity to request from the Issuers, and to review and has received all additional information considered by it to be necessary to verify the accuracy and completeness of the information contained herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its decision to invest in the Notes; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuers or the Initial Purchasers.

We will agree in each of the Indentures governing the respective Notes that, if at any time the Issuers are not subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act, or are exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Securities Exchange Act, the Issuers will, upon the request of a holder of the Notes, furnish to such holder or beneficial owner or to the Trustee or the Paying Agent for delivery to such holder or beneficial owner or prospective purchaser of the Notes 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 (i) SSN Issuer at 34, rue Mozart – Immeuble Le Cassiopée 92110 Clichy, France, Attention: Investor Relations, and (ii) PIK Issuer at 59, rue de Tocqueville, 75017 Paris, France. Attention: Investor Relations.

Neither of the Issuers are currently subject to the periodic reporting and other information requirements of the U.S. Securities Exchange Act. However, pursuant to each of the Indentures that will govern the respective Notes, the Issuers will agree to furnish periodic information on the SSN Issuer (or its successors) to the holders of the Notes. See "*Description of the Senior Secured Notes—Certain Covenants—Provision of Information*", "*Description of the PIK Notes—Certain Covenants—Provision of Information*" and "*Listing and General Information*".

Information contained on our website is not incorporated by reference into this Listing Prospectus and is not part of this Listing Prospectus.

FORWARD-LOOKING STATEMENTS

This Listing Prospectus contains forward-looking statements, which are based on our current expectations and projections about future events. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes”, “estimates”, “aims”, “targets”, “anticipates”, “expects”, “intends”, “plans”, “continues”, “ongoing”, “potential”, “product”, “projects”, “guidance”, “seeks”, “may”, “will”, “could”, “would”, “should” or, in each case, their negative, or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this Listing Prospectus and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, competition in areas of the Group’s business, outlook and growth prospects, strategies and the industry in which the Group operates.

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. You are cautioned that forward-looking statements are not guarantees of future performance and that the Group’s actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this Listing Prospectus. In addition, even if the Group’s results of operations, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this Listing Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those material differences include:

- the impact of the COVID-19 pandemic or other similar pandemics on the Group’s business;
- the impact of competition on the Group’s business;
- the significantly greater financial resources of the Group’s main competitor;
- the Group’s dependence on the economic conditions in France;
- the impact of unforeseen events such as adverse weather conditions, natural disasters or other catastrophic events;
- the Group’s dependence on our franchisor and the success of the Burger King brand worldwide;
- food safety, food traceability, food borne illness and hygiene-related concerns;
- the Group’s ability to adopt new ESG policies;
- the effectiveness of the Group’s marketing and advertising programs and franchisee support of these programs;
- the dependence on our corporate reputation and the value and perception of the Burger King brand;

- the Group’s ability to control franchisees and to implement the Group’s strategic initiatives;
- the Group’s ability to retain franchisees;
- the impact of changes in raw material costs, fuel, utilities, distribution and other operating costs;
- the impact of shortages or interruptions on the availability and delivery of raw materials;
- the impact of higher employment costs;
- the impact of changes in consumer preferences and perceptions;
- the Group’s ability to successfully implement its restaurant development and growth strategy;
- the lack of availability of suitable locations for new restaurants or decline in the quality of the locations of the Group’s current restaurants;
- the Group’s ability to renew leases or control rent increases at its restaurant locations, or obtain leases for new restaurants;
- the Group’s exposure to risks related to litigation and negative publicity, including litigation with franchisees;
- the Group’s ability to adequately protect its intellectual property;
- the Group’s ability to pursue successful disposals;
- the impact of IT system failures or interruptions or breaches of the Group’s network security;
- the ability to adequately protect the integrity and security of personal information of our customers and employees;
- the risk of amplified negative publicity due to the increased use of social media;
- the impact of legislation and regulations requiring more transparency in the Group’s business;
- the Group’s ability to promote its products to its key target market through media advertising;
- the adoption of new governmental regulations;
- the adoption of new environmental regulations;

- the adequacy of the Group’s insurance coverage against claims;
- the Group’s reliance on key executives;
- tax risks;
- the impact of tax changes in tax laws or challenges to our tax position;
- the Group’s ability to deduct all or a portion of the interest on its indebtedness incurred in France;
- risks related to the Group’s presentation of financial and other information;
- risks related to the Issuers’ and their subsidiaries’ indebtedness; and
- risks related to the Notes and the Collateral.

The risks included here are not exhaustive. Moreover, the Group operates in a highly competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for the Issuers to predict all such risk factors on the Group’s 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, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Elsewhere in this Listing Prospectus, the Issuers also present certain run-rate adjustments to the Group’s Adjusted EBITDA which model the additional EBITDA the Group would have generated for the twelve months ended August 31, 2021 if all of the Burger King restaurants opened or converted from September 2, 2020 to August 31, 2021 had been operational during an entire twelve-month period. Such Adjusted Run-rate EBITDA is not intended to be a projection of future performance and investors should not place undue reliance thereon. Such information is based on mathematical averages of ARS and certain other estimates and assumptions which are further described under “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators—Adjusted Run-rate EBITDA*” and “*Presentation of Financial and Other Information*”.

You are urged to read the sections of this Listing Prospectus entitled “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry*” and “*Business*” for a more complete discussion of the factors that could affect the Group’s future performance and the markets in which the Group’s operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Listing Prospectus may not occur. These forward-looking statements speak only as of the date on which the statements were made. Neither the Issuers nor any of their subsidiaries assumes any obligation to update the forward-looking statements contained in this Listing Prospectus to reflect actual results, changes in assumptions or changes in factors affecting these statements. All subsequent written and oral forward-looking statements attributable to the Issuer or its subsidiaries or to persons acting on their behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Listing Prospectus, including those set forth under “*Risk Factors*”.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The SSN Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to lead and develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group's holding company. The SSN Issuer prepares its consolidated financial statements in accordance with IFRS.

The PIK Issuer was incorporated on April 13, 2018 as a *société par actions simplifiée* under the laws of France. The PIK Issuer is a holding company with no independent operations of its own and whose assets as of June 30, 2021 consist only of its direct interest in the share capital of NewCo GB. As of the date hereof, NewCo GB is a holding company with no independent operations of its own and whose assets consist only of its 91% stake in the SSN Issuer. Following the Post-Closing Merger, whereby NewCo GB will be merged with, and into, the SSN Issuer, the assets of the PIK Issuer will consist only of its direct interest in the share capital of the SSN Issuer. The PIK Issuer does not prepare, and does not intend to prepare, consolidated financial statements at the level of the PIK Issuer.

As a result, this Listing Prospectus instead presents consolidated financial and other data for the SSN Issuer only.

Financial Statements

The financial statements used in this Listing Prospectus are the consolidated financial statements of the SSN Issuer prepared in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements for the six months ended June 30, 2021 (the "**Interim Financial Statements**"), and in accordance with IFRS for the years ended December 31, 2020, 2019 and 2018 (collectively, the "**Audited Financial Statements**" and, together with the Interim Financial Statements, the "**Financial Statements**"). The SSN Guarantors are in the scope of consolidation of the Financial Statements.

During the periods under review in this Listing Prospectus, we have adopted certain accounting standards that may have an impact on the comparability of the financial information presented herein. For a further description of these accounting standards and the impact of their adoption on our financial statements, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods".*

In addition, in 2019 we implemented a carve-out of our Quick activities, as a result of which we have applied IFRS 5 to our financial statements to reflect the classification of such Quick activities as discontinued operations from January 1, 2019. As a result of the foregoing, we have restated our 2018 comparative figures to reflect this classification. For a further description, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope"*.

Unless otherwise indicated, the period-to-period comparison of our results of operations and cash flows for the periods presented in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are presented on a pre-IFRS 16 including IFRS IC (cancellation of IFRS 16 entries and rents' recognition) and pre-IFRS 5 (cancellation of the IFRS 5 (discontinued operations) entries, and addition of the depreciation and amortization related to the assets held for sale as if they had been maintained) basis (together, the "**Restated Financial Information**").

In order to provide further detail on the impact of our restatements applied to our reported financial statements, reconciliations from our reported results of operations and cash flows as of and for the six months ended June 30, 2021, the six months ended June 30, 2020, the year ended December 31, 2020 and the year ended December 31, 2019 to the restated figures for such periods, including

IFRS 16 including IFRS IC (cancellation of IFRS 16 entries and rents' recognition), IFRS 5 (cancellation of the IFRS 5 discontinued operations entries), and the depreciation and amortization related to assets held for sale (addition of the depreciation and amortization related to the assets held for sale as if they had been maintained only for the six months ended June 30, 2021, the six months ended June 30, 2020 and the year ended December 31, 2020, due to the fact that for the year ended December 31, 2019 the D&A related to the assets held for sale were already included in the reported figures) adjustments (**the "IFRS 16 (including IFRS IC), IFRS 5 and D&A related to assets held for sale Adjustments**"),, have been presented under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliations of our results of operations — Impact of the application of IFRS 16* (*including IFRS IC*), *IFRS 5 and D&A related to assets held for sale*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations —Reconciliations of our cash flows — Impact of the application of IFRS 16 (including IFRS IC)*". In addition, a reconciliation from our reported results of operations for the year ended December 31, 2018 to the restated figures for such periods has been provided to reflect the impact of our application of IFRS 5 only. Free English-language translations of the Financial Statements are included elsewhere in this Listing Prospectus.

The Interim Financial Statements have been subject to a review by KPMG SA and Exelmans Audit et Conseil, as stated in their report thereon. The Audited Financial Statements have been audited by KPMG SA and Exelmans Audit et Conseil, as stated in their reports thereon.

Non-IFRS Financial Information

In addition to the financial measures derived from the IFRS Financial Statements of the SSN Issuer that are included in this Listing Prospectus, the Issuers have included certain non-IFRS financial measures of the SSN Issuer, including the Restated Financial Information, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Run-rate EBITDA, net debt, capital expenditures, as adjusted net debt, as adjusted financial expense, ratio of as adjusted net debt to Adjusted Run-rate EBITDA and ratio of Adjusted Run-rate EBITDA to as adjusted financial expense and cash conversion ratio. We also present average restaurant sales ("**ARS**") and System-wide sales ("**SWS**") for the SSN Issuer. For definitions and a discussion of these financial measures, see "*Summary Historical Consolidated Financial Information and Other Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators*".

The Restated Financial Information, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Run-rate EBITDA, net debt, capital expenditures, as adjusted net debt, as adjusted financial expense, ratio of as adjusted net debt to Adjusted Run-rate EBITDA and ratio of Adjusted Run-rate EBITDA to as adjusted financial expense and cash conversion ratio are measures and ratios that do not comply with IFRS and are not measurements of financial performance under IFRS. Such non-IFRS measures should not be considered in isolation nor as a substitute for analysis of other indicators of our operating performance, cash flows or any other measure of performance as reported under IFRS. The SSN Issuer presents these non-IFRS financial measures for informational purposes only and because we believe that they are widely used by certain investors as supplemental measures of operating performance, liquidity and ability to service debt. Furthermore, it provides investors the same information that we use internally for purposes of assessing our operating performance.

The Restated Financial Information, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Run-rate EBITDA, Adjusted Run-rate EBITDA, net debt, capital expenditures, as adjusted net debt, as adjusted financial expense, ratio of as adjusted net debt to Adjusted Run-rate EBITDA and ratio of Adjusted Run-rate EBITDA to as adjusted financial expense and cash conversion ratio as presented in this Listing Prospectus may differ from and may not be comparable to similarly titled measures used by other companies and from "Consolidated EBITDA" contained in the section "*Description of the Senior Secured Notes*" and "*Description of the PIK Notes*" of this Listing Prospectus and in the Indentures. They may also have limitations as analytical tools. The Restated Financial Information included adjustments to tailor recognition and measure methods from those of IFRS, which is not in accordance with the Rule 100(b) of Regulation G and/or guidance provided in C&DI 100.04. There is no assurance that items we have identified as non-recurring will not recur in the future or that similar items will not be incurred in the future. The term “non-recurring” shall not be construed as being used in accordance with the criteria as set forth in Item 10(c) of Regulation S-K under the U.S. Securities Exchange Act. The calculations for certain of these non-IFRS measures are based on various assumptions as further described elsewhere in this Listing Prospectus. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the acquired businesses or other transactions for the periods presented. It may not be comparable to our consolidated financial statements or the other financial information included in this Listing Prospectus and should not be relied upon when making an investment decision.

Rounding

Certain figures contained in this Listing Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Listing Prospectus may not conform exactly to the total figure given for that column or row.

Industry and Market Data

Unless otherwise expressly indicated or noted below, all information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Listing Prospectus are based on estimates prepared by us based on certain assumptions and our knowledge of the industry in which we operate, as well as data from various market research publications, publicly available information and industry publications, including reports published by various third-party sources. Industry publications generally state that the information they contain has been obtained from sources that we believe to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Issuers have not independently verified such data. Certain information presented under “*Industry*” and elsewhere in this Listing Prospectus is based on and/or derived from data provided by GIRA Foodservice and by The NPD Group, Inc. (“**NPD Group**”) and the Issuers accept responsibility for the correct extraction and reproduction of such information from such reports.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market related analysis and estimates, thereby requiring us to rely on our own internally developed estimates regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants based on experience, our own investigation of market conditions and our review of industry publications, including information made available to the public by our competitors. While we have examined and relied upon certain market or other industry data from external sources as the basis for our estimates, neither the Issuers nor the Initial Purchasers have verified that data independently. The Issuers and the Initial Purchasers cannot assure you of the accuracy and completeness of, and take no responsibility for, such data. Similarly, while we believe our internal estimates to be reasonable, these estimates have not been verified by any independent source and the Issuers and the Initial Purchasers cannot assure you as to their accuracy. Our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “*Risk Factors*” and “*Forward-Looking Statements*”.

CERTAIN DEFINITIONS AND GLOSSARY

The following terms used in this Listing Prospectus have the meanings assigned to them below (unless the context requires otherwise):

"*AFH*" refers to the away-from-home food service market in which the Group operates;

"*Agents*" refers to, collectively, the Paying Agent, Calculation Agent, Transfer Agent, Registrar and Listing Agent, each as identified on the inside back cover page of this Listing Prospectus;

"*Agreed Security Principles*" means the Agreed Security Principles included in the SSN Indenture and summarized in "*Description of the Senior Secured Notes—Security*", as applied in good faith by the SSN Issuer;

"*Average restaurant sales*" or "*ARS*" has the meaning given to it in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators—Average Restaurant Sales*";

"*BH*" refers to BH SAS, the holding company of Groupe Bertrand, the Issuers' majority shareholder;

"*BH Cash Management Agreement*" has the meaning given to it in "*Principal Shareholders and Related Party Transactions—Related Party Transactions—Cash Management Agreement*";

"*BK Europe*" refers to Burger King Europe GmbH, a subsidiary of Burger King Corporation;

"*BKF*" or "*Burger King France*" refers to Burger King France SAS, the issuer of the Senior Secured Notes and not to its subsidiaries;

"*BKC*" refers to Burger King Corporation and, if the context so requires, Burger King Worldwide, Inc., its wholly-owned direct and indirect subsidiaries (which include Burger King Corporation and BK Europe) and its parent company, Restaurant Brands International Inc.;

"*BKRO*" refers to Burger King Restauration, a *société par actions simplifiée* organized under the laws of France and a direct wholly-owned subsidiary of the SSN Issuer and an indirect wholly-owned subsidiary of the PIK Issuer;

"*Calculation Agent*" refers to Elavon Financial Services DAC;

"*Cash conversion ratio*" refers to EBITDA minus total capital expenditure divided by EBITDA;

"*Cash Interest Account*" has the meaning given to it in "*Description of the PIK Notes —Cash Interest Account*";

"*Collateral*" refers to, collectively, the SSN Collateral and PIK Collateral;

"*Company*" refers to Burger King France, a *société par actions simplifiée* organized under the laws of France, the issuer of the Senior Secured Notes, and not to its subsidiaries;

“*Company Franchise Agreement*” has the meaning given to it in “*Business—Our Business—Restaurant operations—Company Restaurants*”;

“*Company Restaurants*” refers to restaurants operated by the SSN Issuer or its subsidiaries;

“*EBITDA*” is defined as net profit/(loss) for the period, excluding the results of discontinued operations, before income tax expenses, share of profit/(loss) of companies consolidated using the equity method, net financial income/(expenses), other income/(expenses) from non-recurring items, headquarters depreciation and amortization and restaurants depreciation and amortization. See “*Presentation of Financial and Other Information—Non-IFRS Financial Information*”. The “other income/(expenses) from non-recurring items” are described in note 6.4 to the Interim Financial Statements, an English language translation of which is included elsewhere in this Listing Prospectus. The term “non-recurring” shall not be construed as being used in accordance with the criteria as set forth in Item 10(c) of Regulation S-K under the U.S. Securities Exchange Act;

“*EURIBOR*” refers to the Euro Interbank Offered Rate;

“*European Union*” or “*EU*” refers to an economic and political union of 27 Member States, which are located primarily in Europe;

“*euro*”**,** “*euros*” or “€” refers to 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;

“*Existing Fixed Rate Notes*” refers to the €315.0 million aggregate principal amount of the SSN Issuer’s 6.00% senior secured notes due 2024 issued under the Existing SSN Indenture;

“*Existing Floating Rate Notes*” refers to the €250.0 million aggregate principal amount of the SSN Issuer’s senior secured floating rate notes due 2023 issued under the Existing SSN Indenture;

“*Existing Indentures*” refers to, collectively, the Existing PIK Indenture and Existing SSN Indenture;

“*Existing Mezzanine Loan*” refers to the mezzanine loan entered into under the Existing Mezzanine Loan Agreement;

“*Existing Mezzanine Loan Agreement*” refers to the mezzanine loan agreement dated July 12, 2018 (as may be amended, restated or otherwise modified by the parties), among, *inter alios*, the PIK Issuer as borrower and IdInvest Partners, as PIK Agent, governing the Existing Mezzanine Loan;

“*Existing Notes*” refers to, collectively, the Existing Senior Secured Notes and Existing PIK Notes;

“*Existing PIK Indenture*” refers to the indenture governing the Existing PIK Notes dated December 8, 2017 by and among, *inter alios*, the PIK Issuer, Citibank, N.A., London Branch as trustee and security agent;

“*Existing PIK Notes*” refers to the €200.0 million initial aggregate principal amount of NewCo GB’s 8.00% / 8.75% senior pay-if-you-can PIK notes due 2022 issued under the Existing PIK Indenture;

"*Existing Revolving Credit Facility*" refers to the revolving credit facility entered into under the Existing Revolving Credit Facility Agreement;

"*Existing Revolving Credit Facility Agreement*" refers to the revolving facility agreement dated April 21, 2017 (as may be amended, restated or otherwise modified by the parties), among, *inter alios*, the SSN Issuer as borrower and the Mandated Lead Arrangers and Bookrunners as defined therein, governing the Existing Revolving Credit Facility;

"*Existing SSN Indenture*" refers to the indenture governing the Existing Senior Secured Notes dated April 21, 2017 by and among, *inter alios*, the SSN Issuer, the Guarantors as defined therein, Citibank, N.A., London Branch as trustee and BNP Paribas as security agent;

"*Existing Senior Secured Notes*" refers to, collectively, the Existing Fixed Rate Notes and the Existing Floating Rate Notes;

"*Financière Quick*" refers to Financière Quick SAS, a simplified stock company (*société par actions simplifiée*) organized under the laws of France which is a wholly-owned indirect subsidiary of the Issuer;"*Financial Statements*" has the meaning given to it in "*Presentation of Financial and Other Information*";

"*Franchise Restaurants*" refers to restaurants operated by our franchisees pursuant to a franchise arrangement, including Pure Franchise Restaurants and Franchise with Lease Management Restaurants;

"*Franchise with Lease Management*" has the meaning given to it in "*Business—Our Business—Restaurant operations—Types of franchise arrangements*";

"*Franchise with Lease Management Restaurants*" refers to Franchise Restaurants operated pursuant to a Franchise with Lease Management arrangement; "*Group*" refers to the SSN Issuer and its consolidated subsidiaries;

"*Groupe Bertrand*" refers to the group of entities controlled directly and indirectly by Olivier Bertrand, the indirect owner of the Issuers; "*IFRS*" refers to the International Financial Reporting Standards, as adopted by the European Union;

"*Indentures*" refers to, collectively, the SSN Indenture and the PIK Indenture;

"*Initial Purchasers*" refers to, collectively, BNP Paribas SA, J.P. Morgan AG, BofA Securities Europe SA, Crédit Agricole Corporate and Investment Bank, Crédit Suisse Bank (Europe), S.A., Goldman Sachs Bank Europe SE and Morgan Stanley Europe SE;

"*Interim Financial Statements*" has the meaning given to it in "*Presentation of Financial and Other Information*";

"*Intercreditor Agreement*" refers to the intercreditor agreement dated on or about the Issue Date as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*";

"*Issue Date*" refers to the date of the issuance of the Notes offered hereby;

"*Issue Date Collateral*" refers to, collectively, the Issue Date SSN Collateral and the PIK Collateral;

"*Issue Date SSN Collateral*" refers to the security interests that will secure the obligations of the SSN Issuer under the Senior Secured Notes as of the Issue Date; the Issue Date SSN Collateral will also secure the New Revolving Credit Facility on a super senior basis under the Intercreditor Agreement. See "*The Offering*" and "*Description of the Senior Secured Notes—Security"*;

"*Issuers*" refers to, collectively, the SSN Issuer and the PIK Issuer;

"*Listing Agent"* refers to Banque Internationale à Luxembourg SA;

"*Master Franchise Agreement*" has the meaning given to it in "*Business—Our Business—The Burger King Master Franchise Agreement*";

"*Midco-NewCo Equity Injection*" has the meaning given to it in "*Summary—Recent Developments—The Refinancing*";

"*NewCo GB*" refers to NewCo GB, a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France, the direct parent of the SSN Issuer as of the date hereof;

"*NewCo Upstream Proceeds Loan*" has the meaning given to it in "*Summary—Recent Developments—The Refinancing*";

"*New Revolving Credit Facility*" refers to the revolving credit facility entered into under the New Revolving Credit Facility Agreement, which is described under "*Description of Certain Financing Arrangements—New Revolving Credit Facility*";

"*New Revolving Credit Facility Agreement*" refers to the revolving facility agreement dated on or about the Issue Date (as may be amended, restated or otherwise modified by the parties), among, *inter alios*, the SSN Issuer as borrower and the Mandated Lead Arrangers and Bookrunners as defined therein, governing the New Revolving Credit Facility, which is described under "*Description of Certain Financing Arrangements—New Revolving Credit Facility*";

"*Notes*" refers to, collectively, the PIK Notes and the Senior Secured Notes;

"*NPD Group*" refers to The NPD Group, Inc.;

"*Offering*" refers to, collectively, the SSN Offering and the PIK Offering;

"*Offering Memorandum*" refers to the offering memorandum relating to the Notes dated October 22, 2021;

"*OOH*" refers to out-of-home food service market, which is the sector in which the Group operates;

"*Paying Agent*" refers to Elavon Financial Services DAC;

"*PGE Loan*" refers to the state-guaranteed loan (*contrat de prêts garantis par l'État français*) provided to the SSN Issuer and France BKR (formerly France Quick SAS) as borrowers pursuant to the agreement between, *inter alios*, the SSN Issuer, BNP Paribas, Banque Populaire Rives de Paris and Crédit Lyonnais, and entered into on June 12, 2020.

"*PIK Collateral*" refers to the security interests that will secure the obligations of the PIK Issuer under the PIK Notes. See "*The Offering*" and "*Description of the PIK Notes—Security"*;

"*PIK Holdco Security Provider*" means Topco GB;

"*PIK Indenture*" refers to the indenture governing the PIK Notes to be dated the Issue Date by and among, *inter alios*, the PIK Issuer, the Trustee and the Security Agent;

"*PIK Issuer*" refers to Midco GB;

"*PIK Notes*" refers to the €235.0 million aggregate principal amount of senior pay-if-you-can PIK notes due 2027 offered hereby;

"*PIK Offering*" refers to the offering of the PIK Notes in this Listing Prospectus;

"*Post-Closing Merger*" has the meaning set forth in "*Summary—The Transactions—The Post-Closing Merger*";

"*Post-Closing SSN Collateral*" refers to the security interests that will secure the obligations of the SSN Issuer under the Senior Secured Notes within 120 days after Issue Date; the Post-Closing SSN Collateral will also secure the New Revolving Credit Facility on a super senior basis under the Intercreditor Agreement. See "*The Offering*" and "*Description of the Senior Secured Notes—Security"*;

"*Proceeds Loans*" means the intercompany loans to be made available on or about the Issue Date by the SSN Issuer to the SSN Guarantors, which are described in more detail under "*Description of Certain Financing Arrangements—Proceeds Loan*s";

"*Pure Franchise*" has the meaning given to it in "*Business—Our Business—Restaurant operations—Types of franchise arrangements*";

"*Pure Franchise Restaurants*" refers to Franchise Restaurants operated pursuant to a Pure Franchise arrangement;

"*QSHR*" refers to the quick service hamburger restaurants category within the QSR segment in which the Group operates;

"*QSR*" refers to the quick service restaurant segment and/or the restaurants within the "commercial restaurants" sector in which the Group operates;

"*Refinancing*" refers to the Offering and issuance of the Notes, the entering into of the New Revolving Credit Facility, the security documents creating security interests over the Issue Date Collateral and the Post-Closing SSN Collateral contemplated by the Indentures and the Intercreditor Agreement, and the application of proceeds from the issuance of the Notes as described under "*Use of Proceeds*";

“*Registrar*” refers to Elavon Financial Services DAC;

“*Restated Financial Information*” has the meaning given to it in “*Presentation of Financial and Other Information—Financial Statements*”;

“*Security Agent*” refers to U.S. Bank Trustees Limited;

“*Senior Secured Notes*” refers to the €620.0 million aggregate principal amount of floating rate senior secured notes due 2026 offered hereby;

“*SSN Collateral*” refers, collectively, to the Issue Date SSN Collateral and the Post-Closing SSN Collateral;

“*SSN Guarantees*” refers to the guarantees provided by the SSN Guarantors;

“*SSN Guarantors*” refers collectively to Burger King Restauration SAS, France BKR SAS, BK Invest France SNC and Financière BKF SAS;

“*SSN Indenture*” refers to the indenture governing the Senior Secured Notes to be dated the Issue Date by and among, *inter alios*, the SSN Issuer, the Trustee and the Security Agent;

“*SSN Issuer*” refers to Burger King France SAS;

“*SSN Offering*” refers to the offering of the Senior Secured Notes in this Listing Prospectus;

“*SSN Holdco Security Providers*” means each of NewCo GB, BK (UK) Company Ltd. and Midco GB;

“*System-wide sales*” or “*SWS*” refers to aggregate sales achieved both by our Franchise Restaurants and our Company Restaurants;

“*Transactions*” refers to, collectively, the Refinancing and Post-Closing Merger;

“*Transfer Agent*” refers to Elavon Financial Services DAC;

“*Trustee*” refers to U.S. Bank Trustees Limited, as trustee for the Senior Secured Notes and PIK Notes;

“*United States*” or “*U.S”.* refers to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;

“*we*”, “*us*”, “*our*”, refers to the SSN Issuer and its consolidated subsidiaries, and not to the PIK Issuer.

EXCHANGE RATES

In this Listing Prospectus, all references to “**euro**”, “**EUR**” or “**€**” are to the single currency of the participating Member States of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time, and all references to “**U.S. Dollars**”, “**USD**” and “**$**” are to the lawful currency of the United States of America.

The following table sets forth for the periods indicated, the period high, period low, period average and period-end Bloomberg Composite Rates expressed in U.S. per euro $1.00. The Bloomberg 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 Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for a partial month, means the average of the daily Bloomberg Composite Rate during that month, or partial month, as the case may be. The Bloomberg Composite Rate of the euro on October 20, 2021 was $1.1588 for €1.00.

	High	**Low**	**Average**	**Period End**
		($ per €1.00)		
Year ended December 31:				
2016	1.1527	1.0384	1.1034	1.0547
2017	1.2026	1.0427	1.1391	1.2022
2018	1.2492	1.1245	1.1782	1.1452
2019	1.1533	1.0903	1.1183	1.1229
2020	1.2289	1.0667	1.1468	1.2225
2021 (through October 20, 2021)	1.2300	1.1528	1.1923	1.1656
Month:				
March 2021	1.2080	1.1718	1.1899	1.1750
April 2021	1.2118	1.1761	1.1967	1.2027
May 2021	1.2240	1.1994	1.2139	1.2201
June 2021	1.2233	1.1849	1.2046	1.1849
July 2021	1.1885	1.1763	1.1823	1.1859
August 2021	1.1870	1.1688	1.1772	1.1807
September 2021	1.1890	1.1571	1.1769	1.1571
October 2021 (through October 20, 2021)	1.1656	1.1528	1.1589	1.1656

The Group’s functional and presentational currency is the euro. The above rates may differ from the actual rates used in the preparation of the Group’s financial information and other financial information appearing in this Listing Prospectus. The inclusion of these exchange rates is not meant to suggest that the euro amounts actually represent such U.S. Dollar amounts or that such amounts have been or could have been converted into U.S. Dollars at any particular rate, if at all.

SUMMARY

This summary contains basic information about the Group and this Offering, and highlights information contained elsewhere in this Listing Prospectus about the Offering and our business, financial performance and prospects. This summary does not contain all of the information that may be important to you in deciding to invest in the Notes to be acquired through them and it is qualified in its entirety by the more detailed information and financial statements included elsewhere in this Listing Prospectus. You should read the entire Listing Prospectus, including the section entitled "Risk Factors" and the financial information and related notes contained in this Listing Prospectus before making an investment decision.

Overview

We are Burger King France, resolutely focused on the expansion of the world's second largest QSHR chain in the French market which is characterized by secular, long-term demand for eating out and a strong affinity for our brand. Guided by the Burger King philosophy of "Have it your way", we offer customers a differentiated eating experience, combining high-quality food, such as our flame-grilled hamburgers, with attractive restaurant locations.

In 2013, our principal shareholder Groupe Bertrand reintroduced the Burger King brand to the French market after a 15-year absence, by signing of an exclusive master franchise agreement between Burger King France and BK Europe, the holder of the Burger King brand. Groupe Bertrand is a leader in the French restaurant industry, known for its ability to roll out and transform restaurant concepts. Following our acquisition in 2015 of Financière Quick Group, an incumbent QSHR operator with nearly 400 prime restaurant locations in France, we demonstrated a successful track-record of expansion of our Burger King network in France, both through the conversion of Quick restaurants to the Burger King brand, as well as through new Burger King restaurant openings. As of June 30, 2021, we operated 412 restaurants (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion) and as of August 31, 2021, we operated 413 restaurants under the Burger King brand (425 restaurants including nine restaurants under the Quick brand to be converted or definitively closed in the short-term and three Quick restaurants under conversion).

Our mission is to continue to deliver a high-quality service to our customers and support the growth of our franchisees through expansion of new Burger King restaurants. We are committed to strict development criteria, prioritizing sustainable initiatives and seeking to exploit economies of scale to further growing our EBITDA. Our business model features a mix of predominantly Franchise with Lease Management Restaurants and Pure Franchise Restaurants, and to a lesser extent Company Restaurants. We believe this model enables us to manage our growth flexibly while controlling the locations of the restaurants in our network. As of June 30, 2021, approximately 83% of our Burger King restaurants are Franchise Restaurants under our Burger King brand and the remaining 17% are Company Restaurants, a balance that supports our gross margin and reduces our capital expenditure requirement for expansion. As of June 30, 2021, we were the direct lessee for or owner of approximately 87% of the restaurant locations in our network, compared to 85% of the restaurant locations in our network as of December 31, 2018.

In 2021, Burger King was ranked the highest among QSR brands in France, over McDonald's, KFC, Paul, Domino's and Brioche Dorée, according to a KANTAR consumer survey that asked customers how good they felt about the food at each of these QSR brands. The strong recognition of the Burger King brand in France, together with Burger King's significant restaurant network worldwide, serves as a solid base to attract customers and prospective franchisees.

For the twelve months ended June 30, 2021, the average restaurant sales ("**ARS**") for Burger King restaurants was approximately €2.8 million.

We are the second largest QSHR chain in France, with locations throughout the country and approximately 15% market share by sales of burgers in 2021 (up from 8% in 2017), generating €1,056.7 million in SWS (reported), €448.3 million in revenue and €151.3 million of Adjusted EBITDA (reported) for the twelve months ended June 30, 2021, with 412 restaurants as of June 30, 2021 (399 of which were under the Burger King brand).

Our Competitive Strengths

We believe that we benefit from the following key strengths:

Attractive and resilient market in France with steady growth characteristics

We believe that the QSR market in France benefits from strong and sustainable growth characteristics with demonstrated resilience through business cycles, as well as in the face of the COVID-19 pandemic. The QSR segment has historically experienced a steady growth rate in France, and we believe that it has significant untapped potential. According to GIRA Foodservice, absolute sales in the French QSR market grew at a CAGR of 6.8% per annum between 2017 and 2019 from approximately €17.1 billion in 2017 to €19.5 billion in 2019. The QSR market has historically been the key driver of growth in the OOH market, with a CAGR of 6.8% between 2017 and 2019, compared to a CAGR of 3.5% for the commercial restaurants and a CAGR of 3.0% for the total OOH). Based on GIRA Foodservice, the QSR market also increased its share of the commercial restaurants market from 32% in 2017 to 41% in 2020. Although QSR market sales temporarily decreased in 2020 due to the impact of the COVID-19 pandemic in absolute terms (decreasing by 31.2% between 2019 and 2020), according to the NPD Group on a like-for-like basis, sales have significantly increased by 10.6% in the first half of 2021 compared to the same period during the prior year.

The QSHR category in the broader QSR market also exhibited growth throughout these same periods. QSHR is the largest category within the broader QSR segment and has been a significant driver of the growth in the French QSR market. According to GIRA Foodservice, sales in the QSHR market grew at a CAGR of 8.4% between 2017 and 2019, from approximately €6.9 billion in 2017 to €8.1 billion in 2019. As with the QSR segment as a whole, the QSHR market temporarily decreased in 2020 due to the impact of the COVID-19 pandemic, albeit at a lower rate than the QSR market. We observed the relative resilience of the QSR market and outperformance of the QSHR market during COVID-19 compared to the total commercial restaurants/total OOH, with a decrease of 22.9% in absolute sale in the QSHR segment and 31.2% in the QSR segment versus 42.2% for the total commercial and 37.7% for the total OOH in 2020 compared to 2019. Notwithstanding this temporary decrease in 2020, according to the NPD Group on a like-for-like basis, the QSHR market's sales increased by 29.7% in the first half of 2021 compared to the same period during the prior year. Based on GIRA Foodservice, its share in the QSR market increased from 40% in 2017 to 47% in 2020. In addition, GIRA Foodservice expects sales in the QSR segment to exceed 2019 levels in 2022, with projected sales amounting to €20.6 billion in 2022 as compared to €19.5 billion in 2019. GIRA Foodservice expects the QSR market to grow at a CAGR of approximately 2.8%, between 2019 and 2023, compared to a growth at a CAGR of approximately 0.6% in the overall commercial restaurants sector in France, which is expected to increase its sales from approximately €56.4 billion in 2016 to €57.7 billion in 2023.

We believe the French QSR market has significant penetration potential and that we are poised to take advantage of this growth. The QSR market in France, which was a €19.5 billion market in 2019, has a lower penetration rate than other Western European countries, although it is growing fast and roughly in line with the growth rates in such other countries. For example, the QSR market grew in France at a rate of 7.4% between 2018 and 2019 and the QSHR category grew at a rate of 9.3% over the same period. Further, we believe there is significant whitespace potential in France based on the average annual commercial foodservice spend per inhabitant in France (€640), which in the year 2017 was much lower as compared to its neighboring countries, such as the United Kingdom (€831) or Belgium (€842), according to GIRA Foodservice. The French market is generally characterized by more stringent anti-competition regulations than other Western European markets, limiting the number of chains in operation in France, which could prevent new market entrants. In addition, we believe that our successful business model serves as a barrier to entry because brand equity and prime locations throughout mainland France cannot be easily replicated by new entrants due to the significant investment levels required and the necessary time to attain our economies of scale, operational and logistics know-how. As a result, through our established presence in the French market, we believe we have a strong competitive advantage in the face of potential competitors or new market entrants.

This long-term growth potential is underpinned by structural changes in customer habits and way of life, which we believe are favorable for QSR restaurant operators. These trends include increasing digital penetration and out-of-home convenience-oriented food consumption, favoring value for money, preferences for health-conscious and quality product offerings and the expansion of daypart opportunities. Such structural trends in French society foster an increased demand for the QSR segment. According to NPD, there has been a 5 percentage points growth in share of restaurant chains to 61% as of March 2021 year on year. Furthermore, 46% of French people name attractive price as their main selection criteria for a restaurant. Certain of these favorable trends were accelerated as a result of the impact of the COVID-19 pandemic. For example, customers have more increasingly relied on digital channels (such as home delivery and Click & Collect options) and convenient and affordable dining options. According to NPD, the QSR share of commercial restaurants digital orders is now 81% with a 22% growth in digital orders as of March 2021 year on year. Approximately 90% of Burger King France restaurants offer Click & Collect following the launch in 2020. Customers have also demonstrated their loyalty to strong brands that successfully address the aforementioned evolving preferences. See "*Industry*".

Well-established leading market position underpinned by a distinctive global brand and high local recognition

We are the second largest QSHR chain in France, with approximately 15% market share by sales in the first half of 2021 according to the NPD Group, which has almost doubled in comparison to our 8% market share in 2017. Our market position is supported by our extensive and growing restaurant network. In the last few years, the sizes of our respective Burger King brand network and franchise network have significantly expanded, with our Burger King brand network almost doubling from 203 restaurants as of December 31, 2017 to 399 restaurants as of June 30, 2021 and our franchise network for Burger King restaurants increasing from 158 franchise restaurants as of December 31, 2017 to 330 franchise restaurants as of June 30, 2021. Throughout these periods, our Group has also demonstrated strong sales per unit, with ARS for the year ended December 31, 2019 of €3.2 million.

Our leading market position in France is underpinned by the distinctive Burger King global brand and high local recognition in France. We are Burger King's master franchisee in France and are well positioned to leverage the scale and marketing of one of the most recognized brands in the restaurant industry worldwide. Burger King is the world's second largest QSHR chain in terms of total number of restaurants with over 18,000 restaurants in more than 100 countries. The chain had more than $20.0 billion of SWS for the year ended December 31, 2020. As a Burger King master franchisee we benefit from Burger King's international brand awareness, its distinctive product offer, unique cooking method, efficient and reliable supply chains and food quality reputation. We also benefit from Burger King's extensive marketing, advertising and product development capabilities to drive sales and generate increased footfall in our restaurants. Over the years, Burger King has launched innovative and creative multimedia advertising campaigns that highlight the popular relevance of the Burger King brand globally.

We believe we are well positioned to further increase our market position by closing the market share gap between ourselves and McDonald's, our largest competitor in France, which held 69% market share as of the first half of 2021 Our strong brand awareness and growing market share are supported by our high-quality and innovative product offering, our focus on expanding digital convenience options for our customers and our unique local communication strategy. Our focus on innovation in terms of digital convenience for our customers has further contributed to the strengthening of our market share. Following the launch of home delivery and Click & Collection options respectively in 2019 and in 2020, our market share of digital sales (measured by the number of transactions) steadily increased to 14% as of March 2021. In addition, we also expanded our digital sales channel in 2020 through the mobile

Burger King app, which now includes our expanded customer loyalty program. Our Burger King app was downloaded on average 5,000 times a day during the first six months of 2021 and has increased to a daily download rate of 10,000 times a day during promotions. Our Kingdom loyalty program had more than 3.6 million registered members as of the end of September 2021. In addition, over the last few years we have expanded home delivery options through our partnerships with home delivery services such as Uber Eats, Just Eat and Deliveroo. Our rate of home delivery increased by four times from 15 transactions per day per restaurant in July and August 2019 to more than 60 transactions per day per restaurant in July and August 2021. We expect the volume of our digital sales to increase, along with growth in the French QSR market and as digital penetration grows in line with increased focus on digital convenience.

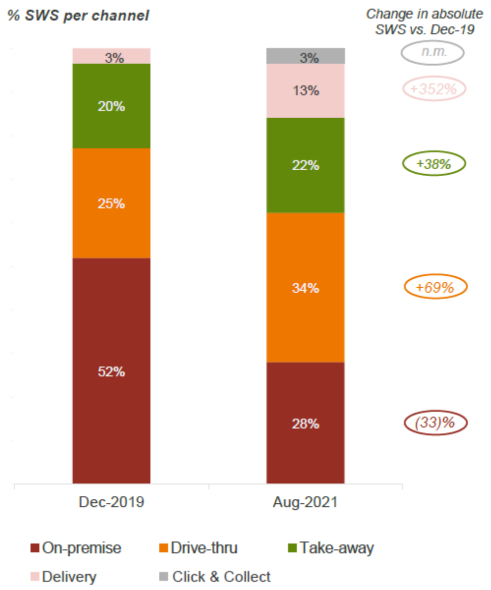
We enjoy strong brand recognition in France, supported by customer's perception of the taste and quality of our products according to KANTAR. In 2021, Burger King was ranked the highest among QSR brands in France, over McDonald’s, KFC, Paul, Domino’s and Brioche Dorée, according to a KANTAR consumer survey that asked customers how good they felt about the food at each of these QSR brands. In addition, we invest annually (through contributions from both our Company Restaurants and Franchise Restaurants) in innovative and creative multimedia advertising campaigns at the French national level, which we believe reinforce Burger King’s growing brand awareness in France and have a positive impact on our level of SWS. According to an IFOP (*Institut français d'opinion publique*) survey on the French population, our brand awareness has improved in France from 72% Spontaneous Awareness in 2018 to 83% in 2021 while our Total Brand Awareness has remained stable reflecting 91% in both 2018 and 2021. In addition, according to KANTAR, our brand equity has also improved, with an increase in the power of our brand equity from 18 in March 2018 to 21 in April 2021 (out an index of 100). The strong and growing recognition of the Burger King brand in France, together with Burger King’s significant restaurant network worldwide, serves as a solid base to further increase our market share.

Broad footprint and diversified channel mix with strong digital and contactless capabilities

Our extensive restaurant network reflects a balanced approach of different formats and sizes appropriately tailored for each of the locations in which we operate. We choose our restaurant sites carefully and have developed a targeted site acquisition and qualification process that incorporates our management’s experience as well as extensive data collection, analysis and interpretation. Our restaurant development team has extensive experience identifying and evaluating suitable restaurant locations. As of June 30, 2021, we operated a network of 412 restaurants (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion). At each of our sites, we select and develop one of three of our principal restaurant formats: a free-standing drive-through facility format, a downtown format and a shopping center or mall format. As of June 30, 2021, 328 of our restaurants reflected a drive-through facility format, 39 of our restaurants reflected a downtown format, 26 of our restaurants reflected a shopping center or mall format and 19 restaurants reflected other formats (including restaurants located in travel locations such as airports, train stations and highway service concessions). For our drive-through facility restaurants, which have historically represented our largest restaurant type, we have developed three different restaurants sizes to best address market potential. We are also focused on ensuring that most of our restaurant locations are well-suited to offer both take away and home delivery services to our customers.

We have a strong focus on innovation and have developed complementary multi-channel offerings that we believe have favorably positioned us to respond to evolving customer trends. Particularly, we believe our multi-channel offering has underpinned the resilience of our business (including during COVID-19) and maximize customer reach. Our customers can access our product offer through multiple channels, including on-site through in-restaurant dining or drive-through orders, online through Click & Collect services (which include services for on-site Click & Collect pick up through our parking lots or drive-through lines or home delivery) and home delivery services (either through third-party aggregators such as Uber Eats, Just Eat and Deliveroo. In addition, we intend to begin to roll out our own home-delivery services in certain locations, which we believe demonstrate an opportunity to further develop our multi-channel approach.

A breakdown comparing our SWS by channel for the December 2019 and August 2021 period are reflected in the chart below:



We have further optimized our restaurants and customer journey with a number of digital initiatives that are consistent across all of our channels to better cater to our customers and improve their dining experience. For example, we have enhanced our drive-through experience by accelerating the order process through the use of digital tablets in our drive-through sites. All our restaurants have been equipped with in-store kiosks since 2015. Since 2019, our drive-through capacity has doubled based on the average number of cars per hour that passed through the drive-through. We have also developed our mobile app to allow for Click & Collect orders directly in-app to facilitate easy ordering. To further improve customers' in-dining experience, in 2021 we rolled out geolocalized table service in approximately 250 restaurant locations, allowing dine-in customers to receive their meals directly at their table and further supporting market share gains in the key target family demographic. As of the date hereof, table service is available in more than half of our restaurant network, and we are targeting the implementation of this service in approximately 80% to 90% of our restaurant network by the end of 2022. Customers can also now register purchases to their loyalty programs via scanner capabilities on every touch point in order to facilitate customer identification. Thanks to our single PoS IT system that is fully integrated across all of our network and distribution channels, we are able to achieve future-proof and scalable state-of-the-art operations monitoring and process management.

Agile business model with best-in-class operational expertise

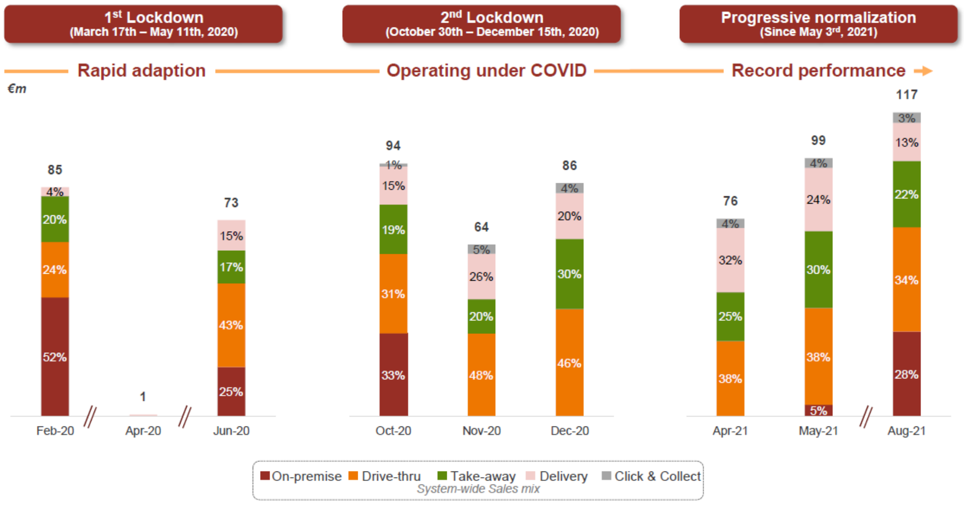
We believe navigating the challenges brought on by the COVID-19 pandemic demonstrated the strength and resiliency of our business model and our ability to respond quickly to unprecedented business disruption. At the on-set of the pandemic, our management team rapidly implemented various cash management measures to mitigate the negative impact of the pandemic on our operations and liquidity position. Our management team prioritized various initiatives to strengthen our liquidity position, including by drawing in full our Existing Revolving Credit Facility for a total of €60 million and entering into the state-guaranteed PGE Loan (*contrat de prêts garantis par l'État français*) for a total of €80 million. In addition, in an effort to manage cash during the restrictive periods of the pandemic, we ceased most external service expenditures such as cleaning, security and maintenance, both in our restaurants and at our headquarters, and temporarily renegotiated our rental obligations of certain of our Company Restaurants and supported our franchisees in the renegotiations of their rental obligations for certain periods with our landlords. As a result, we were able to maintain a strong level of free cash flow since the start of the pandemic. Further, we were focused on supporting our franchisees through the challenges of the pandemic and closely monitored their financial health, adapting our support initiatives as the impact of the pandemic on our franchisees' performance evolved. For example, during the period of the first lockdown in France, we implemented temporary royalty adjustments for our franchisees. We also temporarily waived the obligation of our franchisees to pay us a minimum lease management fee. As a result of such measures, none of our franchisees experienced a default of their payment obligations to third parties.

We further believe that our strong restaurant-level operations coupled with our tight cost control and disciplined cash management have allowed us to further enhance our resilient model to withstand any future crises. In response to the pandemic, we implemented robust operational protocols to safely continue our activity in compliance with government restrictions. While our restaurant opening plan was impacted by the pandemic, we were still able to open a number of new restaurants during the COVID-19 period and plan to continue to carry out the final conversions from the few remaining Quick restaurants to the Burger King brand, which we believe demonstrates the confidence of our franchisees and the strength of our strategy.

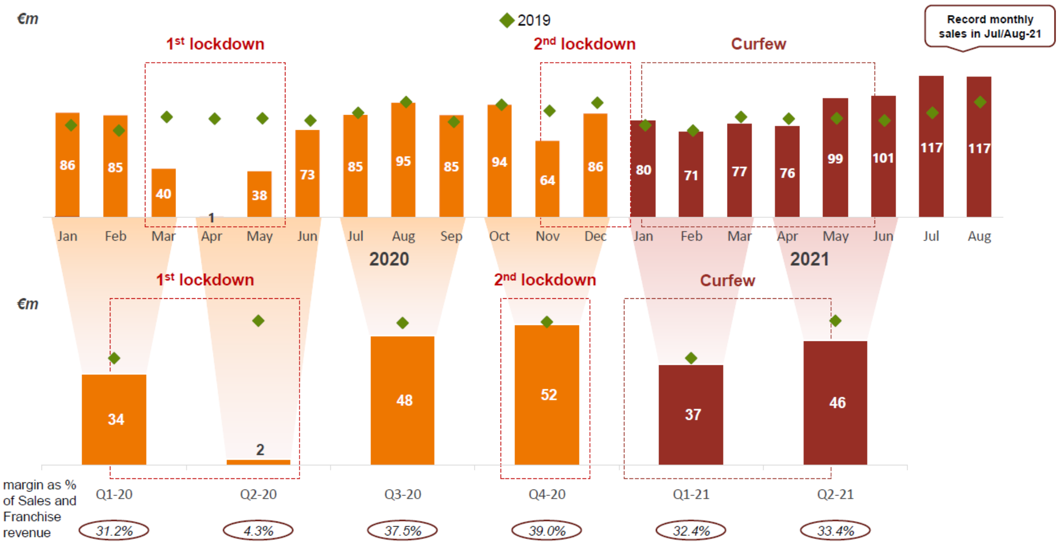
In addition, in continuation of our digital strategy and to cope with external restrictions, we further enhanced our multi-channel offerings, including through the expansion of our drive-through and takeaway services by using new Click & Collect channels as of July 2020, the development of our home delivery options and our integration with third-party delivery aggregators. The further enhancement of such offerings allowed us to protect our top line during the COVID-19 pandemic restrictions by offsetting the reduction in on-premise customer traffic and allowing customers to access our products through alternate channels. Following the return of on-premises dining with the easing of COVID-19 lockdown measures, we continue to benefit from the robust contribution of our off-premises channels, such as delivery and Click & Collect options. We also regularly and proactively communicated with our customers, which had a positive impact on our brand image. In response to a KANTAR survey in April 2021 which asked to what extent customers' image of fast food brands has improved, maintained or gotten worse in the last months of the COVID-19 pandemic, 25% of respondents indicated that Burger King had improved. Pursuant to the survey results, Burger King's operations reflected the highest proportion of responses indicating improvement as compared to other fast food chains in France that were mentioned in the survey, including McDonald's, KFC, Domino's and Subway. In addition to the foregoing measures, we remained committed throughout the pandemic periods to our ESG best practices, including introducing menu innovations that were healthy and nutritious, such as the launch of our bowls and plant based offerings, and our continued efforts to enhance our supply chain with local sourcing and pro-environment initiatives.

We believe that our SWS before and after each of the most severe COVID-19-related restrictive periods in France (*i.e.*, the first and second lockdowns in March to May 2020 and October to December 2020) demonstrate our ability to rapidly ramp up and down, with monthly sales immediately following each lockdown nearly recovering to pre-lockdown periods. For example, in June 2020, our SWS under the Burger King brand recovered to €73 million as compared to the €85 million pre-lockdown level in February 2020. Similarly, in December 2020, the month during which the second lockdown restrictions were lifted, our SWS reached €86 million as compared to the €94 million pre-lockdown SWS recorded in October 2020. Further, despite the implementation of a curfew in France ending in June 2021, we were able to achieve consistently increasing SWS levels from April 2021 through August 2021, which we believe emphasizes the resilience of our business model, further supported by the long-term integration of the measures we adopted in response to the COVID-19 pandemic. As a demonstration of this resilience our SWS in the months following the easing of lockdown restrictions in July and August 2021 reached historically record levels.

A breakdown of our SWS for each of our channels over the course of first lockdown, second lockdown and post-lockdown periods is presented below:

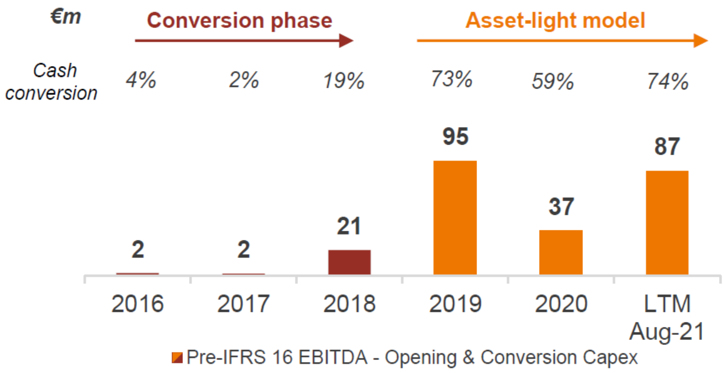


Further, a breakdown of our monthly SWS during the period beginning January 1, 2020 through August 31, 2021, as well as a breakdown of our quarterly EBITDA over those same periods, as compared to the corresponding periods in 2019 is presented below:



Asset-light business model with high cash conversion

Our successful franchise-based business model, including a robust network of committed franchise partners, generates recurring and predictable revenues with high EBITDA margin. As of June 30, 2021, 83% of our Burger King network restaurants were Franchise Restaurants under our Burger King brand (compared to 70% as of December 31, 2016), with 17% of our restaurants operated as Company Restaurants (compared to 30% as of December 31, 2016). While our previous strategy was focused on the conversion of Quick restaurants and the progressive switch toward franchise restaurants, our current approach reflects a continuous focus on franchising most of our restaurants (29 out of 30 restaurant openings were franchise restaurants over the six-month period ended June 30, 2021), and we are now moving from conversions to new openings. This asset-light model allows for higher cash conversion and reduces or eliminates for locations with third-party landlord agreements our capital expenditures for such franchise openings. The table below demonstrates our enhanced cash conversion (measured as pre-IFRS 16 EBITDA minus restaurant opening and conversion capex divided by pre-IFRS 16 EBITDA) in recent years following our adoption of an asset-light franchise-focused model for new restaurant openings, as compared to prior years. Our annual cash conversion ratio increased from 4%, 2% and 19%, respectively, for the years ended December 31, 2016, 2017 and 2018, as compared to 73%, 59% and 74%, respectively, for the years ended December 31, 2019, 2020 and the twelve months ended August 31, 2021.



We believe that our "asset-light" operating model generates enhanced cash conversion and significant recurring free cash flow primarily driven by royalties and lease payments collected from franchisees based on sales levels, while limiting our capital expenditures. The corporate infrastructure and capital expenditures necessary to support a franchise business model are substantially less than a company-operated system, as franchisees and landlords assume most capital expenditure costs. In particular, most of our openings are operated by franchisees under a lease management contract, and when this franchise model is combined with third party landlord agreements we bear no capital expenditure. We expect the continued success of our asset-light operating model, underpinned by the completion of most of our Quick conversions pursuant to the disposal of most of our Quick restaurants (see "*Business—Our Business—Quick Disposal*") and our continued preference for the Franchise with Lease Management arrangements combined where possible with third party landlord agreements.

In addition, our franchise-based model allows us to retain strong control over our network through our standard agreements with our franchisees, which govern various aspects of our relationship, including the royalties and fees due by them to us. We believe that our franchise model offers us favorable upsides and that our emphasis on growing this model in the future will continue to drive high cash conversion.

Seasoned management team with a proven track-record supported by shareholders experienced in our industry

We benefit from the experience and industry know-how of our senior management team. We are led by our Managing Director, Jérôme Tafani, who joined the Group in February 2016 and previously served as Executive Director for Chipotle Mexican Grill Europe and worked for more than 20 years at McDonald's, where he held several financial and operations positions before being appointed Managing Director for France and Corporate Senior Vice President for Europe. Our Chief Financial Officer, Xavier Cottineau, joined the Group in September 2016 after serving as Chief Financial Officer at Financière Louis, as Finance Vice President at EuroDisney and senior financial auditor at PricewaterhouseCoopers. Our experienced management team has a long and successful history with a proven track record of developing, integrating and operating in the QSR segment and has managed to lead our Group through evolutions to its business model, support our Group's growing network (including its organic growth trajectory) and execute M&A transactions to further our business strategies. Our management team has also successfully managed our business through challenges that accompanied evolving government regulations and customer behavior in the face of the COVID-19 crisis, and guided the recovery of our operations to strong levels following the easing of COVID-19 related restaurant closure measures.

We also benefit from the support and expertise of our significant shareholders, Groupe Bertrand, which is a leading French operator of restaurant chains, and Bridgepoint, which is an international alternative assed fund management group. Each of our shareholders provides us with long-term support through their respective and complementary expertise. Groupe Bertrand was founded by Olivier Bertrand more than 20 years ago. Groupe Bertrand has created and managed a fast growing restaurant franchise group in France, with over 900 restaurants (both franchises and owned restaurants) under management. Groupe Bertrand has demonstrated that it considers network development over the long term, applies a cautious approach to risk management and enjoys a strong entrepreneurial culture, which serve as further support to our senior management. Bridgepoint joined as minority shareholder of our Group in July 2018 to further support the development of the Burger King brand alongside Groupe Bertrand.

Our Strategy

Our objective is to grow our business and increase profitability by implementing the following strategies:

Continue to take advantage of attractive market fundamentals

We intend to continue leveraging our extensive and prime-location restaurant network and existing broad range of products, which covers value promotion menus and premium limited time offerings to drive profitable restaurant sales and traffic. We also seek to expand our product offering by relying on our expertise in creating innovative, premium convenience food products that match customers' demand, which we believe will be a key driver of our revenues. For example, we intend to continue to expand our healthy and nutritious product offering through the introduction of additional healthy options and preservative-free ingredients to further capture key markets, such as families, and anticipate market trends toward local sourcing, value-for-money products and healthy food options as well as meatless alternatives and products with no animal protein. We also plan to further strengthen our multi-channel approach through the enhancement of takeaway options and the development of new digital sales channels to further drive our growth. Finally, we intend to capitalize on increased consumption opportunities by the continued operation of our restaurants in the afternoon or late-night hours. We believe that we will continue to benefit from the support that BKC provides through its menu items, product enhancements and reimaging initiatives, which combined with our continuous innovation and operational expertise, will help drive overall consumption levels in the currently moderately-penetrated French QSR segment.

Enhanced focus on digital transformation

We intend to increase our market share of digital sales in the QSR market through the continued development and maintenance of our best-in-class multi-channel offering. We plan to continue to make improvements to our existing digital sales channels in order to maintain and increase our digital sales, while also developing additional innovative and convenient digital capabilities. While we have already successfully integrated the use of in-app orders and pre-orders, Click & Collect orders, in-store tablets that allow customers to skip the line and home delivery options with third-party aggregators, we also see opportunity in expanding our digital channels, through, for example, white-label delivery. We believe that the current trends and growth observed in our digital sales, accelerated as a result of the impact of the COVID-19 pandemic, demonstrate a distribution channel that adapts to the changing preferences of our customers and is complementary to our in-restaurant dining channel. Further improving and increasing sales through our digital channel will enable us to capture an additional segment of the market by offering customers an easy and convenient dining option.

Continue our commitment to sustainability and focus on improving our ESG performance

Improving our ESG initiatives and growing our network while prioritizing sustainability initiatives is central to our business. Our key strategic ESG pillars include: (i) adapting our product offering to address future global challenges, (ii) promoting the well-being of our teams and (iii) limiting our environmental impact. With respect to our product offering, we intend to continue to promote local and quality product sourcing, innovate our offer to provide healthy and responsible food options (through, for example, a full permanent range of plant-based burgers, wraps, salads and sandwiches without animal protein) and apply stringent safety standards to our operations. In promoting the well-being of our teams, our goal is to create an inclusive workplace with frequent staff trainings and an emphasis on fighting against harassment. We are also focused on limiting our environmental impact through waste management initiatives, continued improvement of our logistics services and responsible growth of our business.

We also seek to prioritize ESG initiatives in order to create and share value with our stakeholders. For example, our New Revolving Credit Facility, to be entered into on or about the Issue Date, will be based on sustainability-linked terms for its margin. In addition, we have adopted Burger King's global ESG guidelines with an aim to exceed the baseline standards promoted therein.

Expand our restaurant network and profitably increase our market share

We believe there is significant untapped demand for the Burger King offering across France, supporting the potential to continue our successful expansion strategy. Our network of Burger King brand restaurants expanded from 16 as of December 31, 2014 to 399 as of June 30, 2021. Following the Quick Disposal, we expect our network to increase, with over 400 targeted locations already identified, providing us with significant room for further growth, particularly in light of the moderately-penetrated French QSR market. For example, McDonald’s, our largest competitor in France, has a denser network of restaurants in France than Burger King, with approximately 1,500 restaurants (as of June 2021) for McDonald’s, compared to 412 restaurants (as of June 2021) for Burger King (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion). We believe we are well-positioned to close the network density gap between ourselves and McDonald's and to further increase our market positioning.

We plan to further expand our Burger King brand restaurant network in collaboration with current and new franchisees to continue to increase our market share in the French QSHR category. We expect that a higher density of restaurants will further contribute to brand awareness, support customer loyalty and increase traffic in our existing restaurants, while our new restaurants will benefit from our strong brand, reputation and know-how. We have a rigorous approach to expansion and expect to promote new restaurant growth through the opening of Franchise with Lease Management Restaurants, which allow us to retain a high degree of control over our network of restaurants, with limited capital expenditure. Opening Company Restaurants requires significantly higher capital expenditures and adds leases and personnel costs to our cost structure, whereas in franchise arrangements, the cost impact of adding a new Franchise Restaurant is significantly reduced. As a result, we intend to control the number of new Company Restaurants.

Focus on cost control and economies of scale

We intend to continue to improve our gross margin and profitable expansion through the optimization of our supply chain and marketing. While Franchisees bear the food and logistic costs for their restaurants, we organize and negotiate the sourcing for both Company and Franchise restaurants. We source a wide range of ingredients, including beef and chicken, potatoes and other fresh and frozen products and a variety of sauces to form our menu and we also incur logistics costs to store inventory and transport raw materials and semi-finished products to such restaurant locations. Our food and logistics costs are significant, and we believe that we could drive our gross margin through enhanced control of our logistics costs by exploiting economies of scale in line with the growth of our restaurant network, further developing local supplier networks and implementing cost control measures to reduce food waste. For example, we require all of our Burger King franchisees to source their raw materials from suppliers that BKC has previously approved and with whom we intend to continue to leverage our extensive restaurant network and economies of scale to obtain the most favorable commercial terms. In addition, suppliers have sought to invest in long-term partnerships with us, which has allowed us to reduce food costs and secure dedicated product lines to satisfy our needs. We also intend to enter into exclusive deals with our suppliers, such as with Coca Cola or Nutella, driven by our brand image and growth prospects.

Apart from focusing on the optimization of our supply chain, we intend to further develop our communication and advertising campaigns to promote our brands, product offerings and commercial offers in order to reinforce awareness of the Burger King brand, build on our image and increase customer traffic, which we believe will also contribute to the improvement of our gross margin and profitable expansion. As a result of our growing network and presence in France, we believe we will have improved media buying conditions, allowing us to obtain a higher return on our marketing expenses.

Drive EBITDA growth and cash generation to support deleveraging

Our franchise model, combined with an asset-light approach for a significant share of new openings, is a pillar to our deleveraging strategy. We will continue to deploy this model with a preference, where possible, for opening Franchise with Lease Management restaurants that permit us to actively manage our network, target specific whitespace and encourage the formation of denser clusters of restaurants, as well as to limit swings in our working capital. Where possible we will also favor third party landlord agreements allowing us to effectively reduce our new opening capex spend to nothing with a majority of our new openings under the asset-light model lease management. In addition, we believe that tight cash control measures implemented in response to the COVID-19 pandemic, coupled with the strong cash buffer built and maintained through the crisis, will allow us to continue focusing on deleveraging in the periods to come.

Recent Developments

Quick Disposal

On July 29, 2021, Financière BKF (formerly Financière Quick) entered into an agreement (the "**Quick Securities Sale Agreement**") with funds controlled by H.I.G. Capital for the disposal of the remaining 107 restaurants that the Group was operating under the Quick brand, excluding 11 Quick restaurants to be converted or definitively closed in the short term and in respect of which we would be able to continue using the "Quick" name until December 31, 2023 pursuant the Quick License Agreement (as defined below)), through the sale of 100% of the shares of Quick Restaurants S.A., an indirect subsidiary of the SSN Issuer (the "**Quick Disposal**") . The consideration payable by the purchaser under the Quick Securities Sale Agreement shall be equal to a base amount of approximately €245.0 million (including the Vendor Loan). On closing, the purchaser shall pay to Financière BKF the sum of the Base Amount and the Earn-Out Amount, less a vendor loan of €5 million (the "**Vendor Loan**"). The Vendor Loan bears 5% PIK interest and shall be junior to the purchaser's third party debt financing but senior to the equity and/or quasi equity of the purchaser. The Vendor Loan is repayable upon certain events and otherwise by no later 6 months after the maturity of the purchaser's debt financing.

The Quick Securities Sale Agreement contains (i) customary representations and warranties from Financière BKF as seller to the purchaser (which, for certain representations and warranties, are subject to the purchaser's commitment to subscribe to a W&I insurance), and (ii) a 5-year undertaking from the seller group not to be engaged in quick service restaurants selling exclusively or predominantly Halal burgers (subject to exceptions) and not to use the "Giant" name. Prior to entering into the Quick Securities Sale Agreement, the restaurants operated by the Group under the Quick brand had been transferred under a specific subgroup headed by Quick Restaurants S.A., and had been classified as discontinued operations in our consolidated financial statements since January 1, 2019 in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope*". The sale closed on October 8, 2021, generating approximately €245.0 million of proceeds (including the Vendor Loan).

Pursuant to the Quick Securities Sale Agreement, on October 8, 2021, France BKR (formerly France Quick SAS, a subsidiary of Financière BKF), Quick Restaurants SA and Quick Services SAS (a subsidiary of Quick Restaurants SA) entered into a license agreement (the "**Quick License Agreement**") whereby Quick Restaurants SA and Quick Services SAS granted France BKR a non-exclusive and irrevocable license, with sub-licensable rights, of the Quick brand, which France BKR will use to continue to operate certain restaurants in France under the Quick brand until they are progressively converted to the Burger King brand, closed or sold, under certain agreed conditions.

Restaurant openings and conversions since June 30, 2021

During the months of July, August and September 2021, we opened 15 new Burger King restaurants and converted two restaurants from the Quick brand to the Burger King brand. In addition, at the end of September 2021, three restaurants that had been operating under the Quick brand temporarily closed for conversion into the Burger King brand. In July 2021, we opened our 400th restaurant under the Burger King brand.

Current trading

The following discussion has been prepared by, and is the responsibility of, management and is solely based on preliminary financial information and operating data used by management. There can be no assurance that these estimates will be realized or that actual results will not be higher or lower than estimated. The preliminary financial results presented below are based on unaudited management information and are not intended to be a comprehensive statement of our consolidated financial or operational results. This information has been prepared by management. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial results for the purpose of their inclusion herein.

The preliminary financial results set out below are based on a number of assumptions that are subject to inherent uncertainties and subject to change. While we believe the preliminary financial results to be reasonable, our actual results for such period may vary from the preliminary financial results presented below, and these variations could be material. As such, you should not place undue reliance on the inclusion of the preliminary financial results in this document, it should not be regarded as an indication that such preliminary financial results will be an accurate prediction of future events, and such information should not be relied on as such. See "Forward-Looking Statements", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a more complete discussion of certain of the factors that could affect our future performance and results of operations.

Based on preliminary management accounts, we expect our SWS for the eight months ended August 31, 2021, to be approximately €907.2 million (€755.0 million from our continued operations and €152.2 million from our discontinued operations), compared to €661.3 million for the eight months ended August 31, 2020 (€543.0 million from our continued operations and €118.3 million from our discontinued operations). We believe the principal factors driving the growth in SWS for the eight months ended

August 31, 2020, were the strong rebound in activity and accelerated recovery of our operations following the easing of COVID-19-related lockdown measures beginning in May 2021, as well as new restaurant openings during this period. Further, we believe that the robust performance of delivery, drive-through and takeaway channels compensated for the reduction of on-premises traffic in our restaurants. Based on our preliminary accounts, we expect that the months of July and August 2021 each demonstrated record monthly SWS levels for the Burger King brand in France. In addition, according to management's analysis of preliminary management accounts, we expect our post-IFRS16 EBITDA for the eight months ended August 31, 2021 to be approximately €126.4 million (€104.8 million from our continued operations and €21.6 million from our discontinued operations), compared to €68.3 million for the eight months ended August 31, 2020 (€53.3 million from our continued operations and €15.0 million from our discontinued operations), reflecting an EBITDA for the continued operations for the twelve months ended August 31, 2021 of €160.9 million. Despite the impact of COVID-19 restrictions on our operations, we expect our SWS and EBITDA for the eight months ended August 31, 2021, to approach 2019 pre-COVID levels. Further, based on preliminary management accounts, we expect our Run-rate Adjusted EBITDA to be €176.1 million for the twelve months ended August 31, 2021.

The Transactions

The Refinancing

Throughout this Listing Prospectus, we collectively refer to the Offering and issuance of the Notes, the entering into of the New Revolving Credit Facility, the security documents creating security interests over the Issue Date SSN Collateral and the Post-Closing SSN Collateral contemplated by the Indentures and the Intercreditor Agreement, and the application of proceeds from the issuance of the Notes as described under "*Use of Proceeds"* (the "**Refinancing**").

The gross proceeds from the offering of the PIK Notes by the PIK Issuer will be €235.0 million. On the Issue Date, the PIK Issuer will use the gross proceeds from the issuance of the PIK Notes to (i) repay in full and cancel the Existing Mezzanine Loan, (ii) subscribe to new ordinary shares of NewCo GB for approximately €40.0 million (the "**Midco-NewCo Equity Injection**"), the proceeds from which will in turn be used by NewCo GB to repay amounts outstanding under the Existing PIK Notes and (iii) pay certain costs, fees and expenses incurred in connection with the foregoing.

The gross proceeds from the offering of the Senior Secured Notes by the SSN Issuer will be €620.0 million. The SSN Issuer will use the gross proceeds from the issuance of the Senior Secured Notes and cash on its balance sheet (including cash received in connection with the Quick Disposal) to (i) redeem in full, on the Issue Date, the Existing Notes, (ii) repay in full and cancel, on or prior to the Issue Date, the Existing Revolving Credit Facility, (iii) repay in full and cancel, on or prior to the Issue Date, the existing PGE Loan, (iv) extend, on the Issue Date, an upstream proceeds loan to NewCo GB of approximately €196.3 million (the "**NewCo Upstream Proceeds Loan**"), the proceeds from which will in turn be used by NewCo GB to repay in full, along with the proceeds of the Midco-NewCo Equity Injection, the amounts outstanding under the Existing PIK Notes and (v) pay certain costs, fees and expenses incurred in connection with the foregoing.

For additional information, see "*Use of Proceeds*", "*Description of the Senior Secured Notes*", "*Description of the PIK Notes*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources of the Group*".

The Post-Closing Merger

After the Issue Date, NewCo GB intends to merge with the SSN Issuer in order to simplify the overall corporate structure of the Group, pursuant to which the SSN Issuer will be the surviving company and will acquire all of its rights and assets (the "**Post-Closing Merger**"). As a result, following the Post-Closing Merger, the SSN Issuer will become approximately 91% directly owned by the PIK Issuer. See "*Summary Corporate and Financing Structure*".

In connection with the Post-Closing Merger, the SSN Issuer will issue new preferred shares for an aggregate amount of €40.0 million to the PIK Issuer (the "**New BKF Preferred Shares**") in exchange for the new ordinary shares of NewCo GB received by the PIK Issuer pursuant to the Midco-NewCo Equity Injection, as described above. For further information, see "*Principal Shareholders and Related Party Transactions—Principal Shareholders—Ordinary shares—New BFK Preferred Shares".*

We refer to the Refinancing and the Post-Closing Merger collectively as the "**Transactions**".

Sources and Uses

Sources of Funds	**Amount (in € millions)**	**Uses of Funds**	**Amount (in € millions)**
Senior Secured Notes offered hereby[1]	620.0	Repayment of Existing Fixed Rate Notes[4]	324.5
PIK Notes offered hereby[2]	235.0	Repayment of Existing Floating Rate Notes[5]	314.2
Proceeds from the disposal of Quick restaurants[3]	240.0	Repayment of Existing PIK Notes[6]	234.3
Cash on SSN Issuer's balance sheet	95.2	Repayment of Existing Revolving Credit Facility[7]	20.0
		Repayment of PGE Loan[8]	80.0
		Repayment of Existing Mezzanine Loan[9]	174.4
		Estimated costs, fees and expenses[10]	27.0
		Overfunding of Midco PIK Interest[11]	15.7
Total Sources	**1,190.2**	**Total Uses**	**1,190.2**

(1) Represents the gross proceeds from the issuance of the Senior Secured Notes assuming an issuance at par.

(2) Represents the gross proceeds from the issuance of the PIK Notes assuming an issuance at par.

(3) Refers to €240.0 million of cash on hand from the disposal of certain of our Quick restaurants, excluding the Vendor Loan, which closed on October 8, 2021. See "*Business—Our Business—Quick Disposal*".

(4) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €315.0 million outstanding principal amount of Existing Fixed Rate Notes, including accrued and unpaid interest up to but excluding the estimated Issue Date. On or about the date of the Offering Memorandum, the SSN Issuer intends to publish a conditional notice of redemption. Such notice for the redemption of the Existing Fixed Rate Notes will be conditional upon the closing of the Offering on the Issue Date.

(5) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €310.0 million outstanding principal amount of Existing Floating Rate Notes, including accrued and unpaid interest up to but excluding the estimated Issue Date. On or about the date of the Offering Memorandum, the SSN Issuer intends to publish a conditional notice of redemption. Such notice for the redemption of the Existing Floating Rate Notes will be conditional upon the closing of the Offering on the Issue Date.

(6) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €200.0 million outstanding principal amount of Existing PIK Notes, including capitalized and accrued interest up to but excluding the estimated Issue Date. On or about the date of the Offering Memorandum, NewCo GB intends to publish a conditional notice of redemption. Such notice for the redemption of the Existing PIK Notes will be conditional upon the closing of the Offering on the Issue Date.

(7) Refers to the Existing Revolving Credit Facility which will be repaid in full and cancelled before the Issue Date for a principal amount of €20.0 million.

(8) Refers to the PGE Loan which will be repaid in full and cancelled before the Issue Date for a principal amount of €80.0 million.

(9) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €120.0 million initial principal amount of Existing Mezzanine Loan, including accrued, capitalized and unpaid interest up to but excluding the estimated Issue Date.

(10) Represents our estimate of commissions, fees and expenses in connection with or otherwise related to the Refinancing, including the Offering, and the application of the proceeds therefrom, including underwriting fees and commissions, call premiums related to the redemption of the Existing Fixed Rate Notes (for €4.7 million) and of the Existing PIK Notes (for €2.0 million) and other estimated transaction costs and professional fees. Actual fees and expenses may differ.

(11) Amount of cash to be left on the balance sheet of the PIK Issuer for future interest payments on the PIK Notes.

The SSN Issuer

Burger King France SAS is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 34 Rue Mozart Immeuble Le Cassiopée, France. It is registered in France under the registration number 797 882 867 R.C.S. Nanterre.

The PIK Issuer

Midco GB is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 59, rue de Tocqueville, 75017 Paris, France. It is registered under number 838 636 306 R.C.S. Paris.

Principal shareholder

As of the date of the Offering Memorandum, the SSN Issuer is directly owned by BK (UK) Company Ltd. (a subsidiary of Restaurant Brands International, Inc., the parent of BKC) (approximately 8.5%) and NewCo GB (approximately 91%), which is 100% held directly by Midco GB, which in turn is held indirectly by Olivier Bertrand as majority shareholder and by funds managed and advised by Bridgepoint as significant minority shareholder. The SSN Issuer is also directly held by certain members of the senior management of the SSN Issuer (approximately 0.5%) and the PIK Issuer (one share). In connection with the Post-Closing Merger, NewCo GB will merge into the SSN Issuer in order to simplify the overall corporate structure of the Group, pursuant to which the SSN Issuer will be the surviving company and will acquire all of the rights and assets of NewCo GB. As a result of the Post-Closing Merger, the SSN Issuer will become approximately 91% directly owned by the PIK Issuer.

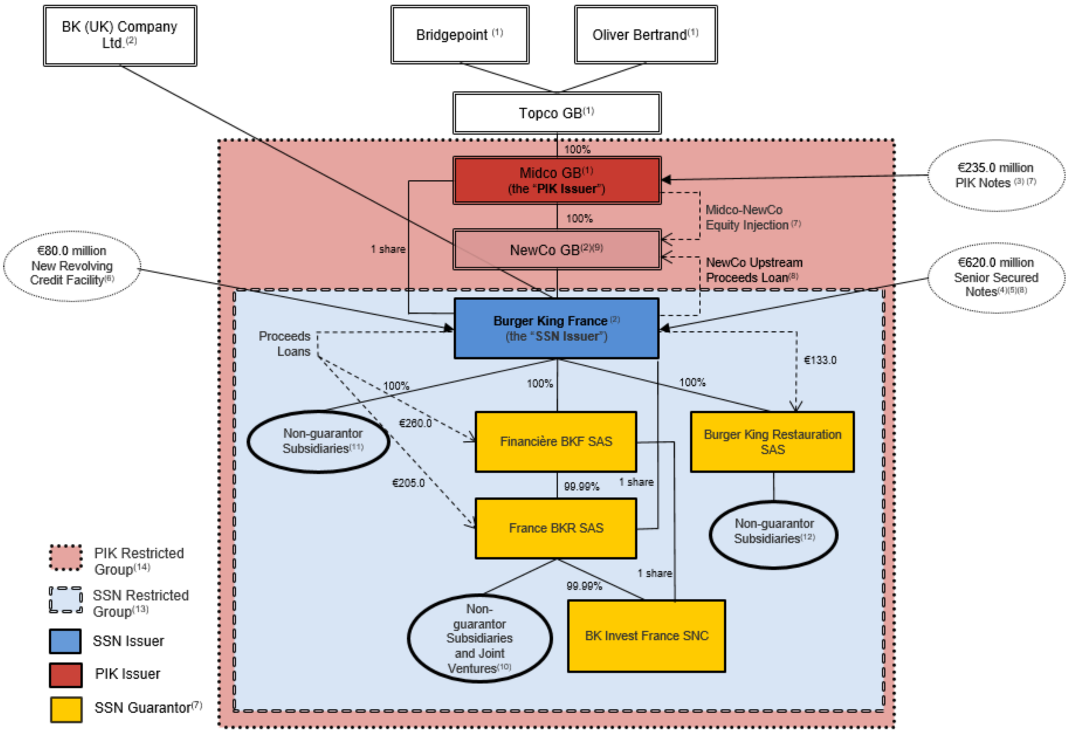
As of the date of the Offering Memorandum, the PIK Issuer is directly owned by Topco GB (100%), which in turn is indirectly held by Olivier Bertrand as majority shareholder and funds managed and advised by Bridgepoint as significant minority shareholder.

Established in 1997, Groupe Bertrand, founded more than 20 years ago, specializes in the restaurant industry in France and is active across several segments of the commercial restaurant sector, including through the operation of restaurants, both chains and individual restaurants, master franchises and concessions. Groupe Bertrand operates several well-known restaurant throughout France including large breweries (such as L'Alsace, Au Pied de Cochon, le Bar André à La Rochelle, Bofinger, la Brasserie Lipp, La Coupole, Grand Café Capucines, La Lorraine, Le Procope, Terminus Nord, Vaudeville); Parisian restaurants (such as Auteuil Brasserie, L'Île, Copenhague, Flora Danica, Polpo, Quai Ouest, Les Deux Stations, Le Sir Winston); tea rooms (such as Angelina); concessions and events (such as Château de Versailles, Jardin des Plantes, Jardin des Tuileries, Jardin du Luxembourg, Giverny, Cité des Sciences, Printemps Haussmann, Musée des Armées); chains (such as Au Bureau, Hippopotamus, Café Leffe, Bert's, Volfoni, Léon); and fast food restaurants such as Burger King France. Groupe Bertrand is also active in the leisure and hotels industry. For more information, see "*Principal Shareholders and Related Party Transactions*".

SUMMARY CORPORATE AND FINANCING STRUCTURE

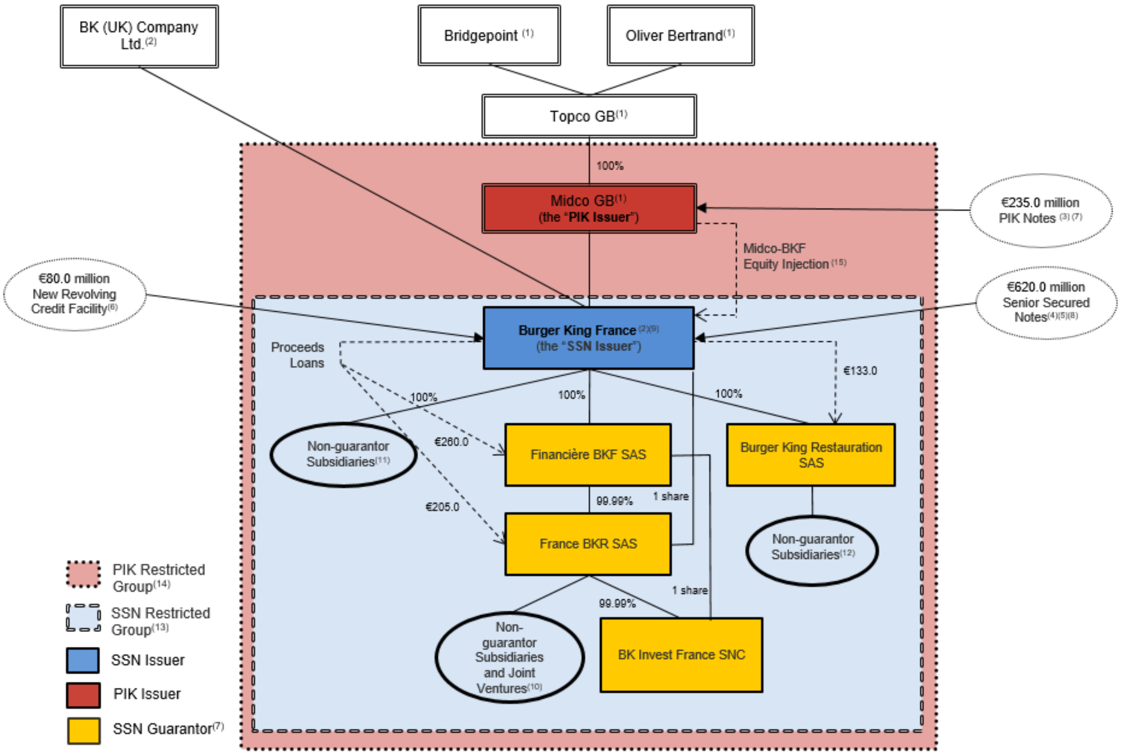
Corporate and Financing Structure after Giving Effect to the Refinancing

The chart below depicts a summary of our corporate and financing structure after giving effect to the Refinancing, but before giving effect to the Post-Closing Merger. For more information, see "*Use of Proceeds*", "*Capitalization*" and "*Principal Shareholders and Related Party Transactions*". For a summary of the material financing arrangements identified in this diagram, see "*Description of Certain Financing Arrangements*", "*Description of the Senior Secured Notes*" and "*Description of the PIK Notes*".


BK (UK) Company Ltd.(2)
Bridgepoint (1)
Oliver Bertrand(1)
Topco GB(1)
100%
Midco GB(1) (the "PIK Issuer")
€235.0 million PIK Notes (3) (7)
Midco-NewCo Equity Injection (7)
100%
1 share
NewCo GB(2)(9)
NewCo Upstream Proceeds Loan(8)
€80.0 million New Revolving Credit Facility(6)
€620.0 million Senior Secured Notes(4)(5)(8)
Burger King France (2) (the "SSN Issuer")
Proceeds Loans
€133.0
100%
100%
100%
Non-guarantor Subsidiaries(11)
€260.0
Financière BKF SAS
Burger King Restauration SAS
€205.0
99.99%
1 share
France BKR SAS
Non-guarantor Subsidiaries(12)
1 share
99.99%
Non-guarantor Subsidiaries and Joint Ventures(10)
BK Invest France SNC
PIK Restricted Group(14)
SSN Restricted Group(13)
SSN Issuer
PIK Issuer
SSN Guarantor(7)

Corporate and Financing Structure after Giving Effect to the Transactions

The chart below depicts a summary of our corporate and financing structure after giving effect to the Refinancing and the Post-Closing Merger. For more information, see "*Use of Proceeds*", "*Capitalization*" and "*Principal Shareholders and Related Party Transactions*". For a summary of the material financing arrangements identified in this diagram, see "*Description of Certain Financing Arrangements*", "*Description of the Senior Secured Notes*" and "*Description of the PIK Notes*".


BK (UK) Company Ltd.(2)
Bridgepoint (1)
Oliver Bertrand(1)
Topco GB(1)
100%
Midco GB(1) (the "PIK Issuer")
€235.0 million PIK Notes (3) (7)
Midco-BKF Equity Injection (15)
€80.0 million New Revolving Credit Facility(6)
€620.0 million Senior Secured Notes(4)(5)(8)
Burger King France (2)(9) (the "SSN Issuer")
Proceeds Loans
€133.0
100%
100%
100%
Non-guarantor Subsidiaries(11)
€260.0
Financière BKF SAS
Burger King Restauration SAS
99.99%
1 share
€205.0
France BKR SAS
Non-guarantor Subsidiaries(12)
1 share
99.99%
Non-guarantor Subsidiaries and Joint Ventures(10)
BK Invest France SNC
PIK Restricted Group(14)
SSN Restricted Group(13)
SSN Issuer
PIK Issuer
SSN Guarantor(7)

(1) As of the date hereof, Midco GB (the "**PIK Issuer**") is directly owned by Topco GB (100%), which in turn is held indirectly by Olivier Bertrand as majority shareholder and by funds managed and advised by Bridgepoint as significant minority shareholder. See "*Summary—The Transactions*" and "*Principal Shareholders and Related Party Transactions*".

(2) As of the date hereof, Burger King France SAS (the "**SSN Issuer**") is directly owned by (a) BK (UK) Company Ltd. (approximately 8.5%) (a subsidiary of Restaurant Brands international, Inc., the parent of BKC), (b) NewCo GB (approximately 91%) (which is held directly by the PIK Issuer (100%)), (c) the PIK Issuer (one share) and certain members of the senior management of the SSN Issuer (approximately 0.5%). In connection with the Post-Closing Merger, NewCo GB will merge into the SSN Issuer in order to simplify the overall corporate structure of the Group, pursuant to which the SSN Issuer will be the surviving company and will acquire all of the rights and assets of NewCo GB. As a result of the Post-Closing Merger, the SSN Issuer will become approximately 91% directly owned by the PIK Issuer. See "*Principal Shareholders and Related Party Transactions*".

(3) On the Issue Date, the PIK Issuer's obligations under the PIK Indenture will be secured by the PIK Collateral on a first-ranking basis. The PIK Collateral will include a first-ranking pledge over the shares of the PIK Issuer, all of which are held by Topco GB and the Cash Interest Account as described under "*The Offering—PIK Collateral*". The security interests in the PIK Collateral will be subject to legal limitations that may materially limit their enforceability. See "*Risk Factors—Risks related to the Notes, SSN Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

(4) Subject to the Agreed Security Principles, (a) on the Issue Date, the SSN Issuer's obligations under the SSN Indenture will be secured by the Issue Date SSN Collateral on a first-ranking basis, which will include a first-ranking pledge over the shares of the SSN Issuer and certain other assets of the SSN Issuer; and (b) within 120 days after the Issue Date, the SSN Guarantors' obligations under the SSN Indenture will be secured by the Post-Closing SSN Collateral on a first-ranking basis, which will include certain assets of the SSN Guarantors (as defined below), each as described under "The Offering—SSN Collateral". The SSN Collateral will also secure the New Revolving Credit Facility Agreement substantially simultaneously with the same collateral granted to secure the obligations under the Senior Secured Notes on a super senior basis pursuant to the Intercreditor Agreement (as defined herein). In the event of enforcement of the security interests over the SSN

Collateral or certain distressed sales, lenders under the New Revolving Credit Facility and counterparties to certain hedging obligations (if any) will be entitled to be repaid with the proceeds from enforcement or such distressed sales in priority to the Senior Secured Notes. The SSN Guarantees (as defined herein) and the security interests in the SSN Collateral will be subject to contractual and legal limitations that may materially limit their enforceability, and the SSN Guarantees may be released under certain circumstances. See "Risk Factors—Risks related to the Notes, the SSN Guarantees and the Collateral" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

(5) Within 120 days after the Issue Date, the Senior Secured Notes will be guaranteed on a senior basis by Burger King Restauration SAS, France BKR SAS, BK Invest France SNC and Financière BKF SAS (herein referred to and previously defined as the "**SSN Guarantors**") on a joint and several basis. The SSN Guarantees will be subject to limitations under applicable law. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*". For the year ended December 31, 2020, the SSN Issuer and SSN Guarantors generated 94.1% of the Group's EBITDA and, as of December 31, 2020, directly held 88.1% of the Group's total assets, in each case net of intercompany eliminations. For the year ended December 31, 2020, the non-SSN Guarantors generated 5.9% of the Group's EBITDA and, as of December 31, 2020, directly held 11.9% of the Group's consolidated total assets, in each case net of intercompany eliminations. The SSN Guarantees are subject to certain limitations pursuant to French law and can be released in certain circumstances. See "*Risk Factors—Risks Related to the Notes, SSN Guarantees and Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

(6) On or prior to the Issue Date, the SSN Issuer will enter into the New Revolving Credit Facility Agreement to provide for a revolving credit facility in an amount of €80.0 million. The New Revolving Credit Facility will be made available for drawing as of the Issue Date to the SSN Issuer and certain subsidiaries of the SSN Issuer that may become borrowers under the New Revolving Credit Facility, for general corporate and working capital purposes. The New Revolving Credit Facility will be guaranteed within 120 days after the Issue Date by the SSN Guarantors. The New Revolving Credit Facility will be secured substantially simultaneously with the same collateral granted to secure the obligations under the Senior Secured Notes. See "*Description of Certain Financing Arrangements—New Revolving Credit Facility*". Pursuant to the Intercreditor Agreement, lenders under the New Revolving Credit Facility as well as certain hedging counterparties will receive proceeds from the enforcement of the SSN Collateral in priority to the holders of the Senior Secured Notes. See "Description of Certain Financing Arrangements—Intercreditor Agreement" for more information. We expect that the New Revolving Credit Facility will be undrawn on the Issue Date.

(7) On the Issue Date, the PIK Issuer will use the gross proceeds from the issuance of the PIK Notes to (i) repay in full and cancel the Existing Mezzanine Loan, (ii) make the Midco-NewCo Equity Injection, the proceeds from which will in turn be used by NewCo GB to repay amounts outstanding under the Existing PIK Notes and (iii) pay certain costs, fees and expenses incurred in connection with the foregoing.

(8) The gross proceeds from the offering of the Senior Secured Notes by the SSN Issuer will be €620 million. The SSN Issuer will use the gross proceeds from the issuance of the Senior Secured Notes and cash on its balance sheet (including cash received in connection with the Quick Disposal) to (i) redeem in full, on the Issue Date, the Existing Notes, (ii) repay in full and cancel, on or prior to the Issue Date, the Existing Revolving Credit Facility, (iii) repay in full and cancel, on or prior to the Issue Date, the existing PGE Loan, (iv) extend, on the Issue Date, the NewCo Upstream Proceeds Loan for approximately €196.3 million, the proceeds from which will in turn be used by NewCo GB to repay in full, along with the proceeds of the Midco-NewCo Equity Injection, the amounts outstanding under the Existing PIK Notes and (v) pay certain costs, fees and expenses incurred in connection with the foregoing. On or about the Issue Date, the SSN Issuer will downstream a portion of the proceeds of the SSN Offering to the SSN Guarantors in the form of intercompany loans (the "**Proceeds Loans**"). See "*Description of the Senior Secured Notes—The Proceeds Loans*".

(9) The SSN Indenture and the New Revolving Credit Facility Agreement permit the SSN Issuer to undertake a corporate reorganization pursuant to which NewCo GB will merge into the SSN Issuer in order to simplify the overall corporate structure of the Group, pursuant to which the SSN Issuer will be the surviving company and will acquire all of the rights and assets of NewCo GB. As a result of the Post-Closing Merger, the SSN Issuer will become approximately 91% directly owned by the PIK Issuer. Upon the completion of the Post-Closing Merger, the shares of the SSN Issuer will be automatically credited to the existing securities account of the PIK Issuer opened in its name in the books of the SSN Issuer and pledged as part of the SSN Collateral. See "*Description of the Senior Secured Notes—Certain Definitions*".

(10) France BKR SAS holds majority interests in a number of non-guarantor operating entity subsidiaries and also is a partner in a number of joint ventures with Auchan Group.

(11) The SSN Issuer is the 100% owner of two non-guarantor subsidiaries, which are engaged in services and construction for the Group.

(12) Burger King Restauration SAS holds majority interests in a number of non-guarantor operating entity subsidiaries.

(13) The entities in the "SSN Restricted Group" are subject to the covenants in the SSN Indenture and the New Revolving Credit Facility Agreement.

(14) The entities in the "PIK Restricted Group" are subject to the covenants in the PIK Indenture.

(15) In connection with the Post-Closing Merger, the SSN Issuer will issue the New BKF Preferred Shares to the PIK Issuer in exchange for the new ordinary shares of NewCo GB received by the PIK Issuer pursuant to the Midco-NewCo Equity Injection in an amount equal to the Midco-NewCo Equity injection (i.e., €40.0 million).

THE OFFERING

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

Issuer of the Notes:

Senior Secured Notes .... Burger King France SAS.

PIK Notes .... Midco GB.

Notes Offered:

Senior Secured Notes .... Floating Rate Senior Secured Notes due 2026 (the "**Senior Secured Notes**").

PIK Notes .... €235.0 million aggregate principal amount of 7.75% / 8.50% senior pay-if-you-can PIK notes due 2027 (the "**PIK Notes**" and, together with the Senior Secured Notes, the **"Notes**").

Issue Date .... November 2, 2021.

Issue Price:

Senior Secured Notes .... 100%, plus accrued and unpaid interest, if any, from the Issue Date.

PIK Notes .... 100%, plus accrued and unpaid interest, if any, from the Issue Date.

Maturity Date:

Senior Secured Notes .... November 1, 2026.

PIK Notes .... November 1, 2027.

Interest Rate:

Senior Secured Notes .... Three-month EURIBOR, with a 0% floor, plus 475 basis points, as determined by the Calculation Agent, per annum, reset quarterly.

PIK Notes .... Cash interest will accrue on the PIK Notes at a rate of 7.75% per annum and PIK Interest (as defined below) will accrue on the PIK Notes at a rate of 8.50% per annum. For additional information on the PIK Issuer's option to pay cash interest, PIK Interest or a combination of cash interest and PIK Interest, see "*Description of the PIK Notes—Terms of the PIK Notes*".

Interest Payment Dates:

Senior Secured Notes .... Quarterly in arrears on each February 1, May 1, August 1 and November 1, commencing on February 1, 2022.

PIK Notes .... The PIK Issuer will pay interest semi-annually on the PIK Notes on May 1 and November 1 of each year, commencing on May 1, 2022. The initial two interest payments on the PIK Notes will be payable in cash. With respect to each interest payment thereafter (other than the final interest payment made at the stated maturity of the PIK Notes, which will be paid in cash), the PIK Indenture will provide that interest is payable (i) entirely in cash, (ii) by increasing the principal amount of the PIK Notes or issuing new PIK Notes (such increase or issuance being referred to herein as "**PIK Interest**") or (iii) a combination of cash interest and PIK Interest, as further described under "*Description of the PIK Notes—Terms of the PIK Notes*".

Denominations:

Senior Secured Notes .... Each Senior Secured Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof. Senior Secured Notes in denominations of less than €100,000 will not be available.

PIK Notes .... Each PIK Note will have a minimum denominations of €100,000 and integral multiples of €1.00 in excess thereof. PIK Notes in denominations of less than €100,000 will not be available.

Ranking of the Senior Secured Notes................... The Senior Secured Notes will be, on the Issue Date:

- general senior secured obligations of the SSN Issuer;
- equal in right of payment to all of the SSN Issuer's existing future senior indebtedness;
- secured by the Issue Date SSN Collateral and effectively subordinated to any existing or future indebtedness of the SSN Issuer that is secured by property or assets of the SSN Issuer that do not secure the Senior Secured Notes, to the extent of the value of such property or assets; and
- senior to all of the SSN Issuer's future indebtedness that is subordinated in right of payment to the Senior Secured Notes; and
- be structurally subordinated to all obligations of the SSN Issuer's subsidiaries that do not guarantee the Senior Secured Notes.

Ranking of the PIK Notes .... The PIK Notes will be, on the Issue Date:

- general senior secured obligations of the PIK Issuer, secured as set forth below;
- senior to any future indebtedness of the PIK Issuer that is subordinate in right of payment to the PIK Notes;
- equal in right of payment with any future indebtedness of the PIK Issuer that is not expressly subordinated in right of payment to the PIK Notes;
- structurally subordinated to all indebtedness and other obligations (including trade payables) of any of our existing and future subsidiaries, including the Senior Secured Notes and the New Revolving Credit Facility; and

- secured by the PIK Collateral and effectively subordinated to all of the PIK Issuer's future indebtedness that is secured by assets that do not secure the PIK Notes, to the extent of the value of the assets securing such indebtedness.

The PIK Issuer is a holding company with no revenue-generating operations. The operations of the PIK Issuer are conducted through its subsidiaries and, therefore, the PIK Issuer depends on the cash flow of its subsidiaries to meet its obligations, including its obligations under the PIK Notes. On an as adjusted basis, after giving effect to the PIK Offering and the application of the net proceeds therefrom, the PIK Issuer's subsidiaries accounted for approximately 100% of its total revenue for the twelve months ended June 30, 2021, and held approximately 100% of its total assets and approximately 100% of its total liabilities as of June 30, 2021 (other than the PIK Notes offered hereby). In addition, as of August 31, 2021, on an as adjusted basis after giving effect to the PIK Offering and the application of the net proceeds therefrom, the PIK Issuer's subsidiaries had €1,135.4 million of indebtedness.

SSN Collateral .... As of the Issue Date, the Issue Date SSN Collateral (as defined below) is expected to include the following properties and assets of the SSN Issuer and the SSN Holdco Security Providers (as defined in "*Description of the Senior Secured Notes—Certain Definitions*"):

- the financial securities accounts (*nantissements de compte-titres*) to which the shares of the SSN Issuer owned by each of the SSN Holdco Security Providers are credited, together constituting more than 99% of the outstanding shares of the SSN Issuer;

- the respective financial securities accounts (*nantissements de compte-titres*) to which are credited the shares owned by the SSN Issuer in each of its direct subsidiaries Burger King Restauration SAS, Financière BKF SAS and Burger King Construction SAS are credited, in each case constituting all of the outstanding shares of each such subsidiary, and its share in France BKR SAS;

- all intragroup loan receivables owed to the SSN Issuer (including under the NewCo Upstream Proceeds Loan and any other proceeds loans made available to NewCo GB);

- the bank accounts of the SSN Issuer located in France; and

- all receivables due to the SSN Issuer by BH pursuant to the BH Cash Management Agreement.

Such assets and rights listed above are collectively referred to as the "**Issue Date SSN Collateral**".

Within 120 days after the Issue Date, the Post-Closing SSN Collateral (as defined below) is expected to include the following properties and assets of the SSN Guarantors:

- The one share of BK Invest France SNC owned by Financière BKF;
- the financial securities account (*nantissements de compte-titres*) to which the shares owned by Financière BKF in France BKR SAS are credited;
- the shares of BK Invest France SNC owned by France BKR SAS;
- the bank accounts of each SSN Guarantor located in France; and
- all intragroup loan receivables owed to each SSN Guarantor.

Such assets and rights listed above are collectively referred to as the "**Post-Closing Date SSN Collateral**" and, together with the Issue Date SSN Collateral, the "**SSN Collateral**".

The SSN Collateral will also secure the New Revolving Credit Facility Agreement (as defined herein) substantially simultaneously with the same collateral granted to secure the obligations under the Senior Secured Notes on a super senior basis pursuant to the Intercreditor Agreement (as defined herein). In the event of enforcement of the security interests over the SSN Collateral or certain distressed sales, lenders under the New Revolving Credit Facility Agreement (as defined herein) and counterparties to certain hedging obligations (if any) will be entitled to be repaid with the proceeds from enforcement or such distressed sale in priority to the Senior Secured Notes. The SSN Guarantees and the security interests in the SSN Collateral will be subject to contractual and legal limitations that may materially limit their enforceability, and the SSN Guarantees may be released under certain circumstances. See "*Risk Factors—Risks related to the Notes, the SSN Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

PIK Collateral........................ On the Issue Date, the PIK Notes will be secured on a first-priority basis by security interests over the following properties and assets of the PIK Issuer (the "**PIK Collateral**") (see "*Description of the PIK Notes—Security*"):

- the financial securities account (*nantissement de compte-titres*) to which the shares and securities of the PIK Issuer owned by the PIK Holdco Security Provider are credited (amounting to 100% of the outstanding share capital of the PIK Issuer as of the Issue Date); and
- the Cash Interest Account.

SSN Guarantors/SSN Guarantee .... Within 120 days after the Issue Date, the Senior Secured Notes will be guaranteed by the following subsidiaries of the SSN Issuer: Burger King Restauration SAS, France BKR SAS, BK Invest France SNC and Financière BKF SAS.

Ranking of the SSN Guarantees .... The SSN Guarantees of the SSN Guarantors will:

- be general senior secured obligations of such SSN Guarantor;
- rank equal in right of payment to all of such SSN Guarantor's existing and future senior indebtedness;
- rank senior to all of such SSN Guarantor's future indebtedness that is subordinated in right of payment its SSN Guarantee; and
- will be secured by the Post-Closing SSN Collateral and effectively subordinated to any existing or future indebtedness of such SSN Guarantor that is secured by property or assets of such SSN Guarantor that do not secure its SSN Guarantee, to the extent of the value of such property or assets.

The SSN Guarantees will be subject to release under certain circumstances. See "*Description of the Senior Secured Notes—The Note Guarantees—Release of the Note Guarantees*".

Intercreditor Agreement ...... The Issuers, the Trustee, the Security Agent and the facility agent under the New Revolving Credit Facility Agreement will enter into an Intercreditor Agreement to establish the relative rights, and the relative payment priorities, of their entitlement and certain other matters relating to the administration of security interests.

Optional Redemption of the Senior Secured Notes....... At any time on or after November 1, 2022, the SSN Issuer may redeem all or a portion of the Senior Secured Notes at the redemption prices specified in this Listing Prospectus. Prior to November 1, 2022, the SSN Issuer may redeem all or a portion of the Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date plus a "make-whole" premium, as described as described under "*Description of the Senior Secured Notes—Optional Redemption*".

Optional Redemption of the PIK Notes .... Prior to May 1, 2024, the PIK Issuer may redeem all or a portion of the PIK Notes at a redemption price equal to 100% of the principal amount of the PIK Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date plus a "make-whole" premium as described under "*Description of the PIK Notes—Optional Redemption*".

At any time on or after May 1, 2024, the PIK Issuer may redeem all or a portion of the PIK Notes at the redemption prices set forth in this Listing Prospectus.

Special Redemption in the case of an IPO Event .... The PIK Issuer shall, if an IPO Event has occurred (and subject to certain exceptions), redeem the PIK Notes with the net cash proceeds received by the PIK Issuer from certain secondary equity sales at the redemption prices set forth in this Listing Prospectus, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of redemption. See "*Description of the PIK Notes—Special Redemption–IPO Event*".

Change of Control:

Senior Secured Notes .... Upon the occurrence of certain events constituting a change of control, each holder of the Senior Secured Notes may require the SSN Issuer to repurchase all or a portion of its Senior Secured Notes at 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any. See "*Description of the Senior Secured Notes—Purchase of Notes Upon a Change of Control*".

PIK Notes .... Upon the occurrence of certain events constituting a change of control, each holder of the PIK Notes may require the PIK Issuer to repurchase all or a portion of its PIK Notes at 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any. See "*Description of the PIK Notes—Purchase of Notes Upon a Change of Control*".

Additional Amounts:

Senior Secured Notes .... Any payments made on the Senior Secured Notes will be made without withholding or deduction for taxes unless such withholding or deduction is required by law. If withholding or deduction for such taxes is required to be made in any relevant taxing jurisdiction with respect to a payment on the Senior Secured Notes, subject to certain exceptions, the SSN Issuer will pay the additional amounts necessary so that the net amount received after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction. See "*Description of the Senior Secured Notes—Additional Amounts*

PIK Notes .... Any payments made on the PIK Notes will be made without withholding or deduction for taxes unless such withholding or deduction is required by law. If withholding or deduction for such taxes is required to be made in any relevant taxing jurisdiction with respect to a payment on the PIK Notes, subject to certain exceptions, the PIK Issuer will pay the additional amounts necessary so that the net amount received after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction. See "*Description of the PIK Notes—Additional Amounts".*

Tax Redemption:

Senior Secured Notes .... The SSN Issuer may redeem all of the Senior Secured Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest and additional amounts, if any. See "*Description of the Senior Secured Notes—Optional Redemption—Tax Redemption*".

PIK Notes .... The PIK Issuer may redeem all of the PIK Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the principal amount of the PIK Notes, plus accrued and unpaid interest and additional amounts, if any. See "*Description of the PIK Notes—Optional Redemption—Tax Redemption*".

Certain Covenants:

Senior Secured Notes .... The SSN Indenture governing the Senior Secured Notes, among other things, will restrict the ability of the SSN Issuer and the Restricted Subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;

- pay dividends, redeem capital stock and make certain investments;
- make certain other restricted payments;
- make certain asset sales;
- create or permit to exist certain liens;
- impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us;
- merge or consolidate with other entities; and
- enter into certain transactions with affiliates.

PIK Notes .... The PIK Indenture will restrict the ability of the PIK Issuer and the Restricted Subsidiaries (as defined under "*Description of the PIK Notes*") to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- pay dividends, redeem capital stock and make certain investments;
- make certain other restricted payments;
- make certain asset sales;
- create or permit to exist certain liens;
- impose restrictions on the ability of the PIK Issuer's subsidiaries to pay dividends or make other payments to us;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates; and
- impair the security interests for the benefit of the holders of the PIK Notes.

These covenants are generally subject to a number of important limitations and exceptions as described under "*Description of the PIK Notes—Certain Covenants*".

Original Issue Discount .... Because no portion of the stated interest on the PIK Notes is unconditionally payable in cash at least annually, interest payments on the PIK Notes will not be treated as qualified stated interest for U.S. federal income tax purposes and the PIK Notes will be treated as having been issued with original issue discount for U.S. federal income tax purposes ("**OID**"). A holder of PIK Notes that is subject to U.S. federal income taxation generally will be required to include any OID on such Notes in gross income (as ordinary income) as it accrues, potentially in advance of the receipt of cash attributable to such OID and regardless of such holder's regular method of accounting for U.S. federal income tax purposes. See "*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*."

Transfer Restrictions .... The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may only be offered or sold in the United States in compliance with Rule 144A under the U.S. Securities Act and outside the United States in reliance on Regulation S under the U.S. Securities Act. See "*Transfer Restrictions*" and "*Plan of Distribution*".

No Established Market for the Notes............................ The Notes will be new securities for which there is currently no established trading 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 and Trading.............. Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market.

Trustee for the Notes .... U.S. Bank Trustees Limited.

Calculation Agent................. Elavon Financial Services DAC.

Paying Agent .... Elavon Financial Services DAC.

Security Agent...................... U.S. Bank Trustees Limited.

Registrar................................ Elavon Financial Services DAC.

Transfer Agent...................... Elavon Financial Services DAC.

Listing Agent .... Banque Internationale à Luxembourg SA.

Use of Proceeds of the PIK Notes .... On the Issue Date, the PIK Issuer will use the gross proceeds from the issuance of the PIK Notes to (i) repay in full and cancel the Existing Mezzanine Loan, (ii) make the Midco-NewCo Equity Injection, the proceeds from which will in turn be used by NewCo GB to repay amounts outstanding under the Existing PIK Notes and (iii) pay certain costs, fees and expenses incurred in connection with the foregoing. See "*Use of Proceeds*".

Use of Proceeds of the Senior Secured Notes....... The SSN Issuer will use the gross proceeds from the issuance of the Senior Secured Notes and cash on its balance sheet (including cash received in connection with the Quick Disposal) to (i) redeem in full, on the Issue Date, the Existing Notes, (ii) repay in full and cancel, on or prior to the Issue Date, the Existing Revolving Credit Facility, (iii) repay in full and cancel, on or prior to the Issue Date, the existing PGE Loan, (iv) extend, on the Issue Date, an upstream proceeds loan to NewCo GB of approximately €196.3 million, the proceeds from which will in turn be used by NewCo GB to repay in full, along with the proceeds of the Midco-NewCo Equity Injection, the amounts outstanding under the Existing PIK Notes and (v) pay certain costs, fees and expenses incurred in connection with the foregoing. See "*Use of Proceeds*".

Governing Law of the Notes and the Indentures............ New York.

Governing Law of the Security Documents	France.
Governing Law of the Intercreditor Agreement	England and Wales.
Risk Factors	Investing in the Notes involves substantial risks. You should consider carefully all the information in this Listing Prospectus and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section in this Listing Prospectus before making a decision whether to invest in the Notes.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

Overview

The following tables present summary historical consolidated financial information for the SSN Issuer and other data for the Group, as of and for each of the years ended December 31, 2020, 2019 and 2018 and for the six months ended June 30, 2021 and 2020. The SSN Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to lead and develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group’s holding company.

The summary unaudited interim consolidated financial information as of and for the six months ended June 30, 2021 and other financial data presented in the tables below has been derived from the Interim Financial Statements, a free English translation of which is included elsewhere in this Listing Prospectus. The summary historical consolidated financial information as of and for the years ended December 31, 2020, 2019 and 2018 and other financial data presented in the tables below has been derived from the Audited Financial Statements, free English translations of which are included elsewhere in this Listing Prospectus.

The following section contains non-IFRS measures that are not required by, or presented in accordance with IFRS or any other generally accepted accounting standards. We have included these measures because the SSN Issuer’s management uses them to measure operating performance in presentations to its directors and as a basis for strategic planning and forecasting, as well as in monitoring, as relevant, certain aspects of its operating cash flows, liquidity and business performance. See “*Presentation of Financial and Other Information—Non-IFRS Financial Information*”.

The unaudited consolidated income statement and the other financial information presented for the twelve months ended June 30, 2021 have been derived by subtracting from the financial information of the SSN Issuer as of and for the year ended December 31, 2020 the financial information from the SSN Issuer’s unaudited condensed interim consolidated financial statements as of and for the six ended June 30, 2020, and adding the financial information from the SSN Issuer’s unaudited condensed interim consolidated financial statements as of and for the six months ended June 30, 2021. The unaudited consolidated income statement and the other financial information presented for the twelve months ended June 30, 2021 have been prepared for illustrative purposes only and are not necessarily representative of the SSN Issuer’s results of operations for any future period or our financial condition at any future date. This data has been prepared solely for the purpose of this Listing Prospectus, is not prepared in the ordinary course of the SSN Issuer’s financial reporting and has not been audited or reviewed. This section should be read in conjunction with the financial statements included elsewhere in this Listing Prospectus as well as the disclosures provided under “*Presentation of Financial and Other Information*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*” and “*Risk Factors—Risks related to our presentation of financial and other information*”.

Consolidated Income Statement Data for Burger King France

The following table sets forth the consolidated results of operations of the SSN Issuer (i) for the six months ended June 30, 2021 and 2020 derived from the Interim Financial Statements, (ii) for the years ended December 31, 2020, 2019 and 2018 derived from the Audited Financial Statements and (iii) for the twelve months ended June 30, 2021, derived by subtracting from the results of operations of the SSN Issuer for the year ended December 31, 2020, the results of operations of the SSN Issuer for the six months ended June 30, 2020, and adding the results of operations for the six months ended June 30, 2021. See "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*" for more information.

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2018(1)	**2019**	**2020**	**2020**	**2021**	**2021**
			(€ in millions)			
Sales and franchise revenues	**528.1**	**490.5**	**364.4**	**137.5**	**221.4**	**448.3**
Cost of sales	(247.4)	(181.9)	(131.8)	(52.6)	(77.8)	(157.0)
Gross profit	**280.7**	**308.7**	**232.6**	**84.9**	**143.6**	**291.3**
Operating and occupancy costs (excluding depreciation and amortization)	(94.2)	(44.7)	(32.4)	(16.4)	(17.7)	(33.7)
Depreciation and amortization (restaurants)	(30.4)	(73.3)	(71.7)	(35.9)	(35.4)	(71.2)
Profit from operations	**156.1**	**190.7**	**128.5**	**32.7**	**90.6**	**186.4**
Selling costs	(35.7)	(38.8)	(28.2)	(9.9)	(16.7)	(35.0)
BK brand royalties	(29.2)	(37.9)	(35.4)	(14.3)	(22.4)	(43.5)
Pre-opening costs	(2.0)	(0.4)	(0.5)	(0.4)	(0.3)	(0.4)
Other operating income and expenses	11.1	16.7	10.8	0.9	1.3	11.2
Operating income of restaurants	**100.4**	**130.2**	**75.1**	**9.0**	**52.5**	**118.6**
General and administrative costs (excluding depreciation and amortization)	(40.0)	(40.3)	(36.2)	(17.5)	(18.5)	(37.2)
Depreciation and amortization (corporate center)	(3.8)	(5.9)	(5.6)	(2.9)	(3.1)	(5.8)
Other corporate income and expenses	2.6	1.6	(1.1)	0.7	(0.1)	(1.9)
Operating profit before non-recurring items	**59.2**	**85.6**	**32.3**	**(10.7)**	**30.8**	**73.8**
Other non-recurring income and expenses	(31.6)	(19.4)	(12.9)	(3.1)	(1.5)	(11.3)
Operating profit/(loss)	**27.6**	**66.2**	**19.4**	**(13.8)**	**29.3**	**62.5**
Net financial income/(expense)	(40.5)	(62.2)	(65.6)	(31.5)	(33.9)	(68.0)
Profit/(loss) before tax	**(12.9)**	**4.1**	**(46.2)**	**(45.3)**	**(4.6)**	**(5.5)**
Income tax	(2.0)	(0.2)	2.9	(0.7)	0.5	4.1
Share of profit/(loss) of companies consolidated using the equity method	(0.1)	0.1	(0.0)	(0.0)	0.0	0.0
Income from assets held for sale and discontinued operations	8.4	4.1	14.2	4.3	7.7	17.6
Net profit/(loss) for the period	**(6.7)**	**8.0**	**(29.1)**	**(41.8)**	**3.6**	**16.3**

(1) Reflects the comparative figures as reported in our audited consolidated financial statements for the year ended December 31, 2019 included in this Listing Prospectus.

Consolidated Statement of Financial Position Data for Burger King France

	As of December 31,			As of June 30,
	2018[1]	2019	2020	2021
	(€ in millions)			
Goodwill	272.4	230.7	234.5	236.2
Intangible assets	195.1	3.8	3.6	3.1
Property, plant and equipment	302.3	713.3	712.5	758.7
Non-current financial assets	11.4	11.3	11.2	11.7
Financial receivables and other non-current assets	3.3	4.3	4.6	5.0
Deferred tax assets	4.0	0.8	0.5	10.8
Non-current assets	**788.5**	**964.2**	**966.9**	**1,025.5**
Inventories	8.7	2.2	2.0	1.7
Trade receivables	46.6	41.5	53.0	48.3
Current tax assets	4.8	2.5	3.4	1.3
Financial receivables and other current assets	48.7	24.9	22.4	18.4
Cash and cash equivalents	61.2	104.1	166.2	149.1
Assets held for sale and discontinued operations	-	271.5	299.1	330.2
Current assets	**170.0**	**446.7**	**546.0**	**548.9**
Total assets	**958.5**	**1,410.8**	**1,512.9**	**1,574.4**
Share capital	40.0	39.2	39.2	39.2
Share premiums	163.3	163.3	163.3	163.3
Retained earnings (including net profit for the period)	(85.0)	(84.4)	(111.3)	(115.2)
Attributable to non-controlling interests	0.8	1.1	0.0	(0.1)
Total equity	**119.1**	**119.3**	**91.2**	**87.1**
Non-current provisions	9.1	7.2	7.2	6.6
Non-current financial liabilities	631.1	647.2	652.9	638.8
Other financial liabilities	19.9	23.5	24.4	26.1
Non-current lease liabilities	-	356.2	381.1	431.0
Other non-current liabilities	11.3	10.7	11.6	12.0
Deferred tax liabilities	8.3	4.8	0.7	0.1
Non-current liabilities	**679.7**	**1,049.6**	**1,078.0**	**1,114.4**
Current financial liabilities	12.2	10.8	102.5	116.2
Current lease liabilities	-	43.5	42.4	44.5
Trade payables	88.1	72.1	71.6	63.9
Current tax liabilities	1.2	1.8	0.2	6.7
Other current liabilities	58.3	52.8	53.7	50.0
Liabilities held for sale and discontinued operations	-	61.1	73.3	91.5
Current liabilities	**159.7**	**242.0**	**343.7**	**372.8**
Total equity and liabilities	**958.5**	**1,410.8**	**1,512.9**	**1,574.4**

[1] Reflects the comparative figures as reported in our audited consolidated financial statements for the year ended December 31, 2019 included in this Listing Prospectus.

Consolidated Cash Flow Data for Burger King France

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30, 2021
	2018[1]	2019	2020	2020	2021	
	(€ in millions)					
Cash generated by operating activities	49.8	156.7	109.0	29.1	84.5	164.4
Cash generated/(used) by investment activities	(74.0)	(5.0)	(32.8)	(11.2)	(27.2)	(48.8)
Cash generated/(used) by financing activities	(42.5)	(107.1)	(13.2)	43.7	(58.8)	(115.7)
Change in cash and cash equivalents	**(66.7)**	**44.6**	**63.0**	**61.7**	**(1.6)**	**(0.3)**

[1] Reflects the comparative figures as reported in our audited consolidated financial statements for the year ended December 31, 2019 included in this Listing Prospectus.

Reconciliation of Certain Restated Financial Data

In order to provide prospective investors with the same information that we use internally for purposes of assessing our operating performance, we have prepared reconciliations from our reported results of operations and cash flows for the periods under review to the restated figures for such periods. For a further description of the restatements applied to our reported financial statements, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors*

Affecting the Comparability of the Financial Information Presented—Changes in accounting methods". In addition, in 2019, we implemented a carve-out of our Quick activities, as a result of which we have applied IFRS 5 to our financial statements to reflect the classification of such Quick activities as discontinued operations from the period beginning January 1, 2019. As a result of the foregoing, we have restated our 2018 comparative figures to reflect this classification. For a further description, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope*".

In order to provide further detail on the impact of our restatements applied to our reported financial statements, reconciliations from our reported results of operations and cash flows as of and for the six months ended June 30, 2021, the six months ended June 30, 2020, the year ended December 31, 2020 and the year ended December 31, 2019 and the comparative information related to the year ended December 31, 2018 to the restated figures for such periods, including IFRS 16 (including IFRS IC), IFRS 5, is summarized below.

	Burger King France For the six months ended June 30,				
	2021				
	Reported	IFRS 5 Impact[1]	**Pre-IFRS 5[2]**	IFRS 16 Impact[3]	**Restated[4]**
	(€ in millions)				
System-wide sales	517.0	101.2	618.2	-	618.2
Of which Burger King	503.7	-	503.7	-	503.7
Of which Quick	13.3	101.2	114.5	-	114.5
Sales and franchise revenues	221.4	30.5	251.9	-	251.9
Of which Company Restaurant revenue	89.7	7.4	97.1	-	97.1
Of which Franchise revenue	92.2	19.4	111.6	-	111.6
Of which Other revenue	39.5	3.7	43.2	-	43.2
Franchise revenue as a percentage of Franchise SWS	21.6%	20.7%	21.4%	n.a.	21.4%
EBITDA[5]	69.3	13.8	83.1	(38.1)	45.0
Adjusted EBITDA[6]	69.6	13.9	83.5	(38.1)	45.4
Adjusted EBITDA margin[7]	31.4%	45.6%	33.1%	n.a.	18.0%

	Burger King France For the six months ended June 30,				
	2020				
	Reported	IFRS 5 Impact[1]	**Pre-IFRS 5[2]**	IFRS 16 Impact[3]	**Restated[4]**
	(€ in millions)				
System-wide sales	349.2	74.9	424.1	-	424.1
Of which Burger King	322.9	-	322.9	-	322.9
Of which Quick	26.3	74.9	101.2	-	101.2
Sales and franchise revenues	137.5	21.9	159.4	-	159.4
Of which Company Restaurant revenue	72.8	6.7	79.5	-	79.5
Of which Franchise revenue	55.1	13.3	68.4	-	68.4
Of which Other revenue	9.6	1.9	11.5	-	11.5
Franchise revenue as a percentage of Franchise SWS	19.9%	19.5%	19.8%	n.a.	19.8%
EBITDA[5]	28.0	7.9	35.9	(35.7)	0.2
Adjusted EBITDA[6]	28.4	8.0	36.4	(35.7)	0.7
Adjusted EBITDA margin[7]	20.7%	36.5%	22.8%	n.a.	0.4%

	Burger King France For the twelve months ended December 31,				
	2020				
	Reported	IFRS 5 Impact[1]	**Pre-IFRS 5[2]**	IFRS 16 Impact[3]	**Restated[4]**
	(€ in millions)				
System-wide sales	888.9	192.8	1,081.7	-	1,081.7
Of which Burger King	831.9	-	831.9	-	831.9
Of which Quick	57.0	192.8	249.8	-	249.8
Sales and franchise revenues	364.4	54.6	419.0	-	419.0
Of which Company Restaurant revenue	178.3	15.7	194.0	-	194.0
Of which Franchise revenue	149.3	34.0	183.3	-	183.3
Of which Other revenue	36.8	4.9	41.7	-	41.7
Franchise revenue as a percentage of Franchise SWS	21.0%	19.2%	20.6%	n.a.	20.6%
EBITDA[5]	109.6	25.7	135.3	(68.9)	66.4
Adjusted EBITDA[6]	110.1	26.0	136.1	(68.9)	67.2
Adjusted EBITDA margin[7]	30.2%	47.6%	32.5%	n.a.	16.0%

	For the twelve months ended December 31,				
	2019				
	Reported	IFRS 5 Impact(1)	Pre-IFRS 5(2)	IFRS 16 Impact(3)	Restated(4)
	(€ in millions)				
System-wide sales	1,134.1	227.2	1,361.3	-	1,361.3
Of which Burger King	1002.7	-	1,002.7	-	1002.7
Of which Quick	131.4	227.2	358.6	-	358.6
Sales and franchise revenues	490.5	97.2	587.7	-	587.7
Of which Company Restaurant revenue	290.4	33.4	323.8	-	323.8
Of which Franchise revenue	176.7	41.6	218.3	-	218.3
Of which Other revenue	23.4	22.2	45.6	-	45.6
Franchise revenue as a percentage of Franchise SWS	20.9%	21.5%	21.0%	n.a.	21.0%
EBITDA(5)	164.8	32.5	197.3	(66.8)	130.5
Adjusted EBITDA(6)	165.2	32.8	198.0	(66.8)	131.2
Adjusted EBITDA margin(7)	33.7%	33.7%	33.7%	n.a.	22.3%

	Burger King France For the year ended December 31,		
	2018		
	Reported	IFRS 5 Impact(8)	Restated(9)
	(€ in millions)		
System-wide sales	1,012.8	203.4	1,216.2
Of which Burger King	775.0	-	775.0
Of which Quick	237.8	203.4	441.2
Sales and franchise revenues	528.1	125.4	653.5
Of which Company Restaurant revenue	319.6	36.6	356.2
Of which Franchise revenue	135.0	37.7	172.7
Of which Other revenue	73.5	51.1	124.6
Franchise revenue as a percentage of Franchise SWS	19.5%	22.6%	20.1%
EBITDA(5)	93.3	18.2	111.5
Adjusted EBITDA(6)	95.3	18.2	113.5
Adjusted EBITDA margin(7)	18.0%	14.5%	17.4%

(1) Reflects the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations (cancellation of the IFRS 5 (discontinued operations) entries and addition of the depreciation and amortization related to the assets held for sale as if they had been maintained*)*. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope".*

(2) Shows our financial results taking into consideration the impact of the cancellation of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations.

(3) Reflects the impact of the application of IFRS 16 — Leases including IFRS IC (cancellation of IFRS 16 entries and rents' recognition). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases".*

(4) Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include for 2020 and 2021 the (c) depreciation and amortization related to assets held for sale.

(5) "**EBITDA**" is defined as net profit/(loss) for the period, excluding the results of discontinued operations, before income tax expenses, net financial income/(expenses), share of profit/(loss) of companies consolidated using the equity method, other income/(expenses) from non-recurring items, headquarters depreciation and amortization and restaurants depreciation and amortization. See "*Presentation of Financial and Other Information—Non-IFRS Financial Information*". The "other income/(expenses) from non-recurring items" are described in note 6.4 to the Interim Financial Statements, an English language translation of which is included elsewhere in this Listing Prospectus. The term "non-recurring" shall not be construed as being used in accordance with the criteria as set forth in Item 10(c) of Regulation S-K under the U.S. Securities Exchange Act.

(6) "**Adjusted EBITDA**" is defined as EBITDA less pre-opening costs. Pre-opening costs refer to costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees.

The following table presents a bridge of net loss to Adjusted EBITDA, as well as a reconciliation from our reported results of operations to the restated figures for the periods presented, reflecting IFRS 16 (including IFRS IC), IFRS 5 and D&A related to assets held for sale Adjustments:

	For the six months ended June 30,					
	2021					
	Reported	IFRS 5 Impact	***D&A Impact* [1]**	**Pre-IFRS 5**	IFRS 16 Impact	**Restated**
	(€ in millions)					
Sales and Franchise revenues	221.4	30.5	-	251.9	-	251.9
Net loss for the period	3.6	-	(4.9)	(1.3)	5.7	4.4
(–) Income from assets held for sale and discontinued operations	(7.7)	7.7	-	-	-	-
(–) Income tax	(0.5)	1.3	(2.1)	(1.3)	0.6	(0.7)
(–) Share of profit/(loss) of companies consolidated using the equity method	-	-	-	-	(0.0)	(0.0)
(–) Net financial income/(expense)	33.9	1.7	-	35.6	(15.5)	20.1
(–) Other non-recurring income and expenses	1.5	3.1	-	4.6	0.0	4.6
(–) Depreciation and amortization (corporate center)	3.1	-	0.2	3.3	(1.8)	1.5
(–) Depreciation and amortization (restaurants)	35.4	-	6.8	42.2	(27.1)	15.1
EBITDA	**69.3**	**13.8**	**-**	**83.1**	**(38.1)**	**45.0**
(–) Pre-opening costs	0.3	0.1	-	0.4	-	0.4
Adjusted EBITDA	69.6	13.9	-	83.5	(38.1)	45.4
Adjusted EBITDA margin	**31.4%**	**45.6%**	**-**	**33.1%**	**-**	**18.0%**

	For the six months ended June 30,					
	2020					
	Reported	IFRS 5 Impact	***D&A Impact* [1]**	**Pre-IFRS 5**	IFRS 16 Impact	**Restated**
	(€ in millions)					
Sales and Franchise revenues	137.5	21.9	-	159.4	-	159.4
Net loss for the period	(41.8)	-	(4.3)	(46.1)	3.2	(42.9)
(–) Income from assets held for sale and discontinued operations	(4.3)	4.3	-	-	-	-
(–) Income tax	0.7	2.0	(2.2)	0.5	1.7	2.2
(–) Share of profit/(loss) of companies consolidated using the equity method	-	-	-	-	(0.0)	(0.0)
(–) Net financial income/(expense)	31.5	1.4	-	32.9	(12.9)	20.0
(–) Other non-recurring income and expenses	3.1	0.2	-	3.3	-	3.3
(–) Depreciation and amortization (corporate center)	2.9	-	-	2.9	(1.3)	1.6
(–) Depreciation and amortization (restaurants)	35.9	-	6.5	42.4	(26.3)	16.1
EBITDA	**28.0**	**7.9**	**(0.0)**	**35.9**	**(35.7)**	**0.2**
(–) Pre-opening costs	0.4	0.1	-	0.5	-	0.5
Adjusted EBITDA	**28.4**	**8.0**	**(0.0)**	**36.4**	**(35.7)**	**0.7**
Adjusted EBITDA margin	**20.7%**	**36.5%**	**-**	**22.8%**	**-**	**0.4%**

	For the year ended December 31,					
	2020					
	Reported	IFRS 5 Impact	***D&A Impact* [1]**	**Pre-IFRS 5**	IFRS 16 Impact	**Restated**
	(€ in millions)					
Sales and Franchise revenues	364.4	54.6	-	419.0	-	419.0
Net loss for the period	(29.1)	-	(9.2)	(38.3)	8.7	(29.6)
(–) Income from assets held for sale and discontinued operations	(14.2)	14.2	-	-	-	-
(–) Income tax	(2.9)	8.9	(3.7)	2.3	4.5	6.8
(–) Share of profit/(loss) of companies consolidated using the equity method	-	-	-	-	(0.0)	(0.0)
(–) Net financial income/(expense)	65.6	2.3	-	67.9	(27.7)	40.2
(–) Other non-recurring income and expenses	12.9	0.3	-	13.2	-	13.2
(–) Depreciation and amortization (corporate center)	5.6	-	-	5.6	(2.3)	3.3
(–) Depreciation and amortization (restaurants)	71.7	-	12.9	84.6	(52.0)	32.6
EBITDA	**109.6**	**25.7**	**-**	**135.3**	**(68.9)**	**66.4**
(–) Pre-opening costs	0.5	0.3	-	0.8	-	0.8
Adjusted EBITDA	**110.1**	**26.0**	**-**	**136.1**	**(68.9)**	**67.2**
Adjusted EBITDA margin	**30.2%**	**47.6%**	**-**	**32.5%**	**-**	**16.0%**

	For the twelve months ended December 31,				
	2019				
	Reported	IFRS 5 Impact	Pre-IFRS 5	IFRS 16 Impact	Restated
	(€ in millions)				
Sales and Franchise revenues	490.5	97.2	587.7	-	587.7
Net loss for the period	8.0	-	8.0	7.2	15.2
(–) Income from assets held for sale and discontinued operations	(4.1)	4.1	-	-	-
(–) Income tax	0.2	11.5	11.7	3.8	15.5
(–) Share of profit/(loss) of companies consolidated using the equity method	(0.1)	-	(0.1)	(0.0)	(0.1)
(–) Net financial income/(expense)	62.2	2.9	65.1	(23.9)	41.2
(–) Other non-recurring income and expenses	19.4	1.1	20.5	0.4	20.9
(–) Depreciation and amortization (corporate center)	5.9	-	5.9	(2.7)	3.2
(–) Depreciation and amortization (restaurants)	73.3	12.9	86.2	(51.5)	34.7
EBITDA	**164.8**	**32.5**	**197.3**	**(66.8)**	**130.5**
(–) Pre-opening costs	0.4	0.3	0.7	-	0.7
Adjusted EBITDA	**165.2**	**32.8**	**198.0**	**(66.8)**	**131.2**
Adjusted EBITDA margin	**33.7%**	**33.7%**	**33.7%**	**-**	**22.3%**

	For the year ended December 31,		
	2018		
	Reported	IFRS 5 Impact	Restated
	(€ in millions)		
Sales and Franchise revenues	528.1	125.4	653.5
Net loss for the period	(6.7)	-	(6.7)
(–) Income from assets held for sale and discontinued operations	(8.4)	8.4	-
(–) Income tax	2.0	4.3	6.3
(–) Share of profit/(loss) of companies consolidated using the equity method	0.1	-	0.1
(–) Net financial income/(expense)	40.5	-	40.5
(–) Other non-recurring income and expenses	31.6	0.2	31.8
(–) Depreciation and amortization (corporate center)	3.8	-	3.8
(–) Depreciation and amortization (restaurants)	30.4	5.3	35.7
EBITDA	**93.3**	**18.2**	**111.5**
(–) Pre-opening costs	2.0	-	2.0
Adjusted EBITDA	**95.3**	**18.2**	**113.5**
Adjusted EBITDA margin	**18.0%**	**14.5%**	**17.4%**

[1] Reflects the depreciation and amortization of assets held for sale, which are no longer accounted for in reported accounts in accordance with IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations.

(7) "**Adjusted EBITDA margin**" is defined as Adjusted EBITDA divided by sales and franchise revenues.

(8) Reflects the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations (cancellation of the IFRS 5 (discontinued operations) entries and addition of the depreciation and amortization related to the assets held for sale as if they had been maintained). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope*".

(9) Restated to exclude the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations (cancellation of the IFRS 5 (discontinued operations) entries and addition of the depreciation and amortization related to the assets held for sale as if they had been maintained).

Other Financial and Operational Data, including Run-Rate Data

The following figures have been prepared by, and are the responsibility of, management and are solely based on preliminary financial information and operating data used by management. There can be no assurance that these estimates will be realized or that actual results will not be higher or lower than estimated. The financial figures presented below are based on unaudited management information and are not intended to be a comprehensive statement of our consolidated financial or operational results. This information has been prepared by management. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial results for the purpose of their inclusion herein.

The financial information set out below are based on a number of assumptions that are subject to inherent uncertainties and subject to change. While we believe these figures to be reasonable, our *actual results for such period may vary from the preliminary figures presented below, and these variations could be material. As such, you should not place undue reliance on the inclusion of the following figures in this document, it should not be regarded as an indication that such figures will be an accurate prediction of future events, and such information should not be relied on as such. See "Forward-Looking Statements", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a more complete discussion of certain of the factors that could affect our future performance.*

	Burger King France/NewCo GB (excluding PIK Issuer)
	As of and for the twelve months ended August 31, 2021
	(€ in millions, except ratios)
Adjusted Run-Rate EBITDA[1]	176.1
As adjusted net debt[2]	1,075.1
As adjusted financial expense[3]	63.6
Ratio of as adjusted net debt[2] to Adjusted Run-rate EBITDA[1]	6.1x
Ratio of Adjusted Run-rate EBITDA[1] to as adjusted financial expense[3]	2.8x

	Burger King France/NewCo GB /PIK Issuer
	As of and for the twelve months ended August 31, 2021
	(€ in millions, except ratios)
Adjusted Run-Rate EBITDA[1]	176.1
As adjusted net debt[2]	1,291.0
As adjusted financial expense[3]	81.8
Ratio of as adjusted net debt[2] to Adjusted Run-rate EBITDA[1]	7.3x
Ratio of Adjusted Run-rate EBITDA[1] to as adjusted financial expense[3]	2.2x

(1) "**Adjusted Run-rate EBITDA**" is defined as EBITDA of the Group from continuing operations (excluding pre-opening costs), as adjusted for the full-period effect of Burger King restaurants newly opened, converted or temporarily closed for conversion during the relevant period as if they had been operational during the entire twelve-month period. Neither Adjusted EBITDA nor Adjusted Run-rate EBITDA is a recognized measure of financial performance or liquidity under IFRS. Adjusted EBITDA and Adjusted Run-rate EBITDA are not indicative of our historical operating results, nor are they meant to be predictive of potential future results. See "*Presentation of Financial and Other Information—Non-IFRS Financial Information*".

The table below sets forth our Adjusted Run-rate EBITDA for the twelve months ended August 31, 2021 and a reconciliation of Adjusted Run-rate EBITDA to EBITDA.

	For the twelve months ended August 31, 2021
	(€ in millions)
Adjusted EBITDA (continued activities) for the twelve months ended August 31, 2021[a]	161.2
Restaurant EBITDA of the Burger King restaurants opened or converted during the Run-Rate Period, and which generated EBITDA during the year ended August 31, 2021[b]	(10.9)
Estimated restaurant EBITDA of the Burger King restaurants opened or converted during the Run-rate Period[c]	26.5
Restaurant EBITDA of former Quick restaurants converted, definitively closed or disposed[d]	(2.2)
Restaurant EBITDA of the restaurants which changed their operating model during the Run-rate Period[e]	0.3
Change in lease management rates of Franchise Restaurants[f]	1.2
Run-rate impact	**14.9**
Adjusted Run-rate EBITDA	**176.1**

We calculate Adjusted Run-rate EBITDA in the following manner:

(a) Represents the Group's LTM Adjusted EBITDA as of August 31, 2021, excluding the EBITDA generated by discontinued activities as the starting point of the Adjusted Run-Rate EBITDA calculation.

(b) Represents the restaurant operating EBITDA of the Burger King restaurants that were either opened or converted during Run-Rate Period, and which generated an EBITDA during the twelve months ended August 31, 2021.

(c) Represents the restaurant operating EBITDA of the Burger King restaurants that were opened or converted during the Run-rate Period as if they were operational during a twelve-month period. To do so, we calculate an estimate of the sales that would have been generated in a twelve-month period as an estimated ARS of €2.8 million (which is in line with the €2.8 million of ARS we generated for the twelve months ended June 30, 2021). We then apply this ARS to the restaurants in the sample by applying a cost margin or EBITDA margin, as applicable, to the estimated ARS based on the type of restaurant included in the sample, as follows:

Company Restaurants: for the four new Burger King Company Restaurants opened or converted in the sample, we apply a cost margin to the estimated ARS, calculated on the basis of the actual restaurant costs of the entire Burger King Company Restaurant network; and

Franchise Restaurants: for the 62 new Burger King Franchise Restaurants opened or converted in the sample, we apply an EBITDA margin to the estimated ARS, calculated on the basis of the underlying franchise arrangement of each model, *i.e.*, brand royalties for Pure Franchise Restaurants (representing the net amount collected after BK Europe's royalties); and brand royalties and lease and business asset fees for Franchise with Lease Management Restaurants (representing the net amount collected after BK Europe's royalties plus the net amount collected in lease and business asset fees after payments to landlords).

(d) Represents the restaurant operating EBITDA of former Quick restaurants that were either converted into Burger King restaurants, definitively closed or disposed as of August 31, 2021, and which generated an EBITDA during the twelve-month period ended August 31, 2021.

(e) Represents the restaurant operating EBITDA of any restaurants that changed their operating model during the Run-rate Period, and then estimate their restaurant EBITDA as if they had their new operating model during a twelve-month period. The new EBITDA restaurant estimations are calculated on the basis of the assumptions underlying the EBITDA estimations for each operating model described under the third step above. Based on the changes to their operating models during the period, we applied these calculations to three Burger King Company Restaurants which transferred into a Franchise Restaurant under Lease Management.

(f) Represents, in order to account for contractual changes in lease management rates for our Franchise Restaurants (*i.e.*, as a result of progressive rates applied according to the year of openings), the amount of franchise revenues generated by the lease management rate of these franchise restaurants with changed lease management rates during the twelve months ended August 31, 2021, and then apply the lease management rates under the current franchise agreements as of August 31, 2021

Adjusted Run-rate EBITDA is not intended to be a projection, estimate or guarantee of performance regarding Adjusted EBITDA generation for the year ending December 31, 2021 or any other future period which may be affected by definitive closures of Quick restaurants, the phasing out of the novelty effect and the pace of conversions (including the length of temporary closures required for conversion). Moreover, prospective investors should note that the increase in Adjusted EBITDA modeled by Adjusted Run-rate EBITDA for new restaurant openings and conversions may be offset, to a degree that will vary on the circumstances, by a number of factors, including but not limited to the performance of the remaining Quick network.

Investors should note that EBITDA is not uniformly or legally defined and is not a recognized indicator under IFRS. Other companies in the QSHR category may calculate EBITDA differently, make different adjustments or employ other run-rate estimations, and consequently our presentation of these figures may not be readily comparable to other companies' figures and must be read in conjunction with the discussion of gross margin, operating profit and operating cash flows included elsewhere herein and in our consolidated financial statements. The adjusted run-rate information presented herein is for informational purposes only. This information does not necessarily represent the results we would have achieved had all such newly-opened or converted restaurants been in operation for twelve months ended August 31, 2021. This information is inherently subject to risks and uncertainties and it may not give an accurate or complete picture of our financial condition or results of operations, may not be comparable to our consolidated financial statements or the other financial information included in this Listing Prospectus and undue reliance should not be placed upon it when evaluating an investment decision. See "*Presentation of Financial and Other Information—Non-IFRS Financial Information*" and "*Risk Factors—Risks Related to Our Presentation* of *Financial and Other Information—The preparation of Adjusted Run-rate EBITDA as presented in this Listing Prospectus includes certain estimates and assumptions which we consider reasonable, but we cannot assure you that we would have achieved such levels of profitability for the twelve months ended August 31, 2021 had all of our Burger King restaurants in operation or under conversion as of August 31, 2021 been in operation during such period and Adjusted Run-rate EBITDA is not a projection of future performance*". See also "*Forward-Looking Statements*" and "*Risk factors—Risks Related Our Business—Our future prospects depend on our ability to successfully implement our restaurant expansion strategy, but we may not be able to attract new franchisees or successfully develop or open restaurants*".

(2) "**As adjusted net debt**" is defined as the combined total short-term and long-term debt of the Issuers and their subsidiaries following the Refinancing, including bank overdrafts, net of as adjusted cash, assuming the Refinancing had occurred on June 30, 2021. See "*Use of Proceeds*" and "*Capitalization".*

(3) "**As adjusted financial expense**" is defined as the financial expense on the Notes and other applicable financial indebtedness of the Issuers and their subsidiaries for the twelve months ended August 31, 2021, as if the Offering had occurred on September 1, 2020 (assuming the New Revolving Credit Facility was undrawn during the entire period). As adjusted financial expense excludes charges allocated to debt issuance costs.

Average Restaurant Sales

Average restaurant sales (ARS)[1]	Year ended December 31,			Twelve months ended June 30,
	2018	2019	2020[2]	2021[2]
	(€ in thousands)			
Burger King	3,260	3,227	2,859	2,806

(1) ARS refers to the annualized monthly average sales (excluding VAT) recorded per restaurant for the given sample size calculated by (i) adding all monthly sales generated for the restaurant sample, but excluding (a) the month in which the opening of any restaurant occurred (as applicable) or (b) the month in which any restaurant has closed for more than seven days; (ii) dividing by the number of restaurant months to attain the ARS per month; and (iii) multiplying the ARS per month by 12 to annualize it. ARS is largely driven by footfall, which is in turn generated by a variety of factors, including but not limited to, location of the restaurants, product attractiveness, brand equity, consumer preferences, societal trends, general economic conditions, consumer sentiment, weather, opening hours, marketing, digital presence and promotional activity and limited time offers. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations*".

(2) To account for the impact of COVID-19 on our restaurant operations during the year ended December 31, 2020 and the six months ended June 30, 2021, we have excluded periods during which restaurants were closed. However, we have retained in our sample restaurants that were only partially closed or had limited operations as a result of COVID-19 related restrictions.

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should read and carefully consider the risks described below and the other information contained in this Listing Prospectus before making an investment in the Notes. Any of the following risks could materially and adversely affect our business, financial condition or results of operations and this, in turn, could adversely affect our ability to pay interest or principal on the Notes when due and cause you to lose all or part of your original investment.

The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer.

This Listing Prospectus includes forward-looking statements that involve risks and uncertainties and our actual results may differ substantially from those discussed in these forward-looking statements. See "*Forward-Looking Statements*".

Risks Related to Our Business

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

The COVID-19 outbreak and spread of the virus globally has adversely affected global macroeconomic conditions and spurred an economic downturn that has led to increased unemployment, lack of real wage increases and static or falling benefits, which have, in turn, negatively impacted consumer confidence and generally fostered more price conscious spending, including in France.

COVID-19 has had a significant impact on our operations, including by requiring us to manage the numbers of customers in our restaurants, reduce or temporarily close the operation of certain of our restaurants following evolving guidelines or orders by the French government, invest in protective and other safety equipment and increase our reliance on home delivery and Click & Collect purchase options. We have also faced the risk of product delivery delays or shortages as suppliers adapted to government-mandated restrictions. Further, as a result of the pandemic and government-imposed lockdown restrictions, consumers' expectations with regard to eating out, particularly with regard to safety and convenience, have changed. For example, the pandemic significantly accelerated the trend of consumer reliance on food delivery options. If consumers' heavy reliance on delivery services continues and if the trend towards a long-term increase in delivery services compared to pre-pandemic levels is confirmed, even upon the easing of pandemic restrictions, we may continue to face in the longer-term the inherent risks associated with delivery services. See "*—Our business is affected by changes in consumer preferences and perceptions*" for a description of the risks associated with a sustained level of increased delivery activity.

As from March 2020, as a response to COVID-19, we complied with government-mandated shutdowns of restaurants, country-wide lockdowns and safety measures across all our operations in France. As a result of the first lockdown in France, a large majority of our restaurants were shut down from March 17, 2020 through the end of April 2020, after which we underwent, and are still undergoing, a period of gradual and progressive reopening of all our restaurants. We currently only have three remaining restaurants that have not yet reopened: two of which are located in airports, one of which is located in a train station and one of which is located at La Cité des Sciences in Paris and is scheduled to reopen in the short term. During the second lockdown, which was followed by a nationwide curfew, we were able to keep most of our restaurants open, however we experienced reduced sales as a result of the lockdown restrictions. In addition, the French government announced a range of measures to support businesses affected by COVID-19. However, due to the size of our Group, we are limited in the government aid we can receive and, even when we are able to obtain such governmental aid, its impact is usually limited.

To support our franchisees throughout the evolution of these restrictions, and in order to allow our franchisees to resume their operations following the first lockdown of 2020, we agreed to implement certain temporary royalty adjustments, which resulted in reduced revenues from our franchisees during this period. Further, as lessors of the restaurant premises under our Company Restaurants and Franchise with Lease Management Restaurants, we were forced to renegotiate certain of our leases with the landlords of such restaurants as their revenues decreased during this period. See "—*We are subject to risks associated with leasing substantial amount of space, including future increases in occupancy costs*" for a description of the potential long-term impacts of such exceptional lease renegotiations with our landlords.

Despite ongoing vaccination rollouts, COVID-19 outbreaks remain prevalent around the world as new, more contagious strains of the virus emerge. Beginning at the end of July 2021, France has mandated the health pass (*pass sanitaire)* system, whereby individuals seeking to access a number of public locations, including as of August 9, 2021, restaurants, malls and long-distance public transportation, must provide proof of vaccination status or present a negative COVID-19 test. The initial enforcement of the health pass in August 2021 has had an initial negative impact on our sales which has since decreased. We cannot predict whether such an impact will continue in the future and there remains significant uncertainty around the breadth and duration of business disruptions related to COVID-19. For example, following the COVID-19 outbreak, the restaurant industry has experienced difficulty in recruiting and retaining employees. This challenging recruitment environment may be further burdened in the short-term by the national requirement since August 30, 2021 for all employees working in contact with the public, which includes our in-store employees, to provide their employers with a valid health pass.

The extent to which COVID-19 impacts our results of operations will depend on the ongoing development of the virus, which is highly uncertain and cannot be predicted. Any future mandatory shutdowns, reductions in operations or other restrictions could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot predict whether such challenging economic conditions will have any long-term effects on consumer confidence, our prices and input costs, demand for dining out experiences or volatility of raw material prices, nor can we predict if the state of the global economy will deteriorate further or when it will improve at a consistent rate. These factors may therefore continue to adversely affect our business, financial condition and results of operations. Further, following the COVID-19 pandemic, most insurance companies have begun to exclude pandemics from their insurance coverage of operating losses. To the extent we renew our insurance coverage or face a subsequent pandemic, our insurance coverage of the negative impact of the COVID-19 pandemic (or other pandemics) on our operating losses would no longer be subject to coverage.

Any of the foregoing risks could materially and adversely affect our business, financial condition and results of operations. To the extent COVID-19 continues to adversely affect general economic conditions or our business, operations, financial condition or operating results, it may also have the effect of heightening one or several other risks described in this "*Risk Factors*" section. For more details on how COVID-19 has impacted, and may continue to impact, our business, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Impact of the COVID-19 pandemic".*

We operate in a highly competitive industry, and our business and financial results may be adversely affected by actions of our competitors and our failure to respond to competitive pressures.

The restaurant industry in France is highly competitive. We compete primarily with other well-established international fast food restaurant chains and franchises (such as McDonald's, our main competitor with a dominant market share), as well as other regional and local QSR restaurants on the basis of product choice, quality, affordability, service, location and the nature and condition of the restaurants in our network.

The restaurant industry has few barriers to entry for opening one or numerous points of sale and therefore new competitors may emerge at any time. We may lose market share to well-established companies such as McDonald's. Other international and national QSR chains such as KFC and Subway may also take market share as they expand in France, and new chains may enter the market. We also compete with QSR restaurants that focus on sandwiches or offer alternative menus, such as Paul, Brioche Dorée, Exki and Prêt à Manger as well as "fast casual" restaurants. Lastly, we also compete with certain segments of the food industry, such as convenience stores, delicatessens and prepared food counters in grocery stores as well as online food options from our competitors through ordering services platforms such as Deliveroo, Uber Eats and Just-Eat. Our ability to compete depends on our ability to expand our network and continue to modernize and refurbish certain of our existing restaurants, develop and roll-out new products and product line extensions, effectively respond to consumer preferences, manage the complexity of our restaurant operations and franchisee network as well as the impact of our competitors' actions, and maintain our customer's perception of the quality and value of our products.

The Burger King brand, which returned to France in 2012, is a relatively new brand compared to our main competitor, McDonald's, which has been present in France since the 1970s and has a more established market presence, with more than three times as many restaurants and substantially greater financial resources than we do. See "*—Our main competitor has a substantially larger network than we do, and therefore we may be at a disadvantage in competing with it*".

In addition to competing for customers, we also compete for franchisees, management personnel and employees. Our competitors may be able to offer greater resources and benefits to their franchisees (for example, in terms of lower franchise royalties, advertising programs, greater training and more extensive franchise support), as well as better salaries, compensation and benefits to their management personnel and employees, all of which may enable them to attract and retain franchisees, management personnel and employees more effectively than we can. The market for suitable restaurant locations is also highly competitive and QSR companies, restaurant chains and other retail companies compete for prime real estate sites. As a result of their size advantage and/or their greater financial resources, some of our competitors may have the ability to negotiate more favorable commercial lease terms than we can, and some landlords and developers may offer priority or grant exclusivity to some of our competitors for desirable locations. As a result, we may not be able to obtain leases for new restaurants or renew leases for existing restaurants on acceptable terms, if at all, which could adversely affect our business, results of operations and financial condition.

Furthermore, to the extent that one of our existing or future competitors offers items that are better priced or more appealing to consumer tastes, increases the number of restaurants it operates in one of our key markets, rebrands its restaurant portfolio to better enhance the restaurant experience or has more effective advertising and marketing programs than we do, our revenue and those of our franchisees could be adversely affected. If we are unable to maintain our competitive position, we could experience downward pressure on prices, lower demand for our products, reduced margins, the inability to take advantage of new business opportunities and the loss of market share, which could adversely affect our business, results of operations and financial condition.

Our main competitor has a substantially larger network than we do, and therefore we may be at a disadvantage in competing with it.

Our main competitor, McDonald's, through its French master franchisee, is a well-established branded chain and has substantially greater financial resources, higher revenue and greater economies of scale than we do. According to the NPD Group, McDonald's had a market share of 69% in the QSHR category of the QSR segment for the first quarter of 2021 based on the SWS of burgers. Its significantly greater size may enable McDonald's to negotiate lower prices than we can from our suppliers (for example, in respect of raw materials) or better absorb increases in its cost base (for example, due to inflation of raw material prices and increases in labor, rental and other operating costs). McDonald’s also has a denser network of restaurants in France than Burger King, with approximately 1,500 restaurants (as of June 2021) for McDonald’s, compared to 412 restaurants (as of June 2021) for Burger King (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion). These competitive advantages may enable it to react to changes in pricing more quickly and more effectively than we can. McDonald’s can and does spend significantly more on advertising, marketing and other promotional activities than we do, which may give it a competitive advantage through higher levels of brand awareness among consumers. In addition, McDonald’s and other competitors may be able to deploy greater resources in order to accelerate restaurant openings and refurbishment efforts, to rapidly expand their offer of new products or to implement aggressive product discounting, all of which could give them a competitive advantage over us and could therefore adversely affect our business, results of operations and financial condition.

Under challenging economic conditions, the competitive advantages resulting from greater financial resources and economies of scale may intensify, thereby permitting McDonald’s or other competitors to gain market share. If we are unable to maintain our competitive position, we could experience downward pressure on prices, lower demand for our products, reduced margins and revenue from Company Restaurants and royalty payments from Franchise Restaurants, the inability to take advantage of new business opportunities and the loss of market share, all of which could adversely affect our business, results of operations and financial condition.

Our business depends on the health of the French economy as the sole country in which we operate.

Our revenue and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence, particularly in the communities where our restaurants are located. Because our restaurants are exclusively located in France, any deterioration in the French economy could have a significant effect on our overall business, results of operations and financial condition. According to INSEE, French GDP grew at only 1.9% in 2018 and 1.8% in 2019, followed by a significant drop of 7.9% in 2020, which is mainly attributed to the impact of the COVID-19 pandemic. While French GDP slightly rose in the first quarter of 2021 by 0.4%, a rebound to pre-pandemic levels may take longer than anticipated as the health crisis evolves, which could translate in a slow recovery of consumer confidence and therefore in lower consumption levels. Significant events such as sustained impact to the French economy as a result of the ongoing health crisis and political uncertainty tied to upcoming elections in France and other EU member states, could result in the implementation of strong protectionist measures and may affect the recovery of the Eurozone, including the French economy or lead to additional exits from the EU or the Eurozone. Furthermore, potential EU instability may have important consequences on our ability to obtain supplies from other EU countries at reasonable costs. A sustained economic downturn could cause our suppliers difficulty in accessing financing, which could lead to insolvency or general decline in the financial condition of our suppliers resulting in disruptions in our supplies. The occurrence of any of the foregoing could adversely affect our business, results of operations and financial condition.

Our business, results of operations and financial condition can be adversely affected by unforeseen events, such as pandemics, terrorist attacks, natural disasters or catastrophic events.

Unforeseen events, such as terrorist attacks, public health crises, such as pandemics and epidemics, natural disasters, sustained episodes of inclement weather or other catastrophic events can adversely impact our and our franchisees’ restaurant sales and may discourage our customers from dining out, thereby reducing footfall to our and our franchisees’ restaurants. For example, both Burger King’s results of operations for the year ended December 31, 2015 were adversely affected by the terrorist attacks in Paris. Such events, even when outside of France, could dampen consumer spending among French consumers, reduce footfall and prevent us from operating our restaurants at peak capacity or cause disruptions to our supplies. Because a significant portion of our restaurants operating costs is fixed or semi-fixed in nature, the loss of revenue following such events harms our operating margins and can result in restaurant operating losses.

In addition, other developments, such as strikes, boycotts, traffic blockades, both nationally and in areas in which our restaurants operate, social and economic instability, civil disturbances, government-imposed lockdowns, or similar events, could adversely affect our business, results of operations and financial condition. For example, our operations in France were most impacted by the Yellow Vests (*Gilet Jaune*) protests, which caused intermittent traffic blockades and transportation disruptions, particularly in downtown areas, limiting foot traffic and access to our restaurants, during the period from roughly November 2018 through early 2019. Any similar events in the future could have a material impact on our business, results of operations and financial condition.

We hold a master franchise for the Burger King trademarks and trade names in France and are therefore highly dependent on our franchisor.

In 2013, we entered into the twenty-year Master Franchise Agreement with BK Europe, the duration of which has since been amended in the context of the COVID-19 pandemic to extend for an additional year through December 31, 2034, pursuant to which we have the exclusive right to use certain trademarks and trade names associated with Burger King in France, open and operate Burger King Company Restaurants and select and offer sub-franchisees the right to operate such restaurants. We do not own the Burger King brand, and we are therefore highly dependent on our franchisor, BK Europe and its ultimate parent, Burger King Corporation ("**BKC**"). Moreover, the Master Franchise Agreement contains certain customary undertakings, and failure to reach certain restaurant opening milestones may result in fines or early termination in certain circumstances (*e.g.*, failure to reach pre-determined new restaurant opening targets or to pay royalties when due). If the Master Franchise Agreement were terminated, all rights granted to Burger King France under the Master Franchise Agreement (including the development rights) shall terminate, and BK Europe and/or its designee may develop, open and operate, and approve third parties to develop, open and operate, Burger King restaurants in France. As a consequence, we would not be able to continue to expand our network and realize our anticipated economies of scale as a master franchisee in France, although our rights and obligations under the then existing company franchise agreements shall remain unaffected solely by reason of such termination, and that any then existing franchise agreements (whether pure franchise or with management lease) shall remain in full force and effect and we shall be able to continue receiving payments thereunder until their respective terms. The early termination of the Master Franchise Agreement with BK Europe could adversely affect our business, results of operations and financial condition.

We cannot control or influence the actions of our master franchisor, and our master franchisor may take actions that could harm us. For example, BK Europe may at any time have economic, business or legal interests or goals that are inconsistent with ours. Certain actions taken by BK Europe, including those involving the Burger King brand, may adversely affect our business operations such as BKC requiring its franchisees to adopt a product offering that we do not believe would be popular with consumers in France. Moreover, if BK Europe does not adequately protect the Burger King brand and other intellectual property rights, our competitive position, business, results of operations and financial condition could be adversely affected.

Additionally, pursuant to the Master Franchise Agreement with BK Europe, we are required to comply with operational programs established by our master franchisor. For example, the Master Franchise Agreement requires that our restaurants comply with specified design criteria. In addition, our master franchisor generally has the right to require us to remodel our restaurants to conform to the then-current image of Burger King, which may require the expenditure of considerable funds. Failure to conform to these requirements could constitute a breach of the Master Franchise Agreement, which could adversely affect our competitive position, business, results of operations and financial condition.

See "*Business—Our Business—Restaurant operations—Franchise Restaurants*".

Our success is directly related to the success of the Burger King brand worldwide.

As a master franchisee, our success is, to a large extent, directly related to the success of the Burger King brand, including the financial condition, advertising programs, new product development, overall quality of operations of the BKC group and the successful and consistent operation of Burger King restaurants by other franchisees in other countries, over which we have no control. We cannot assure you that the Burger King brand will be able to compete effectively with other well-established international QSR chains. As a result, any impairment of the brand or adverse publicity anywhere in the world could adversely affect our business, results of operations and financial condition.

Food safety, food-traceability, food-borne illness and hygiene-related concerns, including failure by third-parties and us to supply or handle food products in compliance with food safety regulations or our requirements, may adversely affect our business, results of operations and financial condition.

Food safety, food-traceability (including in respect of product origins, freshness and conditions of preservation through the supply chain) and hygiene are top priorities, and we dedicate substantial resources to ensure that our customers enjoy safe, quality food products in a clean environment. However, food-borne illnesses, such as E. coli, bovine spongiform encephalopathy or "mad cow disease", hepatitis A, trichinosis or salmonella, and food safety issues have occurred in the food industry in the past, and could occur in the future. New illnesses resistant to existing precautions or diseases with long incubation periods may develop in the future, such as mad cow disease, which could give rise to claims or allegations on a retroactive basis. Risks to the health of our customers can arise from our supply and logistics chain, which we do not control, and at our Company Restaurant and Franchise Restaurant locations. We rely on third party food suppliers, distributors, logistics and warehousing partners to supply ingredients used in the preparation of the meals we sell, including sauces, meat and fresh produce. Although such third parties are subject to regulations, including food safety and environmental regulations, such regulations may not prevent such third parties from experiencing problems related to food safety and hygiene. As a result, our reliance on third party food suppliers, distributors, logistics and warehousing partners increases the risk that food-borne illness incidents could be caused by factors outside of our control and that multiple locations would be affected rather than a single restaurant. In addition, although we maintain operational controls and provide employee and franchisee training at our Company Restaurants and Franchise Restaurants aimed at preventing food-borne illnesses, food tampering and other food safety issues, we can provide no assurance that these measures will be sufficient.

Any report or publicity linking us, one of our franchisees or Burger King restaurants in other countries to instances of food-borne illness or other food safety issues, including food tampering or contamination, could adversely affect the Burger King brand, along with our revenue and profits. Outbreaks of disease, including influenza, or the continued emergence of COVID-19 variants, could reduce footfall in our restaurants. If customers were to become ill from food-borne or hygiene-related illnesses, we could also be forced to temporarily close some restaurants and, more significantly, the Burger King brand and reputation could be damaged, which could result in a decline in sales, thereby negatively affecting our business, results of operations and financial condition. Additionally, failure by any of our third party food suppliers, distributors, logistics and warehousing partners to comply with regulations, allegations of compliance failure, claims of intentional or negligent contamination of ingredients and raw materials or prolonged and intense negative publicity may disrupt their operations and result in a disruption of our food supply. Disruption of our third party food suppliers, distributors, logistics and warehousing partners' operations could in turn reduce or impair our supply of ingredients or other raw materials, which could have a material adverse effect on our business, financial condition and results of operations. In addition, instances of food-borne illness, food tampering or food contamination occurring at restaurants of competitors could also adversely affect our business, results of operations and financial condition as a result of negative publicity about the foodservice industry generally.

The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of ingredients, which could result in supply chain disruptions, significantly increasing our costs and/or lowering margins for us and our franchisees. In addition, our industry has long been subject to the threat of food tampering by suppliers, employees or guests, such as the addition of foreign objects in the food that we sell. Reports of alleged injuries caused by food tampering have in the past severely injured the reputations of restaurant chains in the QSR segment and could negatively affect us in the future as well.

In addition, the QSR industry is currently under heightened journalistic, legislative and regulatory scrutiny stemming from the perception that some QSR products have contributed to widespread medical problems, such as obesity and diabetes. Compliance with consumer health laws and regulations, such as those regarding the ingredients and nutritional content of our menu items, may be costly and time-consuming. Additionally, if such laws and regulations change significantly, we may be required to modify or discontinue certain menu items, and we may experience higher costs associated with the implementation of those changes. We cannot make any assurances regarding our ability to effectively respond to changes in consumer health regulations or our ability to successfully implement the nutrient content disclosure requirements and to adapt our menu accordingly. The imposition of menu-labeling laws could have an adverse effect on our business, results of operations and financial conditions, as well as on the QSR industry in general.

Increasing scrutiny and changing expectations from stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.

Companies across all industries are facing increased scrutiny from stakeholders related to their ESG practices. Investor advocacy groups, certain institutional investors, investment funds, other influential investors, lenders and other market participants are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments and consumer choices. Regardless of the industry, investors' increased focus related to ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Companies which do not adapt to or comply with investor or other stakeholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or stock price of such a company could be materially and adversely affected.

We have adopted certain practices and policies to align our ESG approach with our strategy in order to deliver long-term social, environmental and economic values across our business. See "*Business—ESG & Sustainability*". However, our stakeholders may look to us to implement more or different ESG procedures, standards or goals in order to continue engaging with us, to remain invested in us, or before they make further investments in us. We may also face increasing pressures from investors, lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. We are also subject to evolving environmental regulations, the implementation of which may be costly and time-consuming. See "*—We are subject to health, safety and environmental regulations, which could result in increased costs and fines, as well as the potential for damage to our reputation*". As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors and lenders remain invested in us and make further investments in us. Additionally, we may face reputational challenges in the event our ESG procedures or standards do not meet the standards set by certain constituencies or such constituencies might not be satisfied with our efforts or the speed of adoption of ESG practices or polices. If we do not meet our stakeholders' expectations or we are not effective in addressing social and environmental responsibility matters or achieving relevant sustainability goals, trust in our brand may suffer and our business and/or our ability to access capital could be harmed.

These limitations in both the debt and equity capital markets may affect our ability to grow as our plans for growth may include accessing such capital markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our business, financial condition and results of operations and may also impair our ability to service our indebtedness. Further, it is likely that we will incur additional costs and require additional resources to monitor, report and comply with wide-ranging ESG requirements. Concurrently with the Offering, on the Issue Date we plan to enter into the New Revolving Credit Facility Agreement, which will be a sustainability-linked financing. As a result, we will be required to maintain our sustainability targets in order to benefit from the pricing benefit associated with the sustainability-linked feature of the facility. Any failure to adhere to such targets could result in the payment of maximum amounts set forth under the terms of the financing. See "*Description of Certain Financing Arrangements—New Revolving Credit Facility*". The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Our results of operations depend on the effectiveness of our marketing and advertising programs which in turn require the support of our franchisees for their success.

The success of our Company Restaurants and our Franchise Restaurants is heavily influenced by innovative brand marketing and advertising, and depends upon the effectiveness of the advertising programs and promotions that we implement. Burger King France's marketing and advertising programs must be approved by BKC, the owner of the Burger King brand. If BKC does not approve our marketing and advertising programs, we may have to develop replacement programs, which could involve additional significant costs and delay the implementation of our marketing and advertising programs.

Moreover, if our marketing and advertising programs are not successful, if our competitors increase spending on advertising and promotion or if our marketing and advertising programs happen to coincide with a larger marketing and advertising program from one or more of our competitors thereby rendering our advertising program less visible or effective, we may not be able to attract new customers and retain existing customers and our business, results of operations and financial condition could be adversely affected.

Our Franchise Restaurants and Company Restaurants contribute to our advertising fund based on a percentage of their gross sales. As a result, our advertising fund expenditures depend on sales volumes at system-wide restaurants. If System-wide sales decline, there will be a reduced amount available for our marketing and advertising programs. However, because of the significant financial resources of our main competitors which have larger marketing and advertising budgets than we do, we may have to maintain a certain level of marketing and advertising expenditure (notwithstanding any decline in sales) in order to compete and maintain our exposure in the market. In such circumstances, our margins may be diminished, which will have a negative effect on our results of operations. In addition, our margins may also be affected if the cost of mounting advertising campaigns increases. If our marketing and advertising programs are unsuccessful or are subject to an increase in cost, our business, results of operations and financial condition could be adversely affected.

Our success depends substantially on our corporate reputation and on the value and perception of the Burger King brand.

Our success depends in large part upon our ability and our franchisees' ability to maintain and enhance the value of the Burger King brand in the eyes of our customers. Brand value is partly based on consumer perceptions of a variety of subjective qualities, some of which we may have limited or no control over. Isolated or repeated events that originate from us, our franchisees or suppliers, can significantly reduce brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, the Burger King brand could be damaged by claims or perceptions about the quality or safety of our products or the quality of our suppliers and distributors, regardless of whether such claims or perceptions are true. Similarly, entities in our supply chain may engage in conduct, including alleged human rights abuses, that damages the Burger King brand or its reputation. Any such incidents could cause a decline in consumer confidence in, or negatively affect the perception of, the Burger King brand and/or our products and decrease the value of our brands as well as consumer demand for our products, which could result in lower revenue and profits. Additionally, our corporate reputation could suffer from a real or perceived failure of corporate governance or misconduct by a company officer or representative.

Our inability to control our franchisees may limit our ability to implement our strategic initiatives and could adversely affect our business, results of operations and financial condition.

As of June 30, 2021, approximately 83% of our Burger King restaurants were Franchise Restaurants under our Burger King brand (compared to 75% as of December 31, 2018) and approximately 17% of our Burger King restaurants were Company Restaurants (compared to 25% as of December 31, 2018). As such, we derive a significant portion of our revenue from Franchise Restaurants. Revenue from Franchise Restaurants consists of brand royalties and rent under Franchise with Lease Management agreements, each calculated on the basis of a percentage of sales. Consequently, our results of operations depend substantially upon our franchisees' sales volumes. Our franchisees are independent operators and, while we can mandate certain operational standards and procedures through the enforcement of our franchise agreements, we may not be able to quickly respond to franchisees that do not uphold these standards. In addition, we cannot prevent our franchisees from incurring indebtedness or conducting other businesses that could adversely affect their financial viability, nor can we control many other factors that impact the profitability of our Franchise Restaurants. Furthermore, franchisees may be less directly interested in preserving or enhancing the Burger King brand and reputation than we are. Franchisees may operate their restaurants in a manner inconsistent with our standards and requirements, such as the cleanliness, service or quality standards set forth in our franchise agreements and manuals, or standards set by governmental laws and regulations. In addition, franchisees may fail to adequately hire and train qualified managers and other restaurant personnel. While we ultimately can terminate franchisees that do not comply with the terms and conditions of our franchise agreements, our brand and reputation may nonetheless suffer and our franchise business, results of operations and financial condition could be adversely affected.

The support of our franchisees is important for the success of our promotional activities and the strategic initiatives that we seek to undertake, and the successful execution of these initiatives will depend on our ability to maintain alignment with our franchisees. While we can generally mandate certain strategic initiatives through enforcement of our franchise agreements, we need the active support, as well as the managerial competence and, in certain cases, the financial ability, of our franchisees if the implementation of these initiatives is to be successful. In addition, our efforts to secure alignment with franchisees may result in a delay in the implementation of our promotional activities and other key initiatives if we are not able to quickly obtain franchisee commitment and support. If a significant number of our franchisees are unwilling or unable to participate in the implementation of strategies that we believe are necessary to promote further growth, our business, results of operations and financial condition could be adversely affected.

Our franchisees may not be willing or able to renew their franchise agreements with us.

We enter into two types of agreements with our franchisees: traditional franchise agreements ("**Pure Franchise**") and franchise with lease management agreements ("**Franchise with Lease Management**"). See "*Business—Our Business—Restaurant operations—Franchise Restaurants—Types of franchise arrangements*". These agreements have a typical duration of nine years (renewable under certain conditions) for Franchise with Lease Management and ten years (renewable under certain conditions) for Pure Franchise. Our franchisees who have entered into such agreements to operate one or several Burger King restaurants may be unwilling or unable to renew their franchise agreements with us for a number of reasons, including low sales volumes, high rental costs, lack of profitability or a desire to retire. If our franchisees cannot, or decide not to, renew their franchise agreements with us, we will have to find a replacement franchisee to operate their restaurants or otherwise operate them as Company Restaurants. If a substantial number of franchises are not renewed, our business, results of operations and financial condition could be adversely affected.

Further, the European Commission is currently contemplating amendments to its Regulation (EU) 330/2010, Vertical Block Exemption Regulation, (the "VBER") which provides parameters for businesses entering into vertical agreements and published for public consultation a draft VBER and draft revised guidelines on vertical restraints (the “Vertical Guidelines”) on July 9, 2021. The proposed amendments, provide that an exemption of Article 101 (1) of the Treaty on the Functioning of the European Union shall apply to vertical agreements, in the event competing supplier and buyer have an aggregated market share, which does not exceed 10% in the relevant market at retail level. In the event competing supplier and buyer have an aggregated market share exceeding 10% (and not above 30%), the exemption shall also apply, except for exchange of information between the parties. Such amendments, if adopted, would necessarily concern franchisors. Indeed, whilst engaging in dual distribution is not prohibited, specific attention should be given to the way a “supplier” who has set up a dual distribution system operates, in particular regarding the exchange of information with distribution partners. To address these concerns, the European Commission already proposed to make some adjustments to the existing safe harbor for dual distribution.

Following the publication of the draft VBER and draft Vertical Guidelines, most of the parties expressed the view that “franchising” should be more precisely defined at the EU level and in the context of the VBER, so as to mitigate the possible effects of the contemplated amendments on information-sharing in the franchise system. The timeline for the final adoption of the revised VBER and Vertical Guidelines is now expected on June 1, 2022. In the event the amendments would pass as proposed, without further clarification, we will need to potentially modify our sharing of certain sensitive information across our network and, if necessary, pass the exemption test. Such amendments, if adopted, should be taken into consideration for our franchise network, if the latter qualifies as a dual distribution system where a “supplier” not only sells its goods or services through independent distributors (such as retailers) but also directly to end customers in direct competition with its independent distributors. In the event the market share threshold is met, adequate measures, such as Chinese walls, would need to be implemented in franchise networks, including ours, to frame the exchange of competitively sensitive information (such as prices, customers or sales volumes) with distribution partners, which are competitors on the retail level.

If adopted, such amendments could create an area of legal uncertainty and require burdensome internal procedures that could be detrimental to the development of franchised brands. Such difficulties could have the impact of dissuading us or our franchisees from using our existing distribution model, which could negatively impact the size of our franchise network, and as a result, our business, results of operations and financial condition

We are subject to risks associated with leasing substantial amount of space, including future increases in occupancy costs.

We currently lease the premises for all our Company Restaurants and Franchise with Lease Management Restaurants. Leases are generally for a fixed term between nine and twelve years and feature periodic increases based on indexation clauses. In addition, market practice for leasing commercial space in certain high value areas such as central Paris requires the payment of key money to lessors and/or the former tenant.

Our ability to effectively renew our existing restaurant leases or obtain restaurant leases to open new restaurants depends on the availability of locations that meet our criteria for traffic, square footage, lease economics, demographics and other factors. We may not be able to renew our existing restaurant leases on favorable terms or at all, including, for example, when the landlord is able to establish statutory grounds for non-renewal or if the leases do not have the benefit of statutory or contractual rights of renewal. In addition, as a result of the COVID-19 pandemic, we were forced to renegotiate certain of our leases with our landlords. See “*—Our business, financial condition and results of operations have been and may continue to be, adversely affected by the COVID-19 pandemic or other similar pandemics*”. This renegotiation may have an impact on our future leasing transactions moving forward as landlords who operate in the retail space may impose higher rents or new and stringent conditions that would prevent losses like those sustained as a result of pandemic-related lease renegotiations. We typically occupy our restaurants under operating leases with terms of nine to twelve years. Any favorable rental rates that we are able to negotiate upon entering such leases in the years when there are high vacancy rates are not guaranteed to continue, and this may force us to pay higher rents once those leases expire or restaurants are closed in desirable locations. In addition, under French law, the maximum increases in rent imposed by law do not apply to leases with a term in excess of nine years.

For the twelve months ended June 30, 2021, leasehold and occupancy costs represented approximately 14% of our revenue; however, as we expand our restaurant base, our lease expenses and our cash outlays for rent under the lease agreements will increase. Our substantial operating lease obligations could have significant negative consequences, including:

- requiring that a substantial portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes;

- increasing our vulnerability to general adverse economic and industry conditions;

- limiting our flexibility in planning for or reacting to changes in our business or in the industry in which we compete; and

- limiting our ability to obtain additional financing.

If an existing or future Company Restaurant or a Franchise with Lease Management Restaurant is not profitable and we decide to close it prior to expiration of the relevant lease, we would still be liable for the fulfillment of the obligations under the lease. In the event we decide to close any underperforming restaurant, we would have to renegotiate the terms of the lease agreement with the landlord for the remainder of the term of the lease and/or potentially assign or sub-lease the premises to a third-party. For additional information regarding our real estate, see "*Business—Real Estate*".

Increases in input costs, such as ingredients, packaging materials and fuel, or shortages or interruptions in the availability of these supplies, could adversely affect our results of operation.

The primary raw materials that we use are beef and chicken. Plastic and paper for packaging materials are also significant components of our cost of sales. See "*Business—Group Operations—Procurement and logistics—Raw materials supply*". The prices of many of our raw materials are affected by fluctuations in commodities markets, governmental agricultural policies, customs barriers, food safety warnings, the operations of suppliers, political upheavals and unforeseen events, such as severe weather conditions. We are required to source raw materials from BKC-approved suppliers. In the event of a supply disruption, a rise in commodities prices or other adverse event that affects our sources our food or logistics costs could materially increase. In addition, BKC may choose not to certify any additional suppliers that we may find in order to diversify our raw material sourcing or to replace our existing suppliers, or such certifications may take longer than anticipated to obtain. Furthermore, our existing or future suppliers may not maintain their compliance with BKC's standards in order to maintain such certification. Certain of our restaurants may have difficulty locating suppliers that meet the certification requirements. Any difficulty in locating an adequate number of such certified suppliers could affect these restaurants' market position which could adversely affect our business, results of operations and financial condition. In addition, we and our franchisees are dependent on third parties that can make frequent deliveries of perishable food products that meet our specifications. Any disruption in such regular deliveries could materially impact our business. In addition, the COVID-19 pandemic has resulted in a number of closed borders with countries outside of the European Union, where a minority of our suppliers are located. Such customs barriers could have an adverse impact on our deliveries, therefore negatively impacting our business, results of operations and financial condition. Our ability to pass through any increase in raw material costs to our customers depends upon competitive conditions and pricing methods in France. If supplies of these materials become scarce or prices otherwise increase significantly and remain high for an extended period of time, there can be no assurance that we would be able to pass on any or all of the effects of such price increases to our customers, which could adversely affect our business, results of operations and financial condition.

Increases in labor costs could adversely affect our business, results of operations and financial condition.

We are a labor intensive business, directly employing 2,695 full-time equivalent employees (excluding Quick's operations and excluding franchisees employees) as of June 30, 2021. Consequently, our success depends in part on our ability to manage our labor costs and its impact on our margins. In this respect, we have to continuously monitor the productivity levels of our employees by measuring a variety of productivity indicators, such as number of tickets per working hour and sales revenue per working hour. In addition, we seek to minimize the long-term trend toward higher wages through increases in labor efficiencies; however, we may not be successful.

Furthermore, we must continue to attract, motivate and retain regional operational and restaurant general managers with the qualifications to succeed in our industry and the motivation to apply our core service philosophy. If we are unable to continue to recruit and retain sufficiently qualified managers or to motivate our employees to sustain high service levels, our business and our growth could be adversely affected. Our success depends on our ability to attract, motivate and retain a sufficient number of qualified employees to work in restaurants, as well as restaurant managers and supervisors. Qualified individuals of the requisite caliber and number needed to fill these positions are in short supply. Following the COVID-19 outbreak, we have experienced a number of additional difficulties in recruiting and retaining employees, in particular due to prospective employees' perception of the restaurant industry as requiring long hours and difficult working conditions. The recruitment process may be further burdened by the mandatory health pass requirement from August 30, 2021. See "*—Our business, financial condition and results of operations have been and may continue to be, adversely affected by the COVID-19 pandemic or other similar pandemics".* The inability to recruit and retain qualified individuals may delay the planned openings of new restaurants or result in high employee turnover in existing restaurants, which could harm our business. Any increase in the minimum wage or labor regulations or protracted renegotiations of the restaurant industry collective contract in France could also increase our labor costs. Additional labor costs could adversely affect our and our franchisees' business, results of operations and financial condition.

Our business is affected by changes in consumer preferences and perceptions.

The restaurant industry is affected by consumer preferences and perceptions. If we fail to continue to offer and create appealing menu items, we may not be able to sustain or increase customer traffic. Moreover, concerns have become increasingly widespread about the health risks associated with the QSR segment. If prevailing health or dietary preferences and perceptions cause consumers to avoid our products in favor of alternative food options or if we are unable to rapidly adapt our product offering to meet the changing health or dietary preferences of consumers, our business could suffer. In addition, negative publicity about our products could adversely harm our business, results of operations and financial condition.

In recent years, numerous companies in the QSR segment have introduced products positioned to capitalize on the growing consumer preference for food products that are, or are perceived to be, healthy, nutritious and low in calories, sodium and fat content or that meet other nutritional criteria, such as gluten-free, vegetarian or vegan. Our success will depend in part on our ability to anticipate and respond to changing consumer preferences, tastes and eating and purchasing habits. In addition, consumers have increasingly relied on food delivery services. This trend has been significantly accelerated as a result of the COVID-19 pandemic. See "*Our business, financial condition and results of operations have been and may continue to be adversely affected by the COVID-19 pandemic or other similar pandemics*". Sustained consumer reliance on food delivery services could have long-term effects on our operations. In France, the food delivery service industry is predominantly concentrated among a few key players, such as Deliveroo, Uber Eats and Just-Eat. A sustained increase in our consumers' preference for food delivery could make us reliant on the few main delivery aggregators. Further, purchases made through third-party delivery aggregators require the payment of an additional fee to such third-party aggregators, increasing our overall costs. In the long-term, we may need to raise our prices to recoup the additional delivery fees, or alternatively reduce our margins. Any such eventuality could reduce our sales or have a material impact on our financial condition or results of operations.

If our competitors are more innovative than we are, if we fail to appropriately respond to changes in consumer preferences and perceptions or if prevailing health or diet preferences cause customers to avoid our restaurants in favor of foods that are perceived to be healthier, we may fail to retain existing, or attract new, customers. Any failure to retain existing, or attract new, customers could have an adverse effect on our business, financial condition and results of operations.

Our future prospects depend on our ability to successfully implement our restaurant expansion strategy, but we may not be able to attract new franchisees or successfully develop or open restaurants.

Our growth strategy is based on the expansion of our network of Burger King restaurants. As part of this growth strategy, we will continue to seek franchisees to operate new Burger King restaurants in France. We believe that our ability to recruit, train, retain and contract with qualified franchisees will be increasingly important to our operations as we expand. However, there is no assurance that we will be able to attract new franchisees and/or joint venture partners, which will affect our ability to implement our growth strategy. In addition, while we apply stringent criteria when selecting new franchisees, such as previous experience in the business and access to financial resources, there is no assurance that the franchisee will be successful.

Developing and opening restaurants involve substantial risks, including the following:

- the availability of and competition for suitable locations for potential development sites, the negotiation of acceptable lease terms, and delays in obtaining construction permits and in completion of construction;

- the impact of local tax, zoning, land use and environmental rules and regulations on our ability and the ability of our franchisees to develop restaurants, and the impact of any material difficulties or failures that we and our franchisees experience in obtaining the necessary licenses and approvals for new restaurants;

- changes in governmental rules, regulations and interpretations;

- the availability of financing, at acceptable rates and terms, to both franchisees and third party landlords, for restaurant development;

- employing and training qualified personnel;

- securing acceptable suppliers;

- developed properties not achieving desired revenue or cash flow levels once opened; and

- general economic and business conditions.

There is no assurance that we, whether through Company Restaurants or Franchise Restaurants, will be able to successfully open new restaurants or that such restaurants will generate strong sales or profits. New restaurants may be located in areas where we have little or no meaningful operating experience and, in such instances, we typically have to rely on the expertise and local knowledge of our local partners. Such markets may have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets, which may cause our new restaurants to be less successful than restaurants in our existing markets or to incur losses.

We may be unable to obtain suitable locations for new restaurants and the quality of the locations of our current restaurants may decline.

The success of our restaurants depends in large part on their locations. As demographic and economic patterns change, current locations may not continue to be attractive or profitable. Possible declines in neighborhoods where our restaurants are located or adverse economic conditions in areas surrounding those neighborhoods could result in reduced revenue in those locations. In addition, drive-through restaurants require sites with specific characteristics and there are a limited number of suitable sites available in our geographic market. Desirable locations for new restaurant openings or for the relocation of existing restaurants may not be available at an acceptable cost when we identify a particular opportunity for a new restaurant or relocation and we may face competition from other restaurant chains for the same or nearby locations. Furthermore, we may relocate or open restaurants in new areas in anticipation of future development which ultimately does not materialize. The occurrence of one or more of these events could adversely affect our business, results of operations and financial condition.

We face risks of litigation and negative publicity from customers, suppliers and employees.

We face the risk of lawsuits and negative publicity resulting from customer complaints concerning food safety, service, operations, illnesses and injuries, including injuries allegedly caused by our products, toys and other promotional items available in our restaurants, as well as illnesses or injuries resulting from the fact that we and our franchisees operate retail commercial establishments that are open to the public. In addition to decreasing our revenue and profitability and diverting our management resources, adverse publicity or a substantial judgment against us could harm our brand reputation, hindering our ability to attract and retain franchisees and grow our business, any of which could negatively impact our business, results of operations and financial condition.

Further, we may be subject to employee, customer and other claims in the future based on, among other things, mismanagement, unfair or unequal treatment, discrimination, harassment, violations of privacy and consumer credit laws, wrongful termination, and wage, rest break and meal break issues, including those relating to overtime compensation. We have been subject to these types of claims in the past and if one or more of these claims were to be successful or if there is a significant increase in the number of these claims, our business, results of operations and financial condition could be harmed.

We are focused on improving the overall restaurant experience for families with young children. Our strategy includes appealing to target family customers, therefore we now open all new Company Restaurants and Franchise Restaurants with a children’s playground. We have taken steps to mitigate the impact of the COVID-19 pandemic by implementing extra health and safety measures across our restaurants, including enhanced cleaning and sanitization measures, for the protection of both our customers and our employees. Although we devote significant attention and resources in ensuring that our facilities meet all applicable health and safety standards, any injury or health issue experienced by a customer in our facilities may result in litigation and negative publicity, and could adversely affect our business, results of operations and financial condition.

We face risks of litigation from franchisees.

From time to time, we face litigation from current or former franchisees in connection with the execution, termination or non-renewal of a franchise agreement or regarding the implementation of our expansion strategy or for other reasons. We cannot exclude the possibility that an arbitrator or a judge, as applicable, could decide such proceedings against us, that such a decision could require us to pay significant damages, could lead to other similar litigation, could harm our reputation or that our business, results of operations and financial condition could be harmed as a result. See "*Business—Legal Proceedings*".

We may not be able to adequately protect our intellectual property rights, which could harm the value of the Burger King brand and hurt our business.

We are the master franchisee for the Burger King brand in France, as well as a licensee of the Quick brand for the few remaining Quick restaurants that we continue to operate. See "*Business—Our Business—The Burger King Master Franchise Agreement*" and "*Business—Our Business—Quick Disposal*". We therefore hold the exclusive right to use and to grant the right to use the trademarks and trade names of Burger King in France, as well as a non-exclusive right to continue to operate the remaining Quick restaurants under the Quick brand for a limited period pending their conversion to Burger King restaurants. The success of our business strategy depends, in part, on our continued ability to use Burger King's existing trademarks and service marks in order to increase brand awareness and further develop our products in our existing market.

However, the protection of Burger King's intellectual property rights, including the iconic names of its product offering, such as the WHOPPER® burger, is outside of our control. We depend on BKC to adequately protect Burger King's intellectual property rights. If BKC's efforts are not adequate or if any third party misappropriates or infringes on Burger King-related intellectual property rights, either in print or on the Internet, the value of the Burger King brand may be harmed, which could adversely affect our business, results of operations and financial condition.

We enter into franchise and license agreements with our franchisees to operate and manage their own restaurants under the Burger King brand. While we encourage our franchisees to maintain the integrity of the Burger King brand, these franchisees may take actions that could harm the value of Burger King's intellectual property rights or the reputation of the franchise.

Burger King's trademarks and our trademarks are registered in France. However, we cannot assure you that all of the steps we and BKC have taken to protect these intellectual property rights in France will be adequate. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of France.

We have recently completed the sale of Quick Restaurants S.A. and we may from time to time pursue other disposals, each of which involve numerous risks that could have an adverse impact on our business.

We have in the past, including through the recent sale of Quick Restaurants S.A., and may in the future strategically dispose of certain of our assets. See "*Business—Our Business—Quick Disposal".* The success of such disposals depends on market interest for the assets sold and our ability to maintain optimal management of operations of such assets during the transition phase. Further, even following a successful disposal, we face the risk of potential claims by purchasers of our assets pursuant to liability guarantees typically provided during asset sales. There can be no assurance that planned disposals will be completed on the expected timeframes or at all. Moreover, all or any of these initiatives may fail to improve performance and, consequently, materially and adversely affect our business, operating results, financial condition or prospects.

Information technology system failures or interruptions or breaches of our network security may interrupt our operations or cause customer personal data to be lost.

We rely heavily on our computer systems and network infrastructure across our operations, including point-of-sale processing at our restaurants. The robustness and efficiency of such systems and network infrastructure are critical to our business because our revenue and franchisee royalty calculations are based entirely on the accurate and timely recording of System-wide sales. However, despite our implementation of security measures, all of our technology systems are vulnerable to damage, disability or failures due to physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, denial of service attacks, viruses, worms and other disruptive problems caused by hackers. If our technology systems were to fail, and we were unable to recover in a timely way, we could experience an interruption in our operations which could adversely affect our business, results of operations and financial condition.

Failure to protect the integrity and security of personal information of our customers and employees could result in substantial costs, expose us to litigation and damage our reputation.

In the ordinary course of our business, we receive and maintain certain personal financial and other information about our customers and employees, including through our customer loyalty program through our mobile app. We also rely on third party service providers to process data collection and customer payments made using bank cards and credit cards. The use and handling of this information is regulated by evolving and increasingly demanding laws and regulations at the sub-national, national and international levels, as well as by certain third party contracts. If we or any such third party service providers fail to transmit customer information in a secure manner, if any such loss of personal customer data were otherwise to occur or if our security and information systems are compromised as a result of data corruption or loss, cyber-attack or a network security incident or if our employees, franchisees or vendors fail to comply with data protection laws and regulations (and as a result information about our customers and employees is obtained by unauthorized persons or used inappropriately), we could be subject to liabilities and penalties, reputational damage, litigation or government enforcement actions, the incurrence of substantial costs and a loss of customer confidence, thereby adversely affecting our business, results of operations and financial condition.

On May 25, 2018, the General Data Protection Regulation 2016/679 (the "**GDPR**") on the protection of natural persons with regard to the processing of personal data and on the free movement of such data came into effect. The GDPR obligates EU-based companies or companies that process personal data about EU subjects (either as "data controllers" or as "data processors") to comply with a large number of obligations, which relate for example to (i) the processing of personal data including transparency, data minimization, accuracy, storage limitation, security, and confidentiality; (ii) the ability of the controller to demonstrate compliance with such principles (accountability); (iii) the obligation to identify a legal basis before the processing; and (iv) rights of data subjects, such as, among others, transparency, right of access, right to rectification, or right to erasure.

In spite of our continued efforts to comply with the GDPR and similar regulations, we also face the risk that customer data that we collect may be stolen or misappropriated. Our customers may be discouraged from providing us with their data and our business could be negatively affected as a result. Under such circumstances, our regulation, results of operations and financial condition could be materially adversely affected. As a data controller, we could face legal actions in the absence of compliance with GDPR. In addition, we could also face legal action in the absence of compliance of a third party processing personal data on our behalf. Given that we and/or third parties, on our behalf, process certain sensitive information, we are subject to specific processing conditions and have taken steps to ensure compliance with these conditions.

The GDPR obligates companies to implement a number of formal processes and policies to review and document the privacy implications of the development, acquisition, or use of all new products, technologies, or types of data. The GDPR provides for substantial fines for breaches of data protection requirements, which can be up to 4.0% of the annual worldwide revenue of the preceding financial year or €20.0 million, particularly in the event of a breach of the conditions applicable to consent and/or related to data subjects' rights. A fine may be imposed instead of, or in addition to, measures that may be ordered by supervisory authorities (such as the request to cease any processing). The GDPR, the national implementing legislation, i.e., the French data protection rules and French law in general, also provide for a private right of action on data subjects for breaches of data protection requirements and additional private enforcement mechanisms. For instance, the French supervisory authority may issue a public warning, as part of a control revealing infringements of the applicable data protection regulation, and in parallel a public formal order to comply with the applicable regulation. The failure to comply with these laws could subject us to significant administrative fines and sanctions, as well as civil and criminal liability in some cases.

Increased use of social media could create and/or amplify the effects of negative publicity.

Events reported in the media, including social media, whether or not accurate or involving Burger King, could create and/or amplify negative publicity for Burger King or for the industry or market segments in which we operate. Such media topics could include food-borne or hygiene-related illnesses, issues with food traceability, contamination, unsanitary restaurant environment, issues relating to quality of service or product quality, discriminatory behavior, injuries or good citizenship. Media reports relating to any of these topics, even when not involving us, could reduce demand for our products and could result in a decrease in customer footfall in our restaurants as consumers shift their preferences to our competitors or to other products or food types. In particular, with respect to social media, consumers value readily available information concerning the industry and market segments in which we operate, and often act on such information without further investigation, authentication and without regard to the accuracy of such information. The availability of information on social media platforms and devices is virtually immediate as is its impact. Information concerning or affecting us may be posted on such platforms at any time, including accurate and adverse information that may harm our business. Negative claims or publicity involving us, our brand or our products, or the production methods of any of our suppliers, could seriously damage our reputation and brand image, regardless of whether such claims or publicity are accurate. Our social media presence amplifies consumer engagement with our brand but comes with less control due to consumer comments and hashtags compared to more traditional public relations and marketing methods, which could associate the brand with content or views, which are not aligned with our values. The harm from the spread of such inaccurate information may be immediate, without affording us an opportunity for redress or correction. Any failure to maintain favorable brand recognition could have a material adverse effect on our business, financial condition or results of operations.

In addition, activist groups, including animal rights activists and groups acting on behalf of franchisees, the workers employed by suppliers and others, have in the past, and may in the future, use tactics to generate adverse publicity by alleging, for example, inhumane treatment of animals by our suppliers, poor working conditions or unfair purchasing policies. These groups may be able to coordinate their actions with other groups, threaten strikes or boycotts or enlist the support of well-known persons or organizations in order to increase the pressure on us or our industry to achieve their stated aims. In the future, these actions or the threat of these actions may force us to change our business practices or pricing policies, which may have a material adverse effect on our business, results of operations and financial condition. A decrease in consumer patronage as a result of negative publicity from social media could result in a decline in revenue at Company Restaurants and Franchise Restaurants, which could adversely affect our business, results of operations and financial condition.

Certain restrictions on media advertising may limit our ability to advertise and promote our products to our key target market.

We are subject to legislation that restricts advertising and promotion affecting the QSR segment specifically targeted towards children on certain channels and at certain times of the day when children and young adults are likely to represent the largest portion of the audience. Families with children are one of our key target markets and if we are unable to effectively advertise and promote our products as a result of these restrictions on our media advertising campaigns, our business, results of operations and financial condition could be adversely affected.

We are subject to health, safety and environmental regulations, which could result in increased costs and fines, as well as the potential for damage to our reputation.

As a preparer of food products for human consumption, we are subject to health, safety and environmental directives, laws and regulations, including regulations promulgated and enforced by local, national, European and international authorities. See "*Regulation*". These directives, laws and regulations relate to the remediation of land and water supply and use, water discharges, air emissions, waste management, noise pollution, the use of refrigerators and workplace and product health and safety. We are also subject to stringent food preparation, health, quality and nutritional disclosure regulations and standards, as well as permits and licenses for operating as a preparer of food products. Health, safety and environmental legislation in France and elsewhere has tended to become broader and stricter, and enforcement has tended to increase over time.

Any failure to comply with health, safety and environmental requirements may lead to fines and other sanctions and even restaurant closures, as well as damage our reputation. If health, safety and environmental laws and regulations in France or in the countries from where we source our ingredients significantly evolve or are strengthened in the future, the extent and timing of investments required to maintain compliance may differ from our internal planning and may limit the availability of funding for other investments. In addition, if the costs of compliance with health, safety and environmental directives, laws and regulations continue to increase and it is not possible for us to reflect these additional costs in the price of our products, our profitability could be adversely affected.

In addition, compliance with current and future directives, laws and regulations regarding the ingredients and nutritional content of our menu items may be costly and time-consuming and could affect consumer eating habits. If consumer health regulations change significantly, we may be required to modify or discontinue certain menu items, and we may experience higher costs associated with the implementation of those changes. Therefore, we cannot make any assurances regarding our ability to effectively respond to changes in consumer health regulations or our ability to successfully implement the nutrient content disclosure requirements and to adapt our menu offerings accordingly. See "*Regulation—Food and Beverage Regulations—Food Labeling and Nutrition*".

As is the case for businesses of our size, we are subject to inquiries and investigations from regulatory bodies in the ordinary course of our business. Authorities may take the view that we are not compliant with applicable laws and regulations and, consequently, we may be required to make significant expenditures to defend against allegations of wrongdoing or modify our business practices to comply with differing interpretations of existing laws and regulations or with future laws and regulations, which may increase our costs and materially limit our ability to operate our business. For a further discussion of the material regulatory regimes with which we must comply, see "*Regulation*".

Our current insurance may not provide adequate levels of coverage against claims that may be filed.

We currently maintain insurance we believe is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure, such as losses due to natural disasters or acts of terrorism or pandemics. Unanticipated changes in the actuarial assumptions and management estimates underlying our reserves for losses could result in materially different amounts of expense under these programs, which could adversely affect our business, results of operations and financial condition.

In addition, it has become clear that insurance providers will not cover any damages or losses that we may suffer as a result of the COVID-19 outbreak. Particularly, insurance policies will expressly exclude pandemics from the insurance coverages in the future. This approach could have a material adverse effect on our business, financial condition and results of operations should a new pandemic emerge.

We depend on the services of key executives, and our business and growth strategy could be materially harmed if we were to lose these executives and were unable to replace them with executives of equal experience and capabilities.

Our senior executives are particularly important to our success because they have been instrumental in setting our strategic direction, operating our business, identifying, recruiting and training key personnel, identifying expansion opportunities and arranging necessary financing. We have employment agreements with all members of senior management; however, we cannot prevent our executives from terminating their employment with us. Losing the services of any of these individuals could adversely affect our business until a suitable replacement is found. We also believe that they could not quickly be replaced with executives of equal experience and capabilities and their successors may not be as effective. See "*Management".*

We are subject to tax risks.

We must structure our organization and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which we operate. Such laws and regulations are generally very complex. Additionally, because tax laws may not provide clear-cut or definitive doctrines, the tax regime applied to our operations and intragroup transactions or reorganizations is sometimes based on our interpretations of tax laws and regulations. We cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect our financial condition or results of operations. Tax laws and regulations are subject to change, and new laws and regulations may make it difficult to restructure our operations in an advantageous manner. More generally, any failure to comply with the tax laws or regulations of the countries in which we operate may result in reassessments, interest on late payments, fines and penalties.

Furthermore, we may record deferred tax assets on our balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from our entities. The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and the future results of the relevant entities. In particular, pursuant to Article 209, I, paragraph 3 of the French tax code (*Code général des impôts*) (the "**French Tax Code**"), the fraction of French tax loss carry-forwards that may be used to offset the taxable profit with respect to a given fiscal year is limited to €1.0 million plus 50% of the portion of taxable profit exceeding €1.0 million. As the case may be, similar rules apply to tax losses generated by French tax consolidated groups. Any reduction in our ability to use these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected results could have a negative impact on our business, results of operations and financial condition. Any reduction in our ability to use these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected results could have a negative impact on our business, results of operations and financial condition.

Finally, the services we provide to our clients are subject to value added taxes, sales taxes or other similar taxes. Tax rates may increase at any time, and any such increase could affect our business and the demand for our services, and thereby reduce our operating profit, negatively affecting our business, results of operations and financial condition.

Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.

We are subject to complex tax laws in each of the jurisdictions in which we operate, as well as international tax laws. Changes in tax laws or regulations or to their interpretations could adversely affect our tax position, including our effective tax rate or tax payments.

In particular, European and French tax laws and regulations are extremely complex and are subject to varying interpretations. For example, the current implementation into French tax law of the Organization for Economic Cooperation and Development's (the "**OECD**") principles related to base erosions and profit shifting ("**BEPS**") included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on June 7, 2017, may increase the administrative efforts within our business and impact existing structures.

Furthermore, the European Union continues to harmonize the tax legislation of the Member States. In this respect, the Council of the European Union (the "**Council of the European Union**") adopted a directive "laying down rules against tax avoidance practices that directly affect the functioning of the internal market" on July 12, 2016 (Council Directive 2016/1164) (the "**ATAD**"). The ATAD was later amended on May 29, 2017, by the Council Directive (EU) 2017/952 (the "**ATAD II**"), which, *inter alia*, extends the scope of the ATAD to hybrid mismatches involving third countries and provides that its provisions shall apply (subject to certain exceptions), as from January 1, 2020. The ATAD provides, in particular, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer's earnings before interest, tax, depreciation and amortization (EBITDA) or to a maximum amount of €3 million, whichever is higher (subject to several exceptions). Such new rules apply since January 1, 2019, following their transposition into French tax law by Article 34 of the French Finance Law for 2019 (Law 2018-1317 of December 28, 2018) (the "**French Finance Law for 2019**"). The French Finance Law for 2020 (Law 2019-1479 of December 28, 2019) (the "**French Finance Law for 2020**") also introduced under French tax law the provisions of the ATAD II and thus repealed the existing French anti-hybrid rules, as set forth in Article 212-I-b of the French Tax Code. See "*—French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest incurred in France, thus reducing the cash flow available to service our indebtedness*" for more details on this rule.

In addition, Article 108 of the French Finance Law for 2019 introduced under French tax law, the anti-abuse provision provided for by the ATAD with respect to French corporate income tax, which aims to address abusive tax practices that are not dealt with by specifically targeted provisions. Pursuant to this provision, the French tax authorities may ignore an arrangement, or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law, are not genuinely taking into account all relevant facts and circumstances.

The European Commission also published a corporate reform package proposal on October 25, 2016, including three new proposals that aim at (i) relaunching the Common Consolidated Corporate Tax Base ("**CCCTB**") which is a single set of rules to compute companies' taxable profits in the EU, (ii) avoiding loopholes associated with profit-shifting for tax between EU countries and non-EU countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses. The directive proposal on the CCCTB requires unanimity in the Council of the European Union for its adoption following consultation of the European Parliament (special legislative procedure), which gave its favorable vote on March 15, 2018. More recently, in a communication to the European Parliament and the Council of May 18, 2021 and denominated "Business Taxation for the 21st Century", the European Commission has announced additional measures in the field of corporate taxation to take into account the evolution of the context of the EU business taxation policy. In particular, the European Commission announced that it will propose a new framework for income taxation for businesses in Europe ("**Business in Europe: Framework for Income Taxation**" or "**BEFIT**") that will replace the pending proposals under the CCCTB. BEFIT will be a single corporate tax rulebook for the EU and will consist in consolidating the profits of the EU members of a multinational group into a single tax base, which will then be allocated to Member States using a formula and be taxed at national corporate income tax rates. The preparation for this new proposal will be carried out by the European Commission alongside the Member States and the European Parliament and will give rise to consultations with the business sector and civil society groups. Alongside BEFIT, the European Commission also announced, among other things, that it would (i) table a legislative proposal setting out union rules to neutralize the misuse of shell entities for tax purposes, (ii) adopt a recommendation on the domestic treatment of losses and (iii) make a legislative proposal creating a Debt Equity Bias Reduction Allowance ("**DEBRA**").

Furthermore, new rules on tax dispute resolution already apply since January 1, 2019, following the transposition of Council Directive 2017/1852 of October 10, 2017 into French tax law as part of the French Finance Law for 2019. These new regulations could impact our tax position in the future.

Our tax returns are prepared in accordance with applicable tax legislation and prevailing case law. Certain tax positions we take are based on industry practice, tax advice we have received in some cases from third parties (including legal counsel), and similarities to facts and circumstances described in case law. These positions may relate to tax compliance (especially in the current international tax context tending towards enhanced mandatory disclosure obligations), classification of income, treaty relief and withholding tax, franchise, gross receipts, payroll, property and income tax issues, including tax base. It is possible that the tax authorities will not agree with the views we have taken. From time to time, we are subject to tax audits, and any challenges from relevant tax authorities with respect to our application and interpretation of tax rules may result in adjustments to the timing or amount of taxable income or deductions, and such adjustments may not be favorable to us. If any such challenges are made and are not resolved in our favor, they could result in significant additional tax liabilities and have an adverse effect on our financial condition and results of operations.

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of interest incurred in France, thus reducing the cash flow available to service our indebtedness.

Under Article 39-1-3° of the French Tax Code, interest paid by an entity to its direct shareholders who are not related parties within the meaning of Article 39.12 of the French Tax Code are tax deductible only up to the amount of interest computed on the basis of the rate referred to in Article 39-1-3° of the French Tax Code (i.e., the annual average of the average effective floating rates on bank loans to companies with an initial maturity exceeding two years). Under Article 212 I-(a) of the French Tax Code, interest incurred on loans granted by related parties within the meaning of Article 39.12 of the French Tax Code is deductible up to the amount of interest computed on the basis of the rate referred to in Article 39-1-3° of the French Tax Code or, if higher, up to the amount of interest computed on the basis of the rate that the borrowing entity could have obtained from independent financial credit institutions in similar circumstances.

In addition, France has implemented the ATAD regarding in particular interest deductibility limitations and the ATAD II regarding hybrid mismatches with third countries.

Pursuant to the ATAD, codified in particular under Article 212 *bis* of the French Tax Code, the deductibility of net financial expenses incurred by an entity in respect of a given fiscal year is limited to the higher of (i) €3 million and (ii) 30% of its adjusted EBITDA in the same fiscal year (corresponding to its taxable income before offset of carry forward tax losses and without taking into consideration net financial expenses and, to some extent, depreciation, provisions and capital gains/losses) generated by such entity (the "**30% Limitation**"). Such limitation applies to both related-party and third-party financings regardless of the purpose of these financings, subject to certain limited exceptions.

Furthermore, for entities being part of a group that files eligible consolidated financial statements, a safeguard clause has been implemented in order to partially exempt companies that are able to demonstrate that the ratio of their equity over their total assets is equal to or higher than the same ratio computed at the level of the accounting consolidated group to which they belong. In this specific case, net financial expenses exceeding the 30% Limitation are deductible up to 75% of their amount.

French thin-capitalization rules apply in respect of loans granted by related parties. Where the amount of the related party debt of a company exceeds a ratio equal to 1.5 time the company's equity, the deduction of net financial expenses borne by such entity is deductible for a portion of their amount up to the higher of (i) 30% of its adjusted EBITDA or (ii) €3 million, multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by non-related parties (directly or indirectly) within the meaning of Article 39.12 of the French Tax Code increased by 1.5 time the company's equity (assessed either at the beginning or at the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said year. The balance of net financial expenses is deductible for a portion of their amount up to the higher of (i) 10% of its adjusted EBITDA or (ii) €1 million multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by related parties (directly or indirectly) within the meaning of Article 39.12 of the French Tax Code exceeding 1.5 time the company's own funds (assessed either at the beginning or on the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said fiscal year. However, the interest deductibility limitation provided for by these amended thin-capitalization rules does not apply if the borrowing company demonstrates that the overall debt-to-equity ratio of the group, as determined under accounting consolidation rules, to which it belongs is higher than or equal to its own debt-to-equity ratio.

Financial expenses that are disallowed pursuant to the 30% Limitation can be carried forward indefinitely and deducted in the future under the same conditions. On the other hand, the portion of financial expenses which tax deduction is disallowed as a result of the application of the €1 million threshold or 10% limitation is only eligible for carry-forward for one-third of its amount. The unused interest deduction capacity of a current fiscal year may also be used over the five following fiscal years, but only against financial expenses incurred in respect of those fiscal years, it being noted that this measure is not available to thinly capitalized entities.

Specific rules apply to companies that belong to French tax consolidated groups, i.e., mainly (i) the 30% Limitation is computed on the basis of the consolidated adjusted EBITDA generated by such companies and (ii) the 1.5 debt-to-own funds ratio is analyzed (x) on a consolidated basis pursuant to French accounting rules applying for purposes of establishing consolidated financial statements and (y) in respect of loans granted by related parties within the meaning of Article 39.12 of the French Tax Code which do not belong to the same tax consolidated group.

The ATAD II, applicable as from January 1, 2020 (except for certain of its provisions which will be applicable as from January 1, 2022) and codified under Articles 205 B et seq. of the French Tax Code provide limitations on interest deductions in the event of (i) a deduction of a payment at the level of a paying entity without a corresponding inclusion of such payment in the taxable income of the receiving entity (referred to as a "deduction without inclusion") or (ii) a deduction of the same payment, operational expenses or losses in the taxable income of both the paying and receiving entity (referred to as a "double deduction"). Such limitations only apply to payments taking place between "associated enterprises", except for the so-called "structured arrangements" (i.e., an arrangement pricing the relevant mismatch or an arrangement designed to produce the mismatch, subject to certain conditions). If the hybrid mismatch results in a deduction without inclusion, the deduction from taxable income will generally be denied to the French paying entity. Alternatively, the payment to a French receiving entity will be included in its taxable income if deduction is not denied in the jurisdiction of the paying entity. If the hybrid mismatch results in a double deduction, the deduction will either be denied at the level of the receiving entity or at the level of the paying entity.

In respect of fiscal years opened as from January 1, 2022, these provisions also cover reverse hybrid entities, referring to situations where an entity is deemed to be tax transparent by the Member State in which it is incorporated or established and the jurisdiction or jurisdictions in which its "associated enterprises" (i.e., entities holding directly or indirectly in aggregate an interest in 50% or more of its voting rights, capital interests or rights to share profit) are established, qualify the entity as non-transparent. Where such a hybrid entity is incorporated or established in France, its income is, as the case may be, either subject to French corporate income tax at its own level or taxable pursuant to Article 8 of the French Tax Code at the level of its partners or shareholders, to the extent that it is not taxed in another State.

The above-mentioned tax rules may limit our ability to deduct interest accrued on our indebtedness incurred in France and may thus increase our tax burden, which could adversely affect our business, financial condition and results of operations, and reduce the cash flow available to service our indebtedness.

Risks Related to Our Presentation of Financial and Other Information

This Listing Prospectus contains numerous alternative performance measures, which are not prepared according to any recognized accounting standard, are not audited or reviewed and may be compiled on a basis that is different to similarly titled measures reported by other companies.

This Listing Prospectus includes a number of alternative performance measures ("**APMs**"), such as EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Run-rate EBITDA, net debt, capital expenditures, as adjusted net debt, as adjusted financial expense, ratio of as adjusted net debt to Adjusted Run-rate EBITDA and ratio of Adjusted Run-rate EBITDA to as adjusted financial expense. We also present average restaurant sales ("**ARS**") and System-wide sales ("**SWS**"), neither of which are not identified as accounting measures in the framework of IFRS and, therefore, may not be comparable with those presented by other groups. With reference to the interpretation of these APMs:

- APMs are not identified as accounting measures under IFRS and are not audited;
- these measures are calculated solely on the basis of the historical data of the SSN Issuer;
- the APMs must not be considered as substitutes for the indicators provided for under IFRS;
- APMs are not indicative of our future performance; and
- since APMs are determined on a basis which is not regulated by IFRS, the criteria applied for the relative determination of APMs, as well as the definition and calculation of APMs presented in this Listing Prospectus may not be homogenous with the criteria adopted by other groups and therefore, APMs presented in this Listing Prospectus may not be comparable with similarly titled APMs presented by other groups.

Therefore, examination of the APMs by an investor without taking into account the above mentioned critical issues could mislead such investor in the evaluation of our business, financial condition and results of operations and lead to an incorrect, inappropriate or inadequate decision by such investor. See "*Presentation of Financial and Other Information*".

The preparation of Adjusted Run-rate EBITDA as presented in this Listing Prospectus reflects certain estimates and assumptions which we consider reasonable, but we cannot assure you that we would have achieved such levels of profitability for the twelve-months ended August 31, 2021 had all of our Burger King restaurants in operation or under conversion as of August 31,

2021 been in operation during such period and Adjusted Run-rate EBITDA is not a projection of future performance.

We have prepared Adjusted Run-rate EBITDA on the basis of certain estimates and assumptions to present an estimate of what our Adjusted EBITDA would have been, had all of our Burger King restaurants that were opened or under conversion as of August 31, 2021 been in operation for the twelve-months ended August 31, 2021.

Adjusted Run-rate EBITDA is not intended to be a projection, estimate or guarantee of performance regarding Adjusted EBITDA generation for the year ending December 31, 2021 which may be affected by definitive closures of Quick restaurants, the phasing of the novelty effect and the pace of conversions (including temporary closures for conversion). Moreover, prospective investors should note that the additional Adjusted EBITDA modeled by Adjusted Run-rate EBITDA for new restaurant openings and conversions may be offset, to a degree that will vary on the circumstances, by a number of factors.

Adjusted Run-rate EBITDA is subject to significant business, economic, financial and competitive risks and uncertainties that could have caused actual results to differ materially. Such estimates and assumptions include, but are not limited to:

- the impact of the novelty effect for new Burger King restaurants discussed under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Evolution of our network*" and whether this has been sufficiently accounted for in our assumptions;

- estimates and assumptions regarding demand by customers visiting our increased number of restaurants; and

- assumptions regarding the absence of increases in our fixed costs resulting from the operation of additional Company Restaurants during such period.

Adjusted Run-rate EBITDA and the underlying calculations have not been audited, reviewed or verified by any independent accounting firm. Adjusted Run-rate EBITDA is included in this Listing Prospectus because we believe that it provides a useful indication of what our Adjusted EBITDA for the twelve months ended August 31, 2021 would have been under certain circumstances and assumptions as described herein; however, this information does not constitute a measure of financial performance under IFRS, and you should not consider Adjusted Run-rate EBITDA as an alternative to net income or any other performance measure derived in accordance with IFRS or as a measure of our results of operations or liquidity. Although we believe the estimates and assumptions we have used to calculate Adjusted Run-rate EBITDA are reasonable and are based either on historical experience and our knowledge of the marketplace, investors should not place undue reliance upon any of these calculations, as underlying estimates and assumptions could differ from what would have been our actual results of operations if all Burger King restaurants in operation or under conversion as of August 31, 2021 had been operational for the twelve months ended August 31, 2021. In addition, our results of operations that are ultimately achieved with the conversion in accordance with our strategy could differ from the model of Adjusted Run-rate EBITDA presented herein. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators—Adjusted Run-rate EBITDA*".

Risks Related to Our Indebtedness

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

We currently have, and after the issuance of the Notes we will continue to have, a substantial amount of outstanding indebtedness with significant debt service requirements. As of August 31, 2021, on an as-adjusted basis after giving effect to the Refinancing, our total outstanding principal amount of financial indebtedness (excluding the PIK Issuer) would have been €1,135.4 million. As of the same date, after giving effect to the Refinancing, we also would have had €80.0 million available for borrowing under our New Revolving Credit Facility. See "*Description of Certain Financing Arrangements*", "*Description of the Senior Secured Notes*" and "*Description of the PIK Notes*".

Our significant leverage could have important consequences for a holder of the Notes, including:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt and liabilities;
- requiring the dedication of a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from investing in strategic initiatives, growing our business and exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Our ability to service our indebtedness will depend on our future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Many of these factors are beyond our control. If we cannot service our indebtedness and meet our other obligations and commitments, we might be required to refinance our debt or to dispose of assets to obtain funds for such purpose. We cannot assure you that refinancings or asset dispositions could be effected on a timely basis or on satisfactory terms, if at all, or would be permitted by the terms of our debt instruments.

We may incur additional indebtedness, including at the level of our subsidiaries, including indebtedness which is structurally senior, which could increase our risk exposure from debt and could decrease your share in any proceeds from enforcement of the Collateral.

Subject to restrictions in the Indentures and restrictions in the New Revolving Credit Facility Agreement, we may incur additional indebtedness, which could increase the risks associated with our already substantial indebtedness. We have the ability to borrow up to €80.0 million under our New Revolving Credit Facility, which borrowings and indebtedness are secured by the SSN Collateral on a *pari passu* basis with the Senior Secured Notes. The terms of the Indentures permit us to incur additional indebtedness which may also be secured on a *pari passu* basis with the Senior Secured Notes.

Our subsidiaries may also be able to incur substantial additional indebtedness in the future, further increasing the risks associated with our substantial leverage. If any of our subsidiaries incur additional indebtedness, the holders of that debt will be entitled to share ahead of you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of such subsidiaries. See "*Description of Certain Financing Arrangements*". Further, incremental debt at the level of the SSN Issuer and its subsidiaries that has cash-pay interest will reduce the ability of the operating subsidiaries of the PIK Issuer to upstream cash that could be used by the PIK Issuer to pay cash interest payments on the PIK Notes from time to time and to pay principal at maturity. If we incur additional indebtedness, the related risks that we now face, as described above and elsewhere in these "*Risk Factors",* could intensify.

We are subject to restrictive covenants under the New Revolving Credit Facility Agreement and the Indentures, which could impair our ability to run our business or to finance our capital needs.

Restrictive covenants under the New Revolving Credit Facility Agreement and the Indentures may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our financial condition and results of operations.

The New Revolving Credit Facility Agreement and the Indentures contain negative covenants restricting, among other things, our ability to:

- make certain loans or investments;
- incur indebtedness or issue guarantees;
- sell, lease, transfer or dispose of assets and subsidiary stock;
- merge or consolidate with other companies;
- transfer all or substantially all of our assets;
- make a substantial change to the general nature of our business;
- pay dividends and make other restricted payments;
- create or incur liens;

- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions;

- layer indebtedness; and

- enter into refinancings with affiliates.

In addition, the New Revolving Credit Facility Agreement contains a springing financial maintenance covenant that is tested quarterly to the extent total cash drawings outstanding under the New Revolving Credit Facility (excluding any Utilizations of the Facility by way of Letters of Credit (or bank guarantees) and any Utilization of an Ancillary Facility other than, in each case, by way of cash drawing) on the last day of the relevant financial quarter are equal to or greater than 40% of the total commitment under the New Revolving Credit Facility. See "*Description of Certain Financing Arrangements—New Revolving Credit Facility*".

The restrictions contained in the New Revolving Credit Facility Agreement and the Indentures could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, pursue our strategic initiatives, make investments, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the New Revolving Credit Facility Agreement or the Indentures.

If there were an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross-defaults under our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Notes in such an event. See "*Description of Certain Financing Arrangements*" , "*Description of the Senior Secured Notes*" and "*Description of the PIK Notes*". We may not be able to generate sufficient cash to meet our debt service obligations, or our obligations under other financing agreements, in which case our creditors could declare all amounts owed to them due and payable, leading to liquidity constraints.

Our ability to make interest payments on the Notes and to meet our other debt service obligations, including under the New Revolving Credit Facility Agreement and the Indentures, or to refinance our debt, depends on our future operating and financial performance, which in turn depends on our ability to successfully implement our business strategy as well as general economic, financial, competitive, regulatory and other factors that are beyond our control. If we cannot generate sufficient cash to meet our debt service requirements, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing, delay planned capital expenditures or investments or sell material assets. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including the Notes. If we are also unable to satisfy our obligations on other financing arrangements, we could be in default under the New Revolving Credit Facility Agreement, the Indentures and other relevant financing agreements which we may enter into in the future. In the event of a default under the New Revolving Credit Facility Agreement or certain other defaults under any other agreement, the lenders under the respective facilities or financing instruments could take certain actions, including terminating their commitments and declaring all amounts that we have borrowed under our credit facilities and any other indebtedness that we have incurred or may incur in the future to be due and payable, together with accrued and unpaid interest. Such a default, or a failure to make interest payments on the Notes, could mean that borrowings under other debt instruments that contain cross-acceleration or cross-default provisions, including the Notes and the New Revolving Credit Facility, may as a result also be accelerated and become due and payable. If the debt under the New Revolving Credit Facility or the Notes or any other material financing arrangement that we have entered into or will subsequently enter into were to be accelerated, our assets may be insufficient to repay the

Notes in full. Any such actions could force us into bankruptcy or liquidation, and we might not be able to repay our obligations under the Notes in such an event. See "*Description of Certain Financing Arrangements*", "*Description of the Senior Secured Notes*" and "*Description of the PIK Notes*".

We may be unable to complete the Post-Closing Merger within the anticipated time frame, if at all.

We intend to complete the Post-Closing Merger before the end of 2021. Our estimation of the time frame required to complete the Post-Closing Merger is based upon market practice for such mergers in France.

Upon the completion of the Post-Closing Merger, NewCo GB intends to merge with the SSN Issuer, pursuant to which the SSN Issuer will be the surviving company and will acquire all of the rights and assets, and will assume all of the obligations of NewCo GB. As a result of the Post-Closing Merger, the SSN Issuer will become approximately 91% directly owned by the PIK Issuer.

However, we have no obligation to complete the Post-Closing Merger and our failure to do so will not be an event of default under the Indentures.

Risks Related to the Notes, the SSN Guarantees and the Collateral

The Issuers and certain SSN Guarantors are holding companies dependent upon cash flows from the operating companies of the Group to meet their obligations on the Notes or the SSN Guarantees.

The Issuers and certain SSN Guarantors are holding companies that conduct no business operations of their own and have no significant assets other than the equity interests and/or the intercompany receivables they hold in each of their direct and indirect subsidiaries. The Issuers and such SSN Guarantors are dependent upon the cash flow from their operating subsidiaries available to them, by dividend, interest payments on intercompany loans or other distributions to meet its obligations, including under the Notes or their respective SSN Guarantees. The amounts of such payments, dividends and other distributions available to the Issuers and such SSN Guarantors will depend on the profitability and cash flows of their respective subsidiaries as well as the ability of those subsidiaries to declare dividends under applicable law. The subsidiaries of the Issuers and such SSN Guarantors, however, may not be able to, or may not be permitted under applicable law to, make distributions, make interest payments on, or otherwise advance upstream loans to the Issuers or such SSN Guarantors to make payments in respect of its debt, including the Notes and the SSN Guarantees. While the Indentures and the New Revolving Credit Facility Agreement limit the ability of the Issuers' subsidiaries, as applicable, to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to the Issuers, these limitations are subject to certain significant qualifications and exceptions. There can be no assurance that the Issuers' arrangements with their subsidiaries, the funding permitted by the agreements governing the Group's existing and future indebtedness and the Group's results of operations and cash flow generally will provide the Issuers and such SSN Guarantors with sufficient dividends, distributions or loans to fund payments on the Notes or the SSN Guarantees. In the event that the Issuers do not receive distributions or other payments from their subsidiaries, they may be unable to make required principal and interest payments on the Notes.

In light of the fact that the PIK Issuer has no operations or significant assets other than the equity interests and/or the intercompany receivables it holds in each of its subsidiaries and is bound by restrictions on its activities pursuant to the PIK Indenture (see "*Description of the PIK Notes—Certain Covenants—Limitation on Activities of the PIK Issuer*"), the PIK Issuer will not provide any periodic or other financial information about itself except to the extent that material differences exist between the results of operations or financial condition of the SSN Issuer and its subsidiaries (on the one hand) and the PIK Issuer and its subsidiaries (on the other hand). See "*Description of the PIK Notes—Provision of Information*."

The PIK Notes will be structurally subordinated to all debt and liabilities of the PIK Issuer's subsidiaries.

The PIK Notes will not be guaranteed by any of the PIK Issuer's subsidiaries and the PIK Notes will therefore be structurally subordinated to all debt and liabilities of the PIK Issuer's subsidiaries, including the New Revolving Credit Facility and the Senior Secured Notes, as well as liabilities owed to trade creditors. Such debt and liabilities are significant.

The PIK Issuer's subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on or pursuant to the PIK Notes or to make any funds available therefor, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, the PIK Notes. Generally, claims of creditors of a subsidiary, including trade creditors, and claims of any preferred stockholders of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims against the PIK Issuer by holders of the PIK Notes. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of the PIK Issuer's subsidiaries, the holders of the PIK Notes will have no right to proceed against such subsidiary's assets and holders of their indebtedness and their trade creditors will generally be entitled to payment in full of their claims from the assets of those subsidiaries before any direct or indirect shareholder will be entitled to receive any distributions from such subsidiary. As such, the PIK Notes are structurally subordinated to the creditors (including trade creditors) of the PIK Issuer's subsidiaries.

The Senior Secured Notes will be structurally subordinated to all debt and liabilities of the SSN Issuer's non-guarantor subsidiaries.

Certain of the SSN Issuer's subsidiaries will not guarantee the Senior Secured Notes. The SSN Issuer's subsidiaries will not have any obligations to pay amounts due under the Senior Secured Notes or to make funds available for that purpose unless they guarantee the Senior Secured Notes.

Generally, holders of debt of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payment of their claims from the assets of such subsidiaries before these assets are made available for distribution to the SSN Issuer or any SSN Guarantor, as a direct or indirect shareholder. 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 refinancing:

- the creditors of the SSN Issuer (including the holders of the Senior Secured Notes) and the SSN Guarantors will have no right to proceed against the assets of such subsidiary; and

- the creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the SSN Issuer or any SSN Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Senior Secured Notes and each SSN Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries. For the year ended December 31, 2020, the SSN Issuer and SSN Guarantors generated 94.1% of the Group's EBITDA and, as of December 31, 2020, directly held 88.1% of the Group's total assets, in each case net of intercompany eliminations. For the year ended December 31, 2020, the non-SSN Guarantors generated 5.9% of the Group' EBITDA and, as of December 31, 2020, directly held 11.9% of the Group's consolidated total assets, in each case net of intercompany eliminations. Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the SSN Indenture will rank structurally senior to the Senior Secured Notes and the SSN Guarantees.

The Issuers may incur other indebtedness secured on a pari passu basis with the Notes. In addition, creditors under the New Revolving Credit Facility and certain hedging obligations will be entitled to be repaid with the proceeds of the SSN Collateral sold in any enforcement sale in priority to the Senior Secured Notes.

The Notes will be secured by the Collateral. See "*Description of the Senior Secured Notes—Security*" and "*Description of the PIK Notes—Security*". The Indentures and the New Revolving Credit Facility will also permit the Collateral, as applicable, to be pledged to secure additional indebtedness on a *pari passu* basis with the Notes in accordance with the terms thereof and, in the case of the SSN Collateral, in accordance with the terms of the Intercreditor Agreement. Furthermore, pursuant to the Intercreditor Agreement, the liabilities under the New Revolving Credit Facility and certain hedging obligations will have priority over any amounts received from the sale of the SSN Collateral pursuant to an enforcement action taken with respect to such SSN Collateral. As a result, in the event of an enforcement of the SSN Collateral, you may not be able to recover on such SSN Collateral if the then outstanding claims under the New Revolving Credit Facility and certain of our hedging obligations are greater than the proceeds realized from such enforcement. As a result, holders of the Senior Secured Notes may not be able to recover the full amount from an enforcement action of the SSN Collateral.

The PIK Issuer may pay interest on the PIK Notes in PIK Interest rather than cash.

The PIK Issuer will be required to pay the first two interest payments on the PIK Notes entirely in cash. The PIK Indenture will provide that interest payments made after the second interest payment are payable (i) entirely in cash, (ii) by increasing the principal amount of the PIK Notes or issuing new PIK Notes (such increase or issuance being referred to herein as "**PIK Interest**") or (iii) a 25%/75%, 50%/50% or 75%/25% combination of cash interest and PIK Interest, as further described under "*Description of the PIK Notes—Terms of the PIK Notes*." As such, holders of the PIK Notes could potentially receive no cash interest on the PIK Notes other than the first two interest payments and the last interest payment. Any ability of the PIK Issuer to pay cash interest on the PIK Notes would depend on the ability of the PIK Issuer's direct and indirect subsidiaries to make cash payments to the PIK Issuer. Each of the SSN Indenture and the New Revolving Credit Facility limits dividends or distributions from the SSN Issuer to the PIK Issuer.

The New Revolving Credit Facility and the SSN Indenture allow the PIK Issuer's subsidiaries to utilize amounts that would otherwise be available to pay dividends to the PIK Issuer for other purposes, and such uses would reduce the amount of cash available to pay dividends to the PIK Issuer in order to pay cash interest on the PIK Notes. The terms of the PIK Notes offered hereby will not restrict the ability of the PIK Issuer's subsidiaries to use their restricted payment capacity for such alternative purposes. See "*Description of the PIK Notes—Certain Covenants*." As a result, there can be no assurance that the PIK Issuer will (or will be able to) make payments on the PIK Notes in cash. The payment of interest through an increase in the principal amount of the outstanding PIK Notes or the issuance of additional Notes would increase the amount of the PIK Issuer's indebtedness and would increase the risks associated with the PIK Issuer's level of indebtedness.

You may face interest rate risks by investing in the Senior Secured Notes, as certain of our borrowings bear, and the Senior Secured Notes will bear, interest at floating rates that could rise significantly, increasing our interest cost and reducing cash flow.

Our borrowings under the New Revolving Credit Facility and the Senior Secured Notes, which will represent a substantial part of our indebtedness after the Issue Date, bears or will bear interest at per annum rates equal to EURIBOR, in each case adjusted periodically, plus a spread. These interest rates could rise significantly in the future, thereby increasing our interest expenses associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. Although we currently intend to hedge the interest rates with respect to the Senior Secured Notes, we may not be able to obtain such hedges, or replace such hedges, on terms that are acceptable to us, and any such hedge may not be fully effective, which would expose us to interest rate risk.

The security over the Collateral will not be granted directly to the holders of the Notes.

The security interests in the Collateral that secure, among other obligations, the obligations of the Issuers under the Notes are not granted directly to the holders of the Notes but are granted only in favor of the Security Agent on behalf and/or for the benefit of (among others) the Trustee and the holders of the Notes in accordance with the terms of the Security Documents and the Indentures. The holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will (subject to the provisions of the Indentures) provide instructions to the Security Agent in respect of the Collateral.

Under French law the pledgee of a French law security interest and the creditor of the claim secured by such security interest are required to be the same person and such security interest cannot be held on behalf of third parties who do not hold the secured claim, unless they act as fiduciary (*fiduciaire*) under Article 2011 of the French Civil Code or as security agent (*agent des sûretés*) under Articles 2488-6 *et seq.* of the French Civil Code. The beneficial holders of interests in the Notes from time to time will not be parties to the Security Documents. In order to permit the beneficial holders of the Notes to benefit from a secured claim, the PIK Indenture and the Intercreditor Agreement will provide for the creation of "parallel debt" obligations in favor of the Security Agent (the "**Parallel Debt**") mirroring the obligations of the Issuers and the SSN Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indentures (the "**Principal Obligations**").

Although the French Supreme Court (*Cour de cassation*) has recognized, in a decision on parallel debt mechanisms (Cass. com. 13 September 2011 n°10-25.533 *Belvédère*) relating to bond documentation governed by New York law, the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a parallel debt, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt claim. There is no certainty that the parallel debt construction will eliminate the risk of unenforceability under French law.

To the extent that the security interests in the Collateral created to the benefit of the Security Agent as Parallel Debt Creditor under the parallel debt construction are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral. In addition, the holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent as the beneficiary of the Parallel Debt.

The Trustee has certain assigned duties and rights under the Indentures that become particularly important following Defaults or Events of Default, and acts in a fiduciary capacity in the best interests of the holders of the Notes.

The concept of "*trust*" has been recognized by the French Tax Code and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (Cass. com. 13 September 2011 n°10-25533 Belvédère) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings commenced in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of 1st July 1985 on the law applicable to trusts and on their recognition, so that the concept of "trust" has not been generally recognized under French law. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

The holders of the Senior Secured Notes may not control certain decisions regarding the SSN Collateral.

Pursuant to the Intercreditor Agreement, one or more common security agents shall serve as the Security Agent for the secured parties under the New Revolving Credit Facility, the Senior Secured Notes and certain hedging obligations with regard to the SSN Collateral (as applicable). The Intercreditor Agreement provides that the Security Agent will, subject to certain limited exceptions, act to enforce the security interests in the SSN Collateral and take instructions from the relevant secured creditors in respect of the SSN Collateral only at the direction of the "instructing group".

Subject to certain exceptions described below and in further detail in the section entitled "*Description of Certain Financing Arrangements—Intercreditor Agreement*," among other things, the "majority *pari passu* creditors" (generally, creditors representing the simple majority of, among other things, the outstanding principal amount under the Senior Secured Notes and any *pari passu* secured indebtedness) shall constitute an instructing group and shall have the right to instruct the Security Agent as to the enforcement of the SSN Collateral, provided that such instructions are consistent with the "enforcement principles" set forth in the Intercreditor Agreement. If, however:

- the majority *pari passu* creditors have not either: (i) made a determination as to the method of enforcement and notified the Security Agent of that determination; or (ii) appointed a financial adviser to assist them in making such a determination, in each case, within three months of the date on which an instructing group delivers a copy of their proposed enforcement instructions (the "initial notice"); or

- the "super senior discharge date" (as described in the section below entitled "*Description of Certain Financing Arrangements—Intercreditor Agreement*") has not occurred within six months of the date of the initial notice; or

- an insolvency event is continuing with respect to a member of the Group; or

- the majority *pari passu* creditors have not either: (i) made a determination as to the method of enforcement and notified the Security Agent of that determination; or (ii) appointed a financial adviser to assist them in making a determination, and the "majority super senior creditors" (as described below): (a) determine in good faith that a delay in issuing enforcement instructions could have a material adverse effect on the ability to effect a distressed disposal or on the expected realization proceeds of any enforcement; and (b) deliver enforcement instructions they believe to be consistent with the enforcement principles before the Security Agent has received instructions from the majority *pari passu* creditors;

then the Security Agent shall, instead follow the instructions that are subsequently given by the "majority super senior creditors" (generally, creditors representing more than 66.67% of the aggregate of all unpaid and undrawn commitments under the New Revolving Credit Facility and the termination value or assumed termination value of certain hedging liabilities), provided that such instructions are consistent with the "enforcement principles" set forth in the Intercreditor Agreement.

The foregoing security enforcement arrangements could be disadvantageous to the holders of the Senior Secured Notes in a number of respects. Disputes may occur between the holders of the Senior Secured Notes and creditors under our New Revolving Credit Facility, the counterparties to the relevant hedging obligations or holders of any permitted additional indebtedness as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the SSN Collateral securing such obligations. In such an event, the holders of the Senior Secured Notes will be bound by any decisions of the instructing group, which may result in enforcement action in respect of the relevant collateral, whether or not such action is approved by the holders of the Senior Secured Notes or may be adverse to such noteholders. The Intercreditor Agreement also provides that the enforcement sale of any SSN Collateral will be subject to, as a condition to the release of any claims of any other indebtedness secured by such collateral under the Intercreditor Agreement, certain protections intended to maximize the cash recovery from an enforcement sale. The creditors under the New Revolving Credit Facility, the counterparties to certain hedging obligations or the holders of any permitted additional indebtedness may have interests that are different from the interests of holders of the Senior Secured Notes and they may elect to pursue their remedies under the relevant security documents at a time when it would otherwise be disadvantageous for the holders of the Senior Secured Notes to do so.

In addition, other creditors not party to the Intercreditor Agreement could commence enforcement actions against the SSN Issuer or its subsidiaries, the SSN Issuer or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain SSN Collateral could otherwise be impaired or reduced in value. In addition, if we incur substantial additional indebtedness which may be secured by security interests in the SSN Collateral, the holders of the Senior Secured Notes may not constitute the requisite majority of *pari passu* creditors for the purposes of instructing the Security Agent. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

The holders of the Notes may be limited in their ability to take enforcement action in respect of the Collateral.

The Indentures 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 are and will be barred from taking enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the respective Indentures, who will (subject to the provisions of such Indenture) provide instructions to the Security Agent.

Applicable laws may limit amounts recoverable under the SSN Guarantees and the security interests in the SSN Collateral.

The obligations of the SSN Guarantors and grantors of security interests in the SSN Collateral will be limited to the maximum amount that can be guaranteed or granted by such SSN Guarantor or grantor under the applicable laws of each jurisdiction without rendering the relevant SSN Guarantee or security interest in the SSN Collateral voidable or otherwise ineffective under applicable law.

In France, the enforcement of the SSN Guarantees and the security interests in the SSN Collateral will be limited to the maximum amount that can be guaranteed or secured over such SSN Collateral, as applicable, under the applicable laws of each jurisdiction, to the extent that the granting of such a SSN Guarantee or security interest in the SSN Collateral is not in the grantor's corporate interests, or the burden of such security interest exceeds the benefit to the relevant grantor, or such guarantee or security interest would be in breach of capital maintenance or thin capitalization rules or any other general statutory laws and would cause the directors of such subsidiary grantor, in certain jurisdictions, to contravene their fiduciary duties and incur civil or criminal liability.

In France, the liabilities and obligations under the SSN Guarantees and the security interests in the SSN Collateral are subject to (i) certain exceptions, including any obligations which, if incurred, would constitute prohibited financial assistance within the meaning of Article L.225-216 of the French *Code de Commerce* or infringement of the provisions of Articles L.242-6 or L.244-1 of the French *Code de Commerce*; and (ii) a financial limitation corresponding to an amount equal to the proceeds from the offering of the Senior Secured Notes which the Issuers have applied for the direct benefit of each French Guarantor through intercompany loans. By virtue of this limitation, each French Guarantor's obligations under the SSN Guarantees and the security interests in the SSN Collateral could be significantly less than amounts payable with respect to the Senior Secured Notes or a French SSN Guarantor may have effectively no obligation under the SSN Guarantee and the security interest in the SSN Collateral. French law requires that, when a French company grants a guarantee of third-party obligations, the guarantee must be in the corporate purpose and corporate interest of the guarantor company. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

Secured parties may be required to pay a "soulte" in the event they decide to enforce a pledge over the shares of French subsidiaries by judicial or contractual foreclosure of the Collateral consisting of shares rather than by a sale of such collateral in a public auction.

Security interests in the Collateral governed by French law may only secure payment obligations, may only be enforced following a payment default and may only secure up to the secured amount which is due and remaining unpaid.

Under French law, pledges over assets may generally be enforced at the option of the secured creditors either (i) in connection with a judicial process (x) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (y) by way of the judicial attribution (*attribution judiciaire*) of the pledged assets or (ii) by way of non-judicial private attribution (*pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. Enforcement by way of private sale may not be agreed at the time of granting of the security, and therefore, holders of the Notes will not benefit from such enforcement method.

If the secured creditors choose to enforce by way of attribution (whether judicial attribution or private attribution), the secured liabilities will be deemed extinguished up to the value of the attributed assets. Such value is determined either by the judge in the context of a judicial attribution or by a pre-contractually agreed or court appointed expert in the context of a private attribution. In any event, if the value of the pledged assets exceeds the amount of the secured liabilities, the secured creditors will be required to pay the pledgor a "*soulte*" equal to the difference between the value of the pledged assets and the amount of the secured liabilities. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the Collateral.

Consequently, in the event that the lenders under the New Revolving Credit Facility Agreement and the holders of the Notes are entitled to, and decide to, enforce the Collateral, as the case may be, which consists of a pledge over the shares of each Issuer, through judicial or private foreclosure, and the value of such shares exceeds the amount of the secured debt, the holders of the Notes may be required to pay immediately to the relevant pledgors a "*soulte*" equal to the amount by which the value of such shares exceeds the amount of the secured debt.

If the value of such shares is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured.

Alternatively, the holders of the Notes could decide to undertake the sale of the pledged shares by public auction. As public auction procedures are not designed for a sale of a business as a going concern, however, it is possible that the sale price received in any such auction might not reflect the value of the group as a going concern.

The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations under the Notes.

The Notes will be secured on a first-ranking basis by the Collateral. The SSN Collateral will also secure on a first-ranking basis our obligations under the New Revolving Credit Facility and certain hedging obligations. In addition, the PIK Indenture allows the incurrence of certain additional permitted debt that is secured by the PIK Collateral, and the SSN Collateral may also secure additional debt to the extent permitted by the terms of the SSN Indenture, the New Revolving Credit Facility and the Intercreditor Agreement. The rights of holders of the Notes to the Collateral may be diluted by any increase in the first-priority debt secured by the Collateral.

Not all of the respective Issuers' assets will secure, directly or indirectly, the Notes. The value of the Collateral and 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, whether or not the business is sold as a going concern, the condition of the French economy and the availability of buyers. 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, there can be no assurance 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 its liquidation. In addition, the pledges, shares and ownership interests of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding because all of the obligations of the entity must first be satisfied, leaving little or no remaining assets in the entity.

It may be difficult to realize the value of the Collateral.

The Collateral will be subject to exceptions, defects, encumbrances, liens, loss of legal perfection and other imperfections permitted under the Indentures, the New Revolving Credit Facility Agreement and the Intercreditor Agreement, as applicable, and accepted by other creditors that have the benefit of first-priority security interests in the Collateral from time to time, whether on or after the date the Notes are first issued, as the case may be. The existence of any such exceptions, defects, encumbrances, liens, loss of legal perfection and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or characterization under the laws of France. The security interests will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Agent may need to obtain the consent of a third party to enforce a security interest. The Issuers cannot assure you that the Security Agent will be able to obtain any such consents. The Issuers also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

Furthermore, due consideration should be given by investors to the circumstance that enforcement procedures and timing for obtaining judicial decisions in France may be materially more complex and time-consuming than in equivalent situations in jurisdictions with which investors may be familiar.

There are circumstances other than repayment or discharge of the Notes under which the applicable Collateral will be released automatically without your consent or the consent of the Trustee.

Under various circumstances, the PIK Collateral will be released automatically, including:

- upon the full and final payment and performance of all obligations of the PIK Issuer under the PIK Indenture and the PIK Notes;

- in accordance with the caption entitled "*Description of the PIK Notes—Amendments and Waivers*";

- as a result of a transaction permitted by the covenant described under the caption entitled "*Description of the PIK Notes—Certain Covenants—Consolidation, Merger and Sale of Assets*";

- upon legal defeasance, covenant defeasance or satisfaction and discharge of the PIK Indenture as provided below under the captions "*Description of the PIK Notes—Legal Defeasance or Covenant Defeasance of PIK Indenture*" and "*—Satisfaction and Discharge*";

- in the case of a security enforcement sale in the release of the property and assets subject to such enforcement sale;

- solely with respect to the Account Pledge, as described under "*Description of the PIK Notes —Cash Interest Account*"; and

- with respect to any Liens over Capital Stock of the PIK Issuer, in connection with or in contemplation or anticipation of an IPO Event (as defined in "*Description of the PIK Notes*") or an issuance or sale of Capital Stock of the PIK Issuer.

See "*Description of the PIK Notes—Security—Release of the Security*".

Under various circumstances, the SSN Collateral will be released automatically, including:

- in connection with any sale, transfer or other disposition of SSN Collateral to a person that is not the SSN Issuer or a Restricted Subsidiary;

- the release of SSN Collateral owned by or in respect of a SSN Guarantor that is released from its SSN Guarantee pursuant to the terms of the SSN Indenture;

- the release of SSN Collateral owned by a SSN Guarantor upon its designation by the SSN Issuer as an Unrestricted Subsidiary (as defined in "*Description of the Senior Secured Notes*");

- the release of a pledge over the shares of the SSN Issuer in connection with certain qualifying initial public offerings of the shares of the SSN Issuer; or

- the release of SSN Collateral in the case of a security enforcement sale in compliance with the Intercreditor Agreement.

See "*Description of the SSN Notes—Security—Release of the Security*".

Unless consented to by the holders of the Senior Secured Notes (and subject to certain exceptions), the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the security interests in the SSN Collateral unless, among other things, the relevant sale or disposal is made:

- for consideration of which all or substantially all is in the form of cash; and

- pursuant to a public auction, or if a fairness opinion has been obtained from an internationally recognized investment bank, accountancy firm or other valuation professional services firm selected by the Security Agent.

The Intercreditor Agreement also provides that the SSN Collateral may be released and retaken in connection with the refinancing of certain indebtedness, including the Senior Secured Notes. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of the SSN Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of the SSN Collateral and thus reduce your recovery under the Senior Secured Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Senior Secured Notes*".

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 assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and the grantor of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if the Issuers, the relevant grantors or the Security Agent fail or are unable to take the actions required to perfect any of these liens. Furthermore, it should be noted that neither the Trustee nor the Security Agent shall have any obligation to take any steps or action to perfect any of these liens.

Share pledges over the shares of the Issuers and certain SSN Guarantors consist of pledges over a securities account (*nantissement de compte de titres*) in which the relevant shares are registered. The securities account pledges will be validly established after execution of a statement of pledge (*déclaration de nantissement de compte titres financiers*) by each security provider in favor of the Security Agent. Each statement of pledge will have to be registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry (*registre de mouvement de titres*) of the Issuers and such SSN Guarantors. In France, no lien searches are available for security interests which are not publicly registered, with the result that no assurance can be given on the priority of a security interest if it is not publicly registered.

The Issuer may not have the ability to raise the funds necessary to finance a change of control offer.

Upon the occurrence of certain events constituting a "change of control," the Issuers will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase. If a change of control were to occur, there can be no assurance that the Issuers would have sufficient funds available at such time to pay the purchase price of the outstanding Notes or, in the case of the SSN Issuer, that the restrictions in the New Revolving Credit Facility Agreement, the Intercreditor Agreement or the SSN Issuer's other contractual obligations would allow the SSN Issuer to make such required purchases. A change of control may result in an event of default under, or acceleration of the Notes, the New Revolving Credit Facility and any other indebtedness that the Issuers have incurred or may incur in the future. The repurchase of the Notes pursuant to such an offer could cause a default under any indebtedness that the Issuers have incurred or may incur in the future (including, in the case of the Senior Secured Notes, the New Revolving Credit Facility), even if the change of control itself does not. The ability of the Issuers to receive cash from their subsidiaries to allow them to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by the Group's then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when the Issuers' subsidiaries are prohibited from providing funds to the Issuers for the purpose of repurchasing the Notes, the Issuers' subsidiaries may seek the consent of the lenders under such indebtedness to fund the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuers will remain prohibited from repurchasing any Notes. In addition, the Issuers expect that they would require third-party financing to make an offer to repurchase the Notes upon a change of control. There can be no assurance that the Issuers would be able to obtain such financing. The Issuers' failure to offer to purchase the Notes would constitute a default under the respective Indentures, which could, in turn, constitute a default under certain other indebtedness. See "*Description of the Senior Secured Notes—Purchase of Senior Secured Notes upon a Change of Control*" and "*Description of the PIK Notes—Purchase of PIK Notes upon a Change of Control*".

The change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring or other similar refinancings involving the Issuer that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indentures. Except as described under "*Description of the Senior Secured Notes—Purchase of Senior Secured Notes upon a Change of Control*" and "*Description of the PIK Notes—Purchase of PIK Notes upon a Change of Control*", the Indentures will not contain provisions that would require the Issuers to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, recapitalization or similar refinancing.

The definition of "change of control" in the Indentures will include a disposition of all or substantially all of the assets of each Issuer and its restricted subsidiaries, as applicable, 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 refinancing would involve a disposition of "all or substantially all" of each of the Issuer's assets 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 Issuers are required to make an offer to repurchase the Notes.

The interests of our shareholders may conflict with yours as a creditor.

As of the date of the Offering Memorandum, the share capital of the PIK Issuer is indirectly owned by BH, the parent company of the Groupe Bertrand entities controlled by Olivier Bertrand as majority shareholder and Bridgepoint as a significant minority shareholder, in each case through various entities. Further, as of the date of the Offering Memorandum, the share capital of the SSN Issuer is principally indirectly owned by (i) Restaurant Brands International, Inc., the parent company of BK (UK) Company Ltd. (approximately 8.5%), (ii) BH, the parent company of the Groupe Bertrand entities controlled by Olivier Bertrand (54.6%) and (iii) Bridgepoint (36.3%). As a result, such shareholders effectively have control over major decisions regardless of whether other stakeholders, including noteholders, believe that any such decisions are in their own best interests. The interests of such shareholders as equity holders may conflict with your interests as a noteholder. Such shareholders may have an incentive to increase the value of their respective investments or cause the Issuers to distribute funds at the expense of our financial condition and affect the Issuers' ability to make payments on the Notes. In addition, they may have an interest in pursuing acquisitions, divestitures, financings, capital expenditures or other refinancings that they believe could enhance their equity investments even though such refinancings might involve risks to the holders of the Notes. Certain of these shareholders are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Issuers and their subsidiaries.

The SSN Issuer maintains cash management arrangements with its indirect parent BH, and, as a result, a significant amount of its free cash is held by BH.

The SSN Issuer has entered into the BH Cash Management Agreement with BH, its indirect principal shareholder whom it does not control. See "*Principal Shareholders and Related Party Transactions—Related Party Transactions—Cash management agreement*". Under the BH Cash Management Agreement, the SSN Issuer advances to BH a portion of its cash on balance sheet to facilitate the deposit of such cash with certain financial institutions on its behalf in order to optimize its cash management and increase the return on its cash investments. BH can only invest this cash in liquid and risk-free financial instruments. The SSN Issuer's consolidated free cash is subject to this arrangement. All funds the SSN Issuer advances to BH, and all securities purchased with such funds, and proceeds of all of the foregoing, are deposited in segregated accounts in the name of BH, and these accounts are pledged to the SSN Issuer to secure BH's obligations under the BH Cash Management Agreement. The SSN Issuer's receivables under the Cash Management Agreement will in turn be pledged to the Security Agent for the benefit of the Trustee and the holders of Senior Secured Notes to secure the SSN Issuer's obligations under the Senior Secured Notes and the New Revolving Credit Facility.

Under the BH Cash Management Agreement, the SSN Issuer has the right at any time to require BH to repay it any cash or other property held on its behalf by BH thereunder, subject to reasonable notice. However, the SSN Issuer's ability to enforce this right may be suspended in the context of certain French insolvency proceedings involving BH. Moreover, even though the Security Agent can, on behalf of the Trustee and the holders of Senior Secured Notes, enforce the pledge of the SSN Issuer's receivables under the BH Cash Management Agreement, thereby giving it a direct claim against BH on behalf of the holders of Senior Secured Notes, its ability to enforce this direct claim would be similarly adversely affected under such circumstances. Therefore, if BH were to become subject to insolvency proceedings, the SSN Issuer's ability to access the cash and other property held by BH on our behalf may be legally blocked, and the amount of such cash and other property may be significant.

Moreover, neither of the Issuers control BH, and, since BH is not in the restricted group under the Indentures or the New Revolving Credit Facility Agreement, it is not subject to the covenants set out therein. Therefore, the ability of the holders to monitor and assess any potential for insolvency at the level of BH or to prevent it from taking actions that would violate the BH Cash Management Agreement or be inconsistent with the interests of the holders is very limited.

See "*—The insolvency laws of applicable jurisdictions may not be as favorable to you as the insolvency laws of the jurisdiction with which you are familiar*".

The Senior Secured Notes will not be initially secured by all of the SSN Collateral and the SSN Guarantors will not initially guarantee the Senior Secured Notes.

On the Issue Date, and until up to 120 days after the Issue Date, the Senior Secured Notes will not be secured by all of the SSN Collateral, as further described under "*Description of the Senior Secured Notes—Security*". Subject to the Agreed Security Principles, on the Issue Date, the Senior Secured Notes will be secured only by the Issue Date SSN Collateral. We will take such necessary actions so that the Senior Secured Notes are secured by the Post-Closing SSN Collateral within 120 days after the Issue Date. There can, however, be no assurance that we will be successful in procuring such security interests within the time period specified or at all.

On the Issue Date, the Senior Secured Notes will not be guaranteed. The Senior Secured Notes will be guaranteed by the SSN Guarantors within 120 days from the Issue Date, provided that (x) such guarantees shall in each case be granted substantially simultaneously with the guarantees granted in favor of obligations under the New Revolving Credit Facility Agreement and subject to any requirements therein (and for the avoidance of doubt, shall not be required to be granted any earlier than those obligations under the New Revolving Credit Facility Agreement) and (y) are in all cases subject to the Agreed Security Principles. We will agree in the SSN Indenture to take such necessary actions so that the SSN Guarantors become guarantors of the Senior Secured Notes by executing and delivering to the Trustee supplemental indentures substantially in the form attached to the SSN Indenture. The SSN Guarantees will be limited as set forth in "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*."

The insolvency laws of applicable jurisdictions may not be as favorable to you as the insolvency laws of the jurisdiction with which you are familiar.

On the Issue Date, the Issuers' obligations under the Senior Secured Notes and PIK Notes will be secured by security interests in the Issue Date SSN Collateral and PIK Collateral, respectively. The Issue Date SSN Collateral includes first-ranking pledges over the shares in the SSN Issuer and certain of its subsidiaries, first-ranking pledges of certain bank accounts and intragroup loan receivables held by the SSN Issuer. The PIK Collateral includes first-ranking pledges over the shares in the PIK Issuer and the Cash Interest Account. Within 120 days of the Issue Date, the SSN Issuer's obligations under the SSN Notes will be guaranteed by the SSN Guarantors and secured by security interests in the Post-Closing SSN Collateral. The Post-Closing SSN Collateral includes, among other assets, first-ranking pledges over the shares in certain of the SSN Guarantors' subsidiaries and first-ranking pledges of certain bank accounts and intragroup loan receivables held by the SSN Guarantors. 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.

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 Issuers, the enforceability of a SSN Guarantee against a SSN Guarantor and the enforceability of the security interests in the Collateral. Such courts may also in certain circumstances void the security interest or the SSN Guarantee where the company is close to or near insolvency.

In France, among other limitations, the granting of the security interests in the Collateral in connection with the issuance of the Notes may fall under the legal framework of hardening periods where certain arrangements or dispositions that are made during a specified period (the "**suspect period**") preceding the opening order of reorganization proceedings or liquidation proceedings may be challenged by the receiver, the judicial administrator or the public prosecutor in bankruptcy and certain creditors under the applicable rules of avoidance. Indeed, while opening reorganization or judicial liquidation proceedings, a French Court will set the date on which the debtor is deemed to have become insolvent (*date de cessation des paiements*). This date can be fixed at any time up to 18 months prior to the judgement opening the proceedings. The period between the date of insolvency and the commencement of insolvency proceedings is known as the suspect period. The Indentures also permit the security interests in the Collateral to be released and retaken in certain circumstances. At each time, if the security interest were granted or recreated during the hardening period applicable in such jurisdiction, it may be declared void or ineffective or it may not be possible to enforce it. For more information see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*". In France, insolvency legislation tends to favor the continuation of a business and protection of employment over the payment of creditors. In the context of insolvency proceedings affecting creditors, including court-assisted pre-insolvency proceedings (*mandat ad hoc* proceedings or conciliation proceedings (*procédure de conciliation*)), and court-controlled insolvency proceedings (safeguard proceedings, accelerated safeguard (*sauvegarde accélérée*) and reorganization or liquidation proceedings (*redressement ou liquidation judiciaire*)), the ability of holders of the Notes to enforce their rights under the Notes could be limited or suspended.

For more information regarding insolvency laws and enforceability issues as they relate to the SSN Guarantees and security interests in the Collateral, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

In the event that any one or more of the Issuers, the SSN Guarantors or any other of the Issuers' subsidiaries, or any other grantor of security interests in the Collateral, experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. In the event of bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any of these jurisdictions. Rights under the Notes, the SSN Guarantees and the Collateral are likely to be subject to insolvency and administrative laws of more than one jurisdiction and there can be no assurance that the holders of the Notes will be able to effectively enforce their rights in complex proceedings. The application of these laws may also conflict with each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceeding. The application of these laws could call into question whether any particular jurisdiction's law should apply, adversely affect your rights under the SSN Guarantees and limit any amounts that you may realize from the Collateral.

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

The Issuers cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or

- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and 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. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all. In addition, the Indentures allow the Issuers to issue further additional Notes in the future, as applicable, which could adversely impact the liquidity of the Notes.

The PIK Notes will be, issued with original issue discount for U.S. federal income tax purposes.

Because no portion of the stated interest on the PIK Notes is unconditionally payable in cash at least annually, interest payments on the PIK Notes will not be treated as qualified stated interest for U.S. federal income tax purposes and the PIK Notes will be treated as having been issued with OID. There will be additional OID if and to the extent that the issue price of the PIK Notes is less than their stated principal amount. A holder of PIK Notes that is subject to U.S. federal income taxation generally will be required to include any OID on such Notes in gross income (as ordinary income) as it accrues, potentially in advance of the receipt of cash attributable to such OID and regardless of such holder's regular method of accounting for U.S. federal income tax purposes. See "*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*.

The Senior Secured Notes, drawings under the New Revolving Credit Facility and any future variable interest rate debt we incur in the future will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow.

After giving effect to the offering of the Senior Secured Notes and the Refinancing, a large portion of our debt, including the Senior Secured Notes, will continue to bear interest at a variable rate, and we will be exposed to the risk of fluctuations in interest rates. The Senior Secured Notes will bear a variable rate based on the Euro Interbank Offered Rate ("**EURIBOR**"), plus an applicable margin, and the New Revolving Credit Facility bears a variable rate based on the EURIBOR, 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 Senior Secured Notes. Neither the SSN Indenture nor the New Revolving Credit Facility Agreement contain a covenant requiring us to hedge all or any portion of our floating rate debt.

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

The European Money Markets Institute ("**EMMI**", the administrator of EURIBOR) announced in 2020 that measures needed to be undertaken by the end of 2021 to reform EURIBOR to ensure continued publication and compliance with E.U. Benchmarks Regulation, such regulation having been implemented into EU law in order to address perceived weaknesses in the admininstration of benchmarks and entering into force on June 30, 2016 (subject to certain transitional provisions). EMMI has subsequently confirmed that it is compliant with the E.U. Benchmarks Regulation. However, there can be no guarantee that subsequent changes in regulatory guidance, industry standards or market practice could result in further changes to way in which EURIBOR, LIBOR or EURIBOR replacement rates or mechanisms or other risk-free rates are drafted, implemented or interpreted. In addition, the potential elimination of any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or other benchmarks are determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including but not limited to the Senior Secured Notes and the New Revolving Credit Facility). Any such change could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

Although we may enter into certain hedging arrangements to fix a portion of these interest rates, there can be no assurance that any such current or future hedging arrangements will adequately protect our operating results from the effects of interest rate fluctuations or will not result in losses or that our risk management practices and procedures will operate successfully.

You may face foreign exchange risks by investing in the Notes, which risk may be increased if the euro no longer exists or if the Notes are otherwise redenominated as a result of member states leaving the Eurozone.

The Notes are denominated and payable in euro. If investors measure their investment returns by reference to a currency other than euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which the Issuers have no control. Depreciation of the euro against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investors measure the return on their investments. Investments in the Notes denominated in a currency other than U.S. dollars by U.S. holders (as defined in ''*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*'') may also have important tax consequences as a result of foreign exchange gains or losses, if any. See ''*Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations*''. Despite the measures taken by countries in the Eurozone to alleviate credit risk, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone member states. These and other concerns could lead to the reintroduction of individual currencies in one or more member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. The Issuers cannot assure you that the official exchange rate at which the Notes may be redenominated would accurately reflect their value in euro. These potential developments, or market perceptions concerning these developments and related issues, could adversely affect the value of the Notes.

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

The Issuers and their subsidiaries are organized outside the United States, and the Group's business is conducted entirely outside the United States. Most of the members of the board of directors, supervisory board and all of the senior management of the Issuers and the Group are nonresidents of the United States. Although the Issuers will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on its or its subsidiaries' directors and executive officers. In addition, as the assets of the Issuers and their subsidiaries and those of their respective directors and executive officers are generally located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuers may not be subject to the civil liability provisions of the federal securities laws of the United States.

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 France. 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 France. In addition, the enforcement in France of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a court in France would have the requisite power or authority to grant remedies sought in an original action brought in France on the basis of U.S. federal securities laws violations. For further information, see "*Service of Process and Enforcement of Civil Liabilities*".

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

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein 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.

Many of the covenants contained in the Indentures will be suspended if the Notes are rated investment grade.

Many of the covenants in the Indentures governing the Notes will be suspended if the Notes are rated BBB- or better by at least two rating agencies provided that at such time no default under the Indentures has occurred and is continuing. These covenants will restrict, among other things, the Issuers' ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the Notes will ever be rated investment grade, or that if they are rated investment grade, that the Notes will maintain such ratings. Suspension of these covenants, however, would allow the Issuers to engage in certain transactions that would not be permitted while these covenants were in force, including incurring additional debt, paying dividends and making investments which may conflict with, or otherwise be adverse to, the interests of the holders of the Notes. See "*Description of the PIK Notes—Certain Covenants—Suspension of Certain Covenants when PIK Notes Rated Investment Grade*" and "*Description of the Senior Secured Notes—Certain Covenants—Suspension of Certain Covenants when Senior Secured Notes Rated Investment Grade*".

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

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein 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.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes are being offered and sold pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws of the United States. The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws. Therefore, you may not transfer or sell the Notes in the United States except pursuant to an exemption from, or a refinancing not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement, and you may be required to bear the risk of your investment in the Notes for an indefinite period of time. The Indentures contain provisions that restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S under the U.S. Securities Act, or other exemptions under the U.S. Securities Act. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €100,000.

Furthermore, the Issuers have not registered the Notes under any other country's securities laws and do not have any intention to do so. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "*Notice to Investors*".

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream.

Interests in the global Notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole registered holder of the global Notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global Notes representing the Notes will be made to the paying agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global Notes representing the Notes and credited by such participants to indirect participants. After payment to the paying agent for onward payment to Euroclear and Clearstream, the Issuers will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if investors own a book-entry interest, they must rely on the procedures of Euroclear and Clearstream, and if investors are not participants in Euroclear and Clearstream, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of Notes under the Indentures.

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

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

USE OF PROCEEDS

The table below sets forth the expected estimated sources and uses of funds in connection with the Transactions. Amounts included in the table below are based on the assumption that the Transactions occurred on November 2, 2021. Actual amounts will vary from estimated amounts depending on several factors, including differences from the estimates of outstanding amounts of existing indebtedness to be repaid on the Issue Date, the estimated amount of cash of the SSN Issuer and its subsidiaries as of the Issue Date, as well as the differences between estimated and actual fees and expenses. Any increase in these amounts will be funded using cash on our balance sheet. In particular, figures included in the table below differ from the figures used in the table included under "*Capitalization*", which assumes that the Transactions occurred on August 31, 2021.

The gross proceeds from the offering of the PIK Notes by the PIK Issuer will be €235.0 million. On the Issue Date, the PIK Issuer will use the gross proceeds from the issuance of the PIK Notes to (i) repay in full and cancel the Existing Mezzanine Loan for approximately €174.4 million (including accrued and unpaid interest), (ii) make the Midco-NewCo Equity Injection for approximately €40 million, the proceeds from which will in turn be used by NewCo GB to repay amounts outstanding under the Existing PIK Notes and (iii) pay certain costs, fees and expenses incurred in connection with the foregoing.

The gross proceeds from the offering of the Senior Secured Notes by the SSN Issuer will be €620.0 million. The SSN Issuer will use the gross proceeds from the issuance of the Senior Secured Notes and cash on its balance sheet (including approximately €240 million of cash received in connection with the Quick Disposal) to (i) redeem in full, on the Issue Date, the Existing Notes for approximately €638.6 million (including accrued and unpaid interest, but excluding call premium), (ii) repay in full and cancel, on or prior to the Issue Date, the Existing Revolving Credit Facility for an aggregate principal amount of €20.0 million, (iii) repay in full and cancel, on or prior to the Issue Date, the existing PGE Loan for an aggregate principal amount €80.0 million, (iv) extend, on the Issue Date, the NewCo Upstream Proceeds Loan for approximately €196.3 million, the proceeds from which will in turn be used by NewCo GB to repay in full, along with the proceeds of the Midco-NewCo Equity Injection, the amounts outstanding under the Existing PIK Notes and (v) pay certain costs, fees and expenses incurred in connection with the foregoing.

Finally, on the Issue Date, NewCo GB will use the gross proceeds from the Midco-NewCo Equity Injection for approximately €40 million and of the NewCo Upstream Proceeds Loan for approximately €196 million, to (i) redeem in full the Existing PIK Notes for approximately €234.3 million (including accrued and unpaid interest, but excluding call premium) and (v) pay certain costs, fees and expenses incurred in connection with the foregoing.

On or prior to the Issue Date, the SSN Issuer will enter into the New Revolving Credit Facility Agreement, which will provide for a New Revolving Credit Facility in the amount of €80.0 million. On the Issue Date, the New Revolving Credit Facility is expected to remain undrawn.

Sources of Funds	**Amount (in € millions)**	**Uses of Funds**	**Amount (in € millions)**
Senior Secured Notes offered hereby[1]	620.0	Repayment of Existing Fixed Rate Notes[4]	324.5
PIK Notes offered hereby[2]	235.0	Repayment of Existing Floating Rate Notes[5]	314.2
Proceeds from the disposal of Quick restaurants[3]	240.0	Repayment of Existing PIK Notes[6]	234.3
Cash on SSN Issuer's balance sheet	95.2	Repayment of Existing Revolving Credit Facility[7]	20.0
		Repayment of PGE Loan[8]	80.0
		Repayment of Existing Mezzanine Loan[9]	174.4
		Estimated costs, fees and expenses[10]	27.0
		Overfunding of Midco PIK Interest[11]	15.7
Total Sources	**1,190.2**	**Total Uses**	**1,190.2**

(1) Represents the gross proceeds from the issuance of the Senior Secured Notes assuming an issuance at par.

(2) Represents the gross proceeds from the issuance of the PIK Notes assuming an issuance at par.

(3) Refers to €240.0 million of cash on hand from the disposal of certain of our Quick restaurants, excluding the Vendor Loan, which closed on October 8, 2021. See "*Business—Our Business—Quick Disposal*".

(4) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €315.0 million outstanding principal amount of Existing Fixed Rate Notes, including accrued and unpaid interest up to but excluding the estimated Issue Date. On or about the date of the Offering Memorandum, the SSN Issuer intends to publish a conditional notice of redemption. Such notice for the redemption of the Existing Fixed Rate Notes will be conditional upon the closing of the Offering on the Issue Date.

(5) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €310.0 million outstanding principal amount of Existing Floating Rate Notes, including accrued and unpaid interest up to but excluding the estimated Issue Date. On or about the date of the Offering Memorandum, the SSN Issuer intends to publish a conditional notice of redemption. Such notice for the redemption of the Existing Floating Rate Notes will be conditional upon the closing of the Offering on the Issue Date.

(6) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €200.0 million outstanding principal amount of Existing PIK Notes, including capitalized and accrued interest up to but excluding the estimated Issue Date. On or about the date of the Offering Memorandum, NewCo GB intends to publish a conditional notice of redemption. Such notice for the redemption of the Existing PIK Notes will be conditional upon the closing of the Offering on the Issue Date.

(7) Refers to the Existing Revolving Credit Facility which will be repaid in full and cancelled before the Issue Date for a principal amount of €20.0 million.

(8) Refers to the PGE Loan which will be repaid in full and cancelled before the Issue Date for a principal amount of €80.0 million.

(9) Refers to the amount necessary to repay in full, on the estimated Issue Date, the €120.0 million initial principal amount of Existing Mezzanine Loan, including accrued, capitalized and unpaid interest up to but excluding the estimated Issue Date.

(10) Represents our estimate of commissions, fees and expenses in connection with or otherwise related to the Refinancing, including the Offering, and the application of the proceeds therefrom, including underwriting fees and commissions, call premiums related to the redemption of the Existing Fixed Rate Notes (for €4.7 million) and of the Existing PIK Notes (for €2.0 million) and other estimated transaction costs and professional fees. Actual fees and expenses may differ.

(11) Amount of cash to be left on the balance sheet of the PIK Issuer for future interest payments on the PIK Notes.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and the consolidated capitalization of the SSN Issuer and NewCo GB, as well as of the PIK Issuer, as of August 31, 2021 on an actual basis and as adjusted to give effect to the Transactions and the Quick Disposal, as if they had occurred on August 31, 2021. The as adjusted financial data has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Directive or any generally accepted accounting standards.

The following information, including on an actual basis, has been prepared by management and is solely based on preliminary financial information as of August 31, 2021. The preliminary financial information presented below, including on an actual basis, is based on unaudited management information and is not intended to be a comprehensive statement of our consolidated balance sheet. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the preliminary consolidated balance sheet for the purpose of its inclusion herein, including with respect to the actual column. There can be no assurance that these estimates will be realized or that actual data will not be higher or lower than estimated.

The preliminary financial information sets out below, including on an actual basis, is based on a number of assumptions that are subject to inherent uncertainties and subject to change. While we believe the preliminary financial information to be reasonable, our actual consolidated balance sheet information for August 31, 2021 may vary from the preliminary financial information presented below, and these variations could be material. As such, you should not place undue reliance on the inclusion of the preliminary financial information below, it should not be regarded as an indication that such preliminary financial information will be an accurate prediction of future events, and such information should not be relied on as such. See "*Forward-Looking Statements*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for a more complete discussion of certain of the factors that could affect our future performance and financial position.

	As of August 31, 2021		
	Actual[1]	Adjustments	As Adjusted
		(€ in millions)	
Cash and cash equivalents SSN Restricted Group[2]	**146.7[3]**	**(86.6)**	**60.1[4]**
Senior Secured Notes offered hereby[5]	-	620.0	620.0
New Revolving Credit Facility[6]	-	-	0.0
Existing PIK Notes	227.4	(227.4)	-
Existing Senior Secured Notes	625.0	(625.0)	-
Existing Revolving Credit Facility	20.0	(20.0)	-
PGE Loan[7]	80.0	(80.0)	-
Other indebtedness	42.7[8]	(12.0)[9]	30.7
IFRS 16 Lease Debt[10]	484.5	(0.0)	484.5
Total Debt SSN Restricted Group	**1,479.6**	**(344.4)**	**1,135.2**
Total Shareholders' equity SSN Restricted Group	**(144.1)[11]**	**40.0[12]**	**(104.1)**
Total Capitalization SSN Restricted Group	**1,335.5**	(304.4)	1,031.1
Cash and cash equivalents PIK Issuer	**-**	**19.2[13]**	**19.2**
PIK Notes offered hereby[14]	-	235.0	235.0
Existing Mezzanine Loan	168.2	(168.2)	-
Other indebtedness of PIK Issuer[15]	2.9	(2.8)	0.1
Total Debt PIK Issuer	**171.1**	**64.0**	**235.1**
Total Debt	**1,650.7**	**(280.4)**	**1,370.3**

(1) Based on management accounts, subject to change. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the actual financial information as of August 31, 2021 included herein.

(2) Represents the cash and cash equivalent of the SSN Issuer and of NewCo GB, which will be merged after the Issue Date in connection with the Post-Closing Merger.

(3) Represents (i) €145.8 million of estimated consolidated cash and cash equivalents of continuing operations at the level of the SSN Issuer and its subsidiaries, as well as (ii) €0.9 million the estimated cash and cash equivalents at the level of NewCo GB, in each case as of August 31, 2021.

(4) Represents the impact on our August 31, 2021 cash position of (i) a cash in of €620.0 million from the proceeds of the Senior Secured Notes offered hereby, assuming an issuance at par, (ii) a cash in of approximately €240 million from proceeds of the Quick Disposal, excluding the Vendor Loan, (ii) a cash in of approximately €40 million received from the Midco-NewCo Equity Injection, (iii) the repayment of a total of €964.4 million of indebtedness in connection with the Refinancing (including accrued and unpaid interest) and (iv) the payment of approximately €22.2 million of call premium and fees to be paid on or around the Issue Date at the level of the SSN Issuer and NewCo GB in connection with the Refinancing.

(5) Represents the principal amount of the Senior Secured Notes offered hereby, assuming issuance at par.

(6) On or prior to the Issue Date, the SSN Issuer will enter into the New Revolving Credit Facility Agreement, which will provide for a New Revolving Credit Facility in the amount of €80.0 million. On the Issue Date, the New Revolving Credit Facility is expected to remain undrawn.

(7) The PGE Loan has been repaid in full and cancelled before the Issue Date with the proceeds of the Quick Disposal.

(8) Other indebtedness as of August 31, 2021 on an actual basis represents (i) €38.8 million at the level of the SSN Issuer and its subsidiaries, corresponding to certain bilateral facilities and accrued and unpaid interest on our indebtedness (including €7.9 million of accrued and unpaid interest on the Existing Notes and the Existing Revolving Facility as of August 31, 2021 to be repaid on the Issue Date), as well as (ii) €3.8 million at the level of NewCo GB corresponding to accrued and uncapitalized interest on the Existing PIK Notes.

(9) Represents an aggregate amount of €12.0 million of accrued and unpaid interest as of August 31, 2021 which will be repaid on the Issue Date in connection with the Refinancing, corresponding to €7.9 million of accrued and unpaid interest on the Existing Notes and the Existing Revolving Facility, plus €3.8 million corresponding to accrued and uncapitalized interest on the Existing PIK Notes, plus €0.2 million of accrued interest on the Revolving Credit Facility Agreement.

(10) Represents the estimated impact of IFRS 16 on indebtedness of the SSN Issuer as of August 31, 2021, excluding the Quick perimeter. IFRS 16 has no impact at the level of NewCo GB as NewCo GB does not carry any leases.

(11) Represents shareholders' equity of the SSN Issuer and NewCo GB, *pro forma* for the Post-Closing Merger. Shareholders' equity is presented as of June 30, 2021, as it is not available as of August 31, 2021.

(12) Represents the amount received by NewCo GB in connection with the Midco-NewCo Equity Injection.

(13) Represents €64.0 million of over funding at the level of the PIK Issuer from the issuance of the PIK Notes, less (i) €40.0 million used by the PIK Issuer to make the Midco-NewCo Equity Injection and (ii) €4.8 million of fees, costs and other expenses related to the refinancing of the Existing Mezzanine Loan to be paid at the level of the PIK Issuer.

(14) Represents the principal amount of the PIK Notes offered hereby, assuming issuance at par.

(15) Represents the amount of accrued and uncapitalized interest on the Existing Mezzanine Loan as of August 31, 2021, as well as overdrafts. Accrued and uncapitalized interest on the Existing Mezzanine Loan of €2.8 million will be repaid in cash on the Issue Date with the proceeds of the PIK Notes offered hereby.

SELECTED HISTORICAL FINANCIAL DATA

Overview

The following tables present selected historical consolidated financial information for the SSN Issuer and other data for the Group, as of and for each of the years ended December 31, 2020, 2019 and 2018 and for the six months ended June 30, 2021 and 2020. The SSN Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to lead and develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group's holding company.

The summary unaudited interim consolidated financial information as of and for the six months ended June 30, 2021 and other financial data presented in the tables below has been derived from the Interim Financial Statements, a free English translation of which is included elsewhere in this Listing Prospectus. The summary historical consolidated financial information as of and for the years ended December 31, 2020, 2019 and 2018 and other financial data presented in the tables below has been derived from the Audited Financial Statements, free English translations of which are included elsewhere in this Listing Prospectus.

The following section contains non-IFRS measures that are not required by, or presented in accordance with IFRS or any other generally accepted accounting standards. We have included these measures because the SSN Issuer's management uses them to measure operating performance in presentations to its directors and as a basis for strategic planning and forecasting, as well as in monitoring, as relevant, certain aspects of its operating cash flows, liquidity and business performance. See "*Presentation of Financial and Other Information—Non-IFRS Financial Information*".

The unaudited consolidated income statement and the other financial information presented for the twelve months ended June 30, 2021 have been derived by subtracting from the financial information of the SSN Issuer as of and for the year ended December 31, 2020 the financial information from the SSN Issuer's unaudited condensed interim consolidated financial statements as of and for the six months ended June 30, 2020, and adding the financial information from the SSN Issuer's unaudited condensed interim consolidated financial statements as of and for the six months ended June 30, 2021. The unaudited consolidated income statement and the other financial information presented for the twelve months ended June 30, 2021 have been prepared for illustrative purposes only and are not necessarily representative of the SSN Issuer's results of operations for any future period or our financial condition at any future date. This data has been prepared solely for the purpose of this Listing Prospectus, is not prepared in the ordinary course of the SSN Issuer's financial reporting and has not been audited or reviewed.

This section should be read in conjunction with the financial statements included elsewhere in this Listing Prospectus as well as the disclosures provided under "*Presentation of Financial and Other Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented*" and "*Risk Factors—Risks related to our presentation of financial and other information*".

Consolidated Income Statement Data

The following table sets forth the consolidated results of operations of the SSN Issuer (i) for the six months ended June 30, 2021 and 2020 derived from the Interim Financial Statements, (ii) for the years ended December 31, 2020, 2018 and 2019 derived from the Audited Financial Statements and (iii) for the twelve months ended June 30, 2021, derived by subtracting from the results of operations of the SSN Issuer for the year ended December 31, 2020, the results of operations of the SSN Issuer for the six months ended June 30, 2020, and adding the results of operations for the six months ended June 30, 2021.

	For the year ended December 31,			**For the six months ended June 30,**		**For the twelve months ended June 30, 2021**
	2018[1]	**2019**	**2020**	**2020**	**2021**	
			(€ in millions)			
Sales and franchise revenues	528.1	490.5	364.4	137.5	221.4	**448.3**
Cost of sales	(247.4)	(181.9)	(131.8)	(52.6)	(77.8)	(157.0)
Gross profit	**280.7**	**308.7**	**232.6**	**84.9**	**143.6**	**291.3**
Operating and occupancy costs (excluding depreciation and amortization)	(94.2)	(44.7)	(32.4)	(16.4)	(17.7)	(33.7)
Depreciation and amortization (restaurants)	(30.4)	(73.3)	(71.7)	(35.9)	(35.4)	(71.2)
Profit from operations	**156.1**	**190.7**	**128.5**	**32.7**	**90.6**	**186.4**
Selling costs	(35.7)	(38.8)	(28.2)	(9.9)	(16.7)	(35.0)
BK brand royalties	(29.2)	(37.9)	(35.4)	(14.3)	(22.4)	(43.5)
Pre-opening costs	(2.0)	(0.4)	(0.5)	(0.4)	(0.3)	(0.4)
Other operating income and expenses	11.1	16.7	10.8	0.9	1.3	11.2
Operating income of restaurants	**100.4**	**130.2**	**75.1**	**9.0**	**52.5**	**118.6**
General and administrative costs (excluding depreciation and amortization)	(40.0)	(40.3)	(36.2)	(17.5)	(18.5)	(37.2)
Depreciation and amortization (corporate center)	(3.8)	(5.9)	(5.6)	(2.9)	(3.1)	(5.8)
Other corporate income and expenses	2.6	1.6	(1.1)	0.7	(0.1)	(1.9)
Operating profit before non-recurring items	**59.2**	**85.6**	**32.3**	**(10.7)**	**30.8**	73.8
Other non-recurring income and expenses	(31.6)	(19.4)	(12.9)	(3.1)	(1.5)	(11.3)
Operating profit/(loss)	**27.6**	**66.2**	**19.4**	**(13.8)**	**29.3**	**62.5**
Net financial income/(expense)	(40.5)	(62.2)	(65.6)	(31.5)	(33.9)	(68.0)
Profit/(loss) before tax	**(12.9)**	**4.1**	**(46.2)**	**(45.3)**	**(4.6)**	**(5.5)**
Income tax	(2.0)	(0.2)	2.9	(0.7)	0.5	4.1
Share of profit/(loss) of companies consolidated using the equity method	(0.1)	0.1	(0.0)	(0.0)	0.0	0.0
Income from assets held for sale and discontinued operations	8.4	4.1	14.2	4.3	7.7	17.6
Net profit/(loss) for the period	**(6.7)**	**8.0**	**(29.1)**	**(41.8)**	**3.6**	**16.3**

[1] Reflects the comparative figures as reported in our audited consolidated financial statements for the year ended December 31, 2019 included in this Listing Prospectus.

Consolidated Statement of Financial Position Data

	As of December 31,			As of June 30,
	2018[1]	2019	2020	2021
		(€ in millions)		
Goodwill	272.4	230.7	234.5	236.2
Intangible assets	195.1	3.8	3.6	3.1
Property, plant and equipment	302.3	713.3	712.5	758.7
Non-current financial assets	11.4	11.3	11.2	11.7
Financial receivables and other non-current assets	3.3	4.3	4.6	5.0
Deferred tax assets	4.0	0.8	0.5	10.8
Non-current assets	**788.5**	**964.2**	**966.9**	**1,025.5**
Inventories	8.7	2.2	2.0	1.7
Trade receivables	46.6	41.5	53.0	48.3
Current tax assets	4.8	2.5	3.4	1.3
Financial receivables and other current assets	48.7	24.9	22.4	18.4
Cash and cash equivalents	61.2	104.1	166.2	149.1
Assets held for sale and discontinued operations	-	271.5	299.1	330.2
Current assets	**170.0**	**446.7**	**546.0**	**548.9**
Total assets	**958.5**	**1,410.8**	**1,512.9**	**1,574.4**
Share capital	40.0	39.2	39.2	39.2
Share premiums	163.3	163.3	163.3	163.3
Retained earnings (including net profit for the period)	(85.0)	(84.4)	(111.3)	(115.2)
Attributable to non-controlling interests	0.8	1.1	0.0	(0.1)
Total equity	**119.1**	**119.3**	**91.2**	**87.1**
Non-current provisions	9.1	7.2	7.2	6.6
Non-current financial liabilities	631.1	647.2	652.9	638.8
Other financial liabilities	19.9	23.5	24.4	26.1
Non-current lease liabilities	-	356.2	381.1	431.0
Other non-current liabilities	11.3	10.7	11.6	12.0
Deferred tax liabilities	8.3	4.8	0.7	0.1
Non-current liabilities	**679.7**	**1,049.6**	**1,078.0**	**1,114.4**
Current financial liabilities	12.2	10.8	102.5	116.2
Current lease liabilities	-	43.5	42.4	44.5
Trade payables	88.1	72.1	71.6	63.9
Current tax liabilities	1.2	1.8	0.2	6.7
Other current liabilities	58.3	52.8	53.7	50.0
Liabilities held for sale and discontinued operations	-	61.1	73.3	91.5
Current liabilities	**159.7**	**242.0**	**343.7**	**372.8**
Total equity and liabilities	**958.5**	**1,410.8**	**1,512.9**	**1,574.4**

[1] Reflects the comparative figures as reported in our audited consolidated financial statements for the year ended December 31, 2019 included in this Listing Prospectus.

Consolidated Cash Flow Data

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended
	2018[1]	2019	2020	2020	2021	June 30, 2021
			(€ in millions)			
Cash generated by operating activities	49.8	156.7	109.0	29.1	84.5	164.4
Cash generated/(used) by investment activities	(74.0)	(5.0)	(32.8)	(11.2)	(27.2)	(48.8)
Cash generated/(used) by financing activities	(42.5)	(107.1)	(13.2)	43.7	(58.8)	(115.7)
Change in cash and cash equivalents	**(66.7)**	**44.6**	**63.0**	**61.7**	**(1.6)**	**(0.3)**

[1] Reflects the comparative figures as reported in our audited consolidated financial statements for the year ended December 31, 2019 included in this Listing Prospectus.

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

The following is a discussion and analysis of the financial condition and results of operations of the Group in the periods set forth below, based on data extracted from the financial statements of the SSN Issuer as discussed under "*Presentation of Financial and Other Information*".

This discussion should be read together with the consolidated financial statements prepared in accordance with IFRS, free English translations of which are included elsewhere in this Listing Prospectus.

The following discussion should also be read in conjunction with "*Presentation of Financial and Other Information*," and "*Summary Historical Consolidated Financial Information and Other Data*". A summary of the Group's critical accounting policies that have been applied to these financial statements is set out below under the caption "*—Critical Accounting Policies*". The discussion in this section may contain forward-looking statements that reflect the Group's plans, estimates and beliefs and involve risks and uncertainties. The Group's 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 below and elsewhere in this Listing Prospectus, particularly under "*Risk Factors*" and "*Forward-Looking Statements*".

Overview

We are Burger King France, resolutely focused on the expansion of the world's second largest QSHR chain in the French market which is characterized by secular, long-term demand for eating out and a strong affinity for our brand. Guided by the Burger King philosophy of "Have it your way", we offer customers a differentiated eating experience, combining high-quality food, such as our flame-grilled hamburgers, with attractive restaurant locations.

In 2013, our principal shareholder Groupe Bertrand reintroduced the Burger King brand to the French market after a 15-year absence, by signing of an exclusive master franchise agreement between Burger King France and BK Europe, the holder of the Burger King brand. Groupe Bertrand is a leader in the French restaurant industry, known for its ability to roll out and transform restaurant concepts. Following our acquisition in 2015 of Financière Quick Group, an incumbent QSHR operator with nearly 400 prime restaurant locations in France, we demonstrated a successful track-record of expansion of our Burger King network in France, both through the conversion of Quick restaurants to the Burger King brand, as well as through new Burger King restaurant openings. As of June 30, 2021, we operated 412 restaurants (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion) and as of August 31, 2021, we operated 413 restaurants under the Burger King brand (425 restaurants including nine restaurants under the Quick brand to be converted or definitively closed in the short-term and three Quick restaurants under conversion).

Our mission is to continue to deliver a high-quality service to our customers and support the growth of our franchisees through expansion of new Burger King restaurants. We are committed to strict development criteria, prioritizing sustainable initiatives and seeking to exploit economies of scale to further growing our EBITDA. Our business model features a mix of predominantly Franchise with Lease Management Restaurants and Pure Franchise Restaurants, and to a lesser extent Company Restaurants. We believe this model enables us to manage our growth flexibly while controlling the locations of the restaurants in our network. As of June 30, 2021, approximately 83% of our Burger King restaurants are Franchise Restaurants under our Burger King brand and the remaining 17% are Company Restaurants, a balance that supports our gross margin and reduces our capital expenditure requirement for expansion. As of June 30, 2021, we were the direct lessee for or owner of approximately 87% of the restaurant locations in our network, compared to 85% of the restaurant locations in our network as of December 31, 2018.

In 2021, Burger King was ranked the highest among QSR brands in France, over McDonald's, KFC, Paul, Domino's and Brioche Dorée, according to a KANTAR consumer survey that asked customers how good they felt about the food at each of these QSR brands. The strong recognition of the Burger King brand in France, together with Burger King's significant restaurant network worldwide, serves as a solid base to attract customers and prospective franchisees.

For the twelve months ended June 30, 2021, the average restaurant sales ("**ARS**") for Burger King restaurants was approximately €2.8 million.

We are the second largest QSHR chain in France, with locations throughout the country and approximately 15% market share by sales of burgers in 2021 (up from 8% in 2017), generating €1,056.7 million in SWS, €448.3 million in revenue (reported) and €151.3 million of Adjusted EBITDA (reported) for the twelve months ended June 30, 2021, with 412 restaurants as of June 30, 2021 (399 of which were under the Burger King brand).

Presentation of Financial and Other Information

The SSN Issuer was established in October 2013 as a *société par actions simplifiée* under the laws of France in order to lead and develop the Burger King brand in France, carry out the activities contemplated by the Master Franchise Agreement and serve as the Group's holding company. The SSN Issuer prepares its consolidated financial statements in accordance with IFRS.

The PIK Issuer was incorporated on April 13, 2018 as a *société par actions simplifiée* under the laws of France.

The PIK Issuer is a holding company with no independent operations of its own and whose assets as of June 30, 2021 consist only of its direct interest in the share capital of NewCo GB.

Following the Post-Closing Merger, whereby NewCo GB will be merged with, and into, the SSN Issuer, the assets of the PIK Issuer will consist only of its direct interest in the share capital of the SSN Issuer. See "*Summary—The Transactions—The Post-Closing Merger*".

The PIK Issuer does not prepare, and does not intend to prepare, consolidated financial statements at the level of the PIK Issuer.

As a result, this Listing Prospectus presents consolidated financial and other data for the SSN Issuer only.

Financial Statements

The financial statements used in this Listing Prospectus are the consolidated financial statements of the SSN Issuer prepared in accordance with IFRS for the six months ended June 30, 2021, as well as for the years ended December 31, 2020, 2019 and 2018.

During the periods under review in this Listing Prospectus, we have adopted certain accounting standards that may have an impact on the comparability of the financial information presented herein. For a further description of these accounting standards and the impact of their adoption on our financial statements, see "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods".*

In addition, in 2019 we implemented a carve-out of our Quick activities, as a result of which we have applied IFRS 5 to our financial statements to reflect the classification of such Quick activities as discontinued operations from the period beginning January 1, 2019 and have restated 2018 comparative figures to reflect this classification. "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in Consolidation Scope".* As a result of the foregoing, our results of operations may not be directly comparable from one period to the next.

Unless otherwise indicated, the period-to-period comparison of our results of operations and cash flows for the periods presented in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are presented on a pre-IFRS 16 including IFRS IC (cancellation of IFRS 16 entries and rents' recognition) and pre-IFRS 5 (cancellation of the IFRS 5 (discontinued operations) entries, and addition of the depreciation and amortization related to the assets held for sale as if they had been maintained.

In order to provide further detail on the impact of our restatements applied to our reported financial statements, reconciliations from our reported results of operations and cash flows as of and for the six months ended June 30, 2021, the six months ended June 30, 2020, the year ended December 31, 2020 and the year ended December 31, 2019 to the restated figures for such periods, including IFRS 16 (including IFRS IC), IFRS 5 and D&A related to assets held for sale adjustments only for the six months ended June 30, 2021, the six months ended June 30, 2020 and the year ended December 31, 2020, due to the fact that for the year ended December 31, 2019, the D&A related to the assets held for sale were already included in the reported figures, have been presented under "*—Reconciliations of our results of operations — Impact of the application of IFRS 16* (*including IFRS IC*), *IFRS 5 and D&A related to assets held for sale*" and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16 (including IFRS IC)*". In addition, a reconciliation from our reported results of operations for the year ended December 31, 2018 to the restated figures for such periods has been provided to reflect the impact of our application of IFRS 5 only.

Factors Affecting the Comparability of the Financial Information Presented

Set forth below are certain factors that affect the comparability of the financial information presented in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Changes in consolidation scope

In 2019, the Group began a legal reorganization of its Quick activities in order to prepare for the subsequent carve-out of Quick's activities (including 107 Quick restaurants) (the "**Quick Carve-Out**"), with the aim of focusing on the further development of the Burger King brand in France. In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, beginning with our financial statements as of and for the year ended December 31, 2019, we have accounted for certain Quick activities falling within the scope of the Quick Carve-Out in our financial statements as discontinued operations.

Unless otherwise indicated, the period-to-period comparison of our results of operations and cash flows for all periods presented in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are presented on a pre-IFRS 5 basis (i.e., including our discontinued operations and depreciation and amortization related to assets held for sale). In order to provide prospective investors with the same information that we use internally for purposes of assessing our operating performance, we have prepared reconciliations from our reported results of operations and cash flows as of and for the six months ended June 30, 2021, the six months ended June 30, 2020, the year ended December 31, 2020, the year ended December 31, 2019 to the restated figures for such periods, including IFRS 5 adjustments and other adjustments, as set forth under "*—Reconciliations of our results of operations — Impact of the application of IFRS 16* (*including IFRS IC*), *IFRS 5 and D&A related to assets held for sale* " and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*)". In addition, a reconciliation from our reported results of operations for the year ended December 31, 2018 to the restated figures for such periods has been provided to reflect the impact of our application of IFRS 5 only.

Changes in accounting methods

The following is a discussion of certain changes in accounting methods that affect the comparability of our results of operations during the periods under review. For a further discussion of changes in accounting methods that have occurred, see note 3.2 to our unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2021 and our audited consolidated financial statements for the year ended December 31, 2020 included in this Listing Prospectus.

IFRS 16 — leases

IFRS 16 (Leases), which the IASB published on January 13, 2016 and which became mandatory for companies reporting according to 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 expenses related to leases, as rent expenses are substantially replaced with depreciation and finance costs. IFRS 16 requires lessees to recognize assets corresponding to the right to use the underlying leased asset for the estimated term of the lease, as well as liabilities corresponding to the discounted obligation to make lease payments for substantially all leases. Operating lease expense in the consolidated income statement is replaced by depreciation of the right-of-use asset, presented in depreciation and amortization (restaurants) and depreciation and amortization (corporate center), and interest expense on the financial liability, presented in other financial expenses. Regarding the statement of cash flows, the financing cash flows are impacted by the repayment of the debt and interest expenses.

The new lease accounting rules under IFRS 16 primarily affect the accounting for our operating leases. Our principal leased assets include our stores, offices, data storage and vehicles. Previously, each lease contract was qualified under the roles of IAS 17 as either a finance lease or as an operating lease, with accounting treatment appropriate for each category.

We have applied the IFRS 16 standard from its mandatory adoption date of January 1, 2019. In the preparation of our financial statements as of and for the year ended December 31, 2019, we applied the modified retrospective transition approach and without restatement for the comparative information for the year ended December 31, 2018. In addition, the discount rates we applied as of the transition date are based on the Group's marginal borrowing rate. These discount rates are determined with respect to the remaining terms of leases from the date of first-time application on January 1, 2019.

Unless otherwise indicated, the period-to-period comparison of our results of operations and cash flows for all periods presented in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", are on a pre-IFRS 16 basis.

However, in order to provide prospective investors with the same information that we use internally for purposes of assessing our operating performance, we have prepared reconciliations from our reported results of operations and cash flows as of and for the six months ended June 30, 2021, the six months ended June 30, 2020, the year ended December 31, 2020 and the year ended December 31, 2019 to the restated figures for such periods, including IFRS 16 adjustments and other adjustments, is set forth under the section titled "*—Reconciliations of our results of operations — Impact of the application of IFRS 16* (*including IFRS IC*), *IFRS 5 and D&A related to assets held for sale* " and "*— Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*) ".

IFRS IC conclusion for IFRS 16

On December 16, 2019, the IFRS Interpretations Committee published its decision on (i) determining the enforceable period of an automatically renewable lease or a lease that can be terminated by either of the parties with no contractual penalty and (ii) the link between the useful life of non-removable leasehold improvements and the IFRS 16 lease term. This decision provides clarifications that may impact the term of leases other than the particular cases mentioned.

In light of this decision, on July 3, 2020, the French accounting standards authority (*Autorité des Normes Comptables*, or the "**ANC**") issued a new position statement on July 3, 2020 regarding the application of IFRS 16 on French commercial leases that are described as "3-6-9" leases, because such leases are signed for at least nine years, with unilateral termination possible by the tenant after three or six years. This statement superseded the ANC's previous position statement of February 16, 2018.

Subsequent to the issuance of such position statement, we performed a further analysis of our leases in order to identify contracts whose initial accounting under IFRS 16 could be affected by the ANC's position statement. As a result of this further analysis, the Group revised its accounting treatment of certain lease contracts to reflect an increased estimated term for certain leases. Our analysis focused on the underlying asset leases (restaurants) including inseparable fixtures and installations, of which the residual net book value at the end of the estimated lease period pursuant to the IFRS 16 standard may constitute a significant penalty (within the meaning of the decision of the IFRS Interpretations Committee) for the Group.

The revised accounting treatment of such leases were retrospectively recognized at the date of transition to IFRS 16 (January 1, 2019), which resulted in a restatement of our consolidated financial statements as of and for the year ended December 31, 2019.

Unless otherwise indicated, the period-to-period comparison of our results of operations for all periods presented in this *"Management's Discussion and Analysis of Financial Condition and Results of Operations"*, are on a pre-IFRS 16 basis, and therefore do not reflect the application of the decision of the IFRS Interpretations Committee.

Key Factors Affecting Our Results of Operations

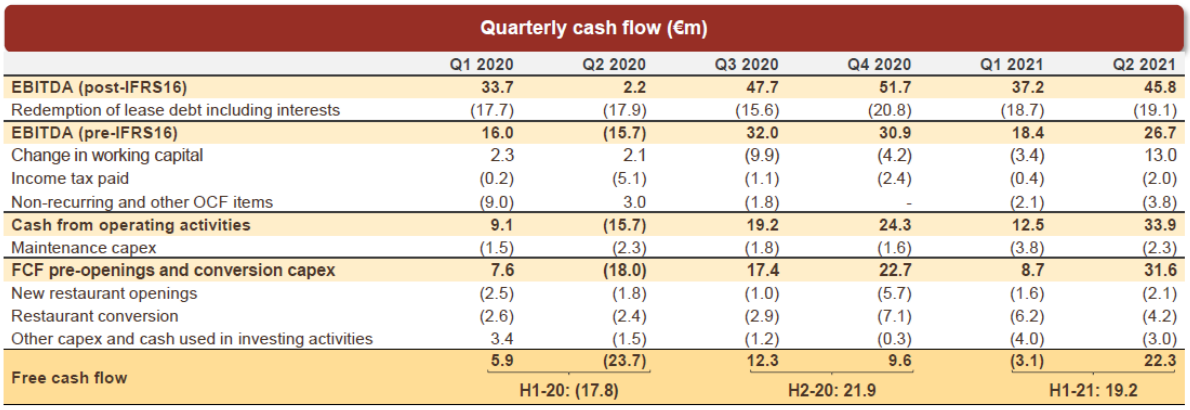
Set forth below are certain key factors that historically have affected our results of operations, and which may impact our results of operations in the future.

Impact of the COVID-19 pandemic

As a food service provider with hundreds of restaurant locations, we have been affected by the COVID-19 pandemic and the various health protection measures that have been adopted by the French government. These measures include government-mandated shutdowns of restaurants, country-wide lockdowns and mandatory safety measures across all our operations in France. As a result, we have been required to manage the numbers of customers in our restaurants, reduce or temporarily close the operation of certain of our restaurants following evolving guidelines or orders by the French government, invest in protective and other safety equipment and increase our reliance on home delivery and Click & Collect purchase options. For example, as a result of the first lockdown in France, a large majority of our restaurants were shut down from March 17, 2020 through the end of April 2020, after which we underwent, and are still undergoing, a period of gradual and progressive reopening of all our restaurants.

In response to these government restrictions that limited our operations, we adopted various measures to strengthen our liquidity position, including by drawing in full our Existing Revolving Credit Facility for a total of €60 million and entering into the state-guaranteed PGE Loan (*contrat de prêts garantis par l'État français*) for a total of €80 million. Once the PGE Loan was secured, we used our cash available to repay €40 million of the amounts we borrowed under the Existing Revolving Credit Facility. In addition, from the period beginning on March 19, 2020 through the end of May 2020, we placed most of our staff, both at our restaurants and in our headquarters, under temporarily unemployment. We also ceased most external service expenditures such as cleaning, security and maintenance, both in our restaurants and at our headquarters, and renegotiated our rental obligations for the period with our landlords. In addition, we implemented temporary royalty adjustments to support our franchisees, which resulted in a reduction in the revenue we generated from our franchisees during the first half of 2020.

A breakdown of our quarterly cash flow generation (including our discontinued activity) for the periods impacted by COVID-19, beginning on January 1, 2020 through June 30, 2021, is set forth below:



Quarterly cash flow (€m)

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
EBITDA (post-IFRS16)	**33.7**	**2.2**	**47.7**	**51.7**	**37.2**	**45.8**
Redemption of lease debt including interests	(17.7)	(17.9)	(15.6)	(20.8)	(18.7)	(19.1)
EBITDA (pre-IFRS16)	**16.0**	**(15.7)**	**32.0**	**30.9**	**18.4**	**26.7**
Change in working capital	2.3	2.1	(9.9)	(4.2)	(3.4)	13.0
Income tax paid	(0.2)	(5.1)	(1.1)	(2.4)	(0.4)	(2.0)
Non-recurring and other OCF items	(9.0)	3.0	(1.8)	-	(2.1)	(3.8)
Cash from operating activities	**9.1**	**(15.7)**	**19.2**	**24.3**	**12.5**	**33.9**
Maintenance capex	(1.5)	(2.3)	(1.8)	(1.6)	(3.8)	(2.3)
FCF pre-openings and conversion capex	**7.6**	**(18.0)**	**17.4**	**22.7**	**8.7**	**31.6**
New restaurant openings	(2.5)	(1.8)	(1.0)	(5.7)	(1.6)	(2.1)
Restaurant conversion	(2.6)	(2.4)	(2.9)	(7.1)	(6.2)	(4.2)
Other capex and cash used in investing activities	3.4	(1.5)	(1.2)	(0.3)	(4.0)	(3.0)
Free cash flow	**5.9**	**(23.7)**	**12.3**	**9.6**	**(3.1)**	**22.3**
	H1-20: (17.8)		**H2-20: 21.9**		**H1-21: 19.2**	

During the periods presented above, we experienced negative working capital following the COVID-19 crisis as a result of payments to landlords, delayed suppliers' liabilities and a decrease in receivables. However, we experienced a working capital inflow in the three months ended June 30, 2021 as a result of a decrease in trade receivables on our CPI activity (as defined below) and an increase in our financial liabilities driven by VAT.

As a result of the various measured adopted by the government to curb the spread of COVID-19, our financial results for the year ended December 31, 2020 were materially impacted. While we have recorded continued positive performance in the six months ended June 30, 2021, government measures in response to the evolving pandemic continue to be uncertain. As a result, the impact of the pandemic on our results of operations will ultimately depend on a number of factors that cannot be accurately predicted at this time, including, but not limited to, the duration (including the extent of any resurgence in the future) and severity of the COVID-19 pandemic and the impact of evolving government containment efforts, all of which are beyond our knowledge and control.

Consumer preferences and societal trends, general economic conditions and consumer sentiment

We operate in the QSHR category of the QSR segment and our results of operations during the periods under review have been, and in the future may continue to be, affected by changes in consumer preferences and societal trends. Among the most significant trends that have affected our results of operations is the increased prevalence of eating away from home as the habits of the French population begins to exhibit greater convergence with other Northern European countries. As a result, the restaurant industry has grown in line with this increase in out-of-home dining. Demographic, social and economic trends underlying this decline include profound shifts in the way people live, work and eat in recent decades that have accelerated with economic and technological changes. More people are living alone, which means that people are eating out alone, stopping to eat while in transit or getting together to eat outside the home as a social activity. In addition, more French households with children have dual incomes, meaning both parents are working and more likely to be on the go during the week and pressed for time on the weekends. Moreover, more French young people are working while pursuing their studies and therefore have comparatively more spending power than prior generations. These demographic, social and economic changes support the QSR segment, and in particular the QSHR market within the QSR segment, as the price points are accessible, customer service delivery is geared towards efficiency and the portion sizes can be generous. According to GIRA Foodservice, during the periods under review, the QSR market grew at a CAGR of 6.8% per annum between 2017 and 2019, although it decreased in 2020 by 31.2% compared to 2019 due to the COVID-19 outbreak. Despite the temporary slowdown in the growth of the QSR market during the COVID-19 outbreak, the QSR market significantly outperformed the broader OOH market during such periods, with the QSR segment generating approximately €13.4 billion in sales in 2020, representing a decline of approximately 31.2% as compared to 2019; whereas the French OOH market overall declined by 37.7% during the same period. According to NPD Group, the QSR market also increased its share of the OOH market from 35% in 2017 to 44% in 2020, reaching 62% for the three months ended March 30, 2021. In particular, during the same periods, the QSHR market grew at a CAGR of 8.4% between 2017 and 2019, decreasing only by 22% compared to 2019 due to COVID-19 impacts. Its share in the QSR market increased from 33% in 2017 to 38% in the first quarter of 2021. See "*Industry*". Additionally, we believe that these societal trends contributed to increase footfall which had a positive impact on our results of operations, during the pre-COVID-19 periods under review.

Our results of operations are also influenced by changes in consumer preferences and trends regarding taste, packaging, ordering and customer service. To the extent we are able to maintain a fresh brand image and good reputation among consumers for products that appeal to them, our results of operations will be positively affected. Conversely, if we are unable to anticipate, identify and respond to such changes by evolving our product offering, menu customization options, portion sizing, pricing and other aspects of our business operations adequately and in a timely fashion, our results of operations may be adversely affected. We are constantly seeking to stay at the vanguard of consumer preferences through product offering and customer service, and have begun initiatives to better satisfy customer needs, for example through the improvements to the Burger King mobile app, which facilitate the ordering of Click & Collect options, as well as integrate our customer loyalty program.

In addition, our results of operations are also affected to a degree by global economic conditions and specific local economic conditions in the markets and geographic areas in which we operate. Such conditions include levels of employment, disposable income, consumer confidence and consumer willingness to spend, which are influenced by a variety of factors, including gross domestic product and interest and inflation rates. During the periods under review, our results of operations were affected by the state of the French economy. According to INSEE, France's GDP grew at only 1.9% in 2018 and 1.8% in 2019, followed by a significant drop of 7.9% in 2020, which is mainly attributed to the impact of the COVID-19 pandemic. During periods of economic growth, consumers tend to eat outside the home more frequently, young people (an important demographic for the QSHR sector), tend to have more disposable income and consumers generally tend to travel more often for work or leisure, all of which can lead to greater traffic in our restaurants and contribute to System-wide sales ("**SWS**") generation. Conversely, during periods with unfavorable economic conditions characterized by stagnant or negative GDP growth and/or a decrease in disposable income, consumers may reduce the frequency with which they dine out or choose more inexpensive restaurants when dining away from home. Unfavorable changes in general economic conditions, therefore, can reduce customer traffic, as consumers may prefer to prepare food at home, or comparison shop for the best promotional deals from restaurants, which can reduce our total sales. Nevertheless, we believe that our positioning in the QSR segment with good value-for-money products mitigates the impact of potential changes in general and local economic conditions as this sector has historically been relatively resilient.

In addition, customer traffic is a product of, among other things, consumer sentiment which can be affected by significant global or national events. Large-scale sporting or cultural events can encourage additional travel to certain regions by domestic and international tourists, which can drive traffic at certain restaurant locations where the event is held or on routes to such locations. Conversely, events such as terrorist attacks or civil disturbances such as prolonged labor strikes can negatively affect our results of operations and discourage customers from dining out, particularly if transportation networks are disrupted. For example, our operations in France were most impacted by the Yellow Vests (*Gilet Jaune*) protests, which caused intermittent traffic blockades and transportation disruptions, particularly in downtown areas, limiting foot traffic and access to our restaurants, during the period from roughly November 2018 through early 2019. Following these protests, consumers may have been less likely to patronize our restaurants in and around the affected areas or in urban centers generally which partially offset increased sales recorded by our restaurants during the same period.

Evolution of our network

One of the drivers of our results of operations is the size and evolution of our restaurant network. Our historical strategy of converting existing Quick restaurants into the Burger King brand permitted the Group to accelerate its development of the Burger King brand in France. Additionally, we opened new restaurants during the period under review as we sought to continue to expand our nationwide coverage. As a result, our network of Burger King restaurants expanded from 203 as of December 31, 2017 to 399 as of June 30, 2021. Concurrently, the number of Quick restaurants operated by the Group in mainland France during the period under review decreased from 252 as of December 31, 2017 (excluding four restaurants temporarily closed and under conversion to the Burger King brand) to 110 as of June 30, 2021 (excluding two restaurants temporarily closed and under conversion to the Burger King brand) due to closures and conversions to the Burger King brand. The recent disposal of our Quick operations (see "*Summary—Recent Developments*") will allow us to further focus on the expansion of the Burger King brand in France.

Our results and our margins are also affected by the evolution of the mix between Company Restaurants and Franchise Restaurants in our network. Company Restaurants add additional costs to our structure, such as personnel costs and lease costs that we cannot ultimately recuperate from our Franchise Restaurants (as is the case with our Franchise with Lease Management restaurants), generally resulting in a lower margin of SWS when compared to Franchise Restaurants. In addition, we generally incur capital expenditures and pre-opening costs with each new Company Restaurant, whereas due to franchise arrangements, the cash flow impact on the Group for adding a new Franchise Restaurant is more limited and the sales and margin impact may be significant. Additionally, the cost of converting a Franchise Restaurant is also more limited in terms of investment than opening a Company Restaurant, though the return in terms of additional royalties is significant.

For the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021 we opened 25, 25, 21 and 17 restaurants, respectively, of which seven, three, one and none were Company Restaurants. For the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021, we converted 63, 29, nine and 15 restaurants, respectively, of which 16, six, four and one were Company Restaurants. We generally record pre-opening costs corresponding to wages prior to trading, training and pre-IFRS16 rent. During years with a high number of Company Restaurant openings, such costs may be unevenly distributed and disproportionally recorded during certain quarters before the sales uplift is experienced. This necessary network growth may affect certain cost items in our consolidated income statement as well as our cash flow related to investing activities in our consolidated cash flow statement. We expect this opening effect to continue to be recorded, though the mix of Company Restaurants opened will likely diminish over time as network expansion stabilizes. See also "*—Key Performance Indicators—Number of restaurants*" below for a discussion of restaurant openings and closings.

In addition, QSHR restaurant locations generally require a certain level of renovation and refurbishment every six to seven years in order to maintain customer traffic. As almost 50% of our Burger King restaurants have opened or have been converted from former Quick restaurants within the last three years, renovation and refurbishment expenses have mostly stemmed from our operation of Quick branded restaurants. Furthermore, the works undertaken as part of the conversion process from Quick branded restaurants to the Burger King brand are sufficient to restart the refurbishment cycle for such restaurants.

The following discusses the main trends discernable when examining the evolution of our network during the periods under review that affected our results of operations.

The "*novelty effect*", which we use to describe the strong sales performance experienced by newly-opened and converted Burger King restaurants, records ARS in their first few months of operations that are significantly higher than the monthly ARS of the entire Burger King network for the full year. We believe the novelty effect results from the strong brand equity that Burger King enjoys in the French market as a relatively newly-arrived challenger in a market long dominated by McDonald's. Also contributing to this effect is Burger King's strong value proposition characterized by good quality ingredients and great taste at accessible prices, which resonates with customers. As a result, Burger King restaurants register minimal ramp up time as the first month's ARS typically exceeds that of the entire Group perimeter.

Factors that can affect the intensity and duration of the novelty effect include, among other things:

- the number of Burger King restaurants in the catchment area (generally the novelty effect is more pronounced for the first restaurant);

- the distance to competitor's restaurants;

- the demographics of the catchment area; and

- the characteristics of the restaurant (*i.e.,* city center, suburban area, shopping mall or drive-through location).

The higher ARS generated by Burger King restaurants as compared to Quick restaurants recorded during the periods under review is largely attributable to higher customer traffic. As a result, by increasing the number of Burger King restaurants in the network, through both organic expansion and the conversion of Quick restaurants, our revenues generated directly by Company Restaurants, and indirectly from Franchise Restaurant through royalties and lease payments, increased.

As we have progressed in our conversion efforts, the weight of pre-existing Burger King restaurants has increased in our calculation of ARS, and due to the waning of the novelty effect as to those restaurants, the ARS for our Burger King restaurants as a whole may slightly decrease, as it did for the year ended December 31, 2019 compared to the year prior.

The pace of the growth of our network has depended, and in the future will likely depend, on a combination of factors, including, among other things, the prioritization of certain clusters to achieve better network density in the Burger King restaurant network and decreased logistics costs, receipt of necessary permits and landlord consents, securing financing in the case of franchisees (as applicable) and discussions with franchisees. As a result, the restaurants opened or converted during the periods under review represent a mix of locations, categories and sizes, thereby producing non-uniform effects on our results of operations depending on the circumstances.

Franchise arrangements and franchisee performance

We are the master franchisee of Burger King in France and the former franchisor for Quick, and royalties, entry fees and lease payments from lease management arrangements have contributed significantly to our results of operations during the periods under review. Our franchisees are independent entrepreneurs who remunerate us by paying one-off entry fees upon the opening or conversion of their restaurants and through the payment of a certain percentage of their sales as brand royalties (part of which we in turn pay to BK Europe for those restaurants operated under the Burger King brand). Moreover, for Franchise with Lease Management Restaurants, which represent the majority of our Franchise Restaurants, we also receive lease payments as a percentage of sales. As a result of our franchise arrangements, our results of operations and our profitability are significantly affected in a positive way when Burger King's ARS is performing well. We generally prefer to use franchises as we believe that our franchisees' overall expertise at running restaurants results in better performance.

During the periods under review, our franchisor network grew in line with the further development of the Burger King network through both the conversion of Quick restaurants to the Burger King brand as franchise restaurants, as well as organic new franchise restaurant openings. In line with our strategy, most such franchises were opened under our Franchise with Lease Management Restaurants arrangement.

For more information on our franchise arrangements and royalties collected, see "*Business—Our Business—Restaurant operations*".

Cost base

Our cost base is comprised of a mixture of variable, semi-variable and fixed costs. Variable costs primarily include food and logistics costs and selling costs. Operating and occupancy costs (including rental expenses), as well as general & administrative expenses are mainly fixed costs, while personnel costs have both a fixed and semi-variable component. Personnel costs related to staff in Company Restaurants are semi-variable whereas personnel costs in connection with headquarters and Company Restaurants' management is generally fixed. In the event of a decrease in SWS, we may not be able to reduce our cost base in a timely manner, in particular as it relates to our fixed costs, which could adversely impact our margins. However, in the event of an increase in SWS, we benefit from a strong operational leverage as SWS growth allows favorable scale effects.

The following sections discuss the main factors affecting the principal items of our cost base.

Food and logistics costs

Beginning on March 31, 2019, Franchise Restaurants under both the Burger King brand and the Quick brand are responsible for their own food and logistics costs as Burger King's model is based on the outsourcing of food purchases and logistics services. Prior to March 31, 2019, food purchases and logistics services for Franchise Restaurants operated under the Quick brand were managed through a dedicated Group subsidiary. However, for Company Restaurants under both Burger King and Quick brands, we source a wide range of ingredients, including beef and chicken, potatoes and other fresh and frozen products, and a variety of sauces to form our menu and we also incur logistics costs to store inventory and transport raw materials and semi-finished products to such restaurant locations. Our food and logistics costs for Company Restaurants were €91.3 million, €54.3 million and €58.2 million during the years ended December 31, 2019 and 2020 and the twelve months ended June 30, 2021, respectively, representing 15.5%, 13.0% and 11.4% of our total sales and franchise revenues for the same periods, respectively.

As we are the master franchisee of BK Europe for France, we must use approved packaging and source from approved suppliers with plants that have passed inspection by BKC or its affiliates. During the periods under review, we have developed a significant French network of approved suppliers, which has helped to control our logistics costs as a percentage of revenues as we no longer need to heavily rely on imports of raw materials and semi-finished goods from approved suppliers in neighboring European countries, such as Germany, the United Kingdom and Austria.

In addition, many of the ingredients we use in preparing our food are commodities and are subject to price volatility, notably beef. We purchase all of our beef from suppliers that are strictly required to purchase beef only from the European Union, with a limited number of countries of origin (France, Germany and Austria). More than 50% of our beef comes from France. European beef prices are driven by the interplay of supply and demand dynamics. During the periods under review, prices for European beef were on an upward trend.

We seek to optimize spending on ingredients, reduce our exposure to price fluctuations and contain logistics costs through a variety of measures, including regular review of our supply contracts, maintain contacts with multiple suppliers, focusing our cost control measures on prevention of food waste and actively planning our network growth in clusters to reduce logistics costs. Examples of cost control initiatives or events during the periods under review include: (i) use of futures and hedging on certain raw materials purchased from our suppliers; (ii) further development and growth of a BKC-approved supplier network in France, which allows us to obtain better pricing and reduce logistics costs; (iii) secured sourcing plans in France and Europe; and (iv) supplier contingency plans, both with respect to the number of suppliers in France and the expansion of our supplier network in other countries.

We expect food and logistics costs to decrease as the network grows and becomes more dense. Enhanced buying power owing to the growth of our network has helped, and potentially in the future can help, us to attain high standards of product quality and more competitive pricing. These factors can have positive effects on our customer proposition and the profit margins of our Company Restaurants, though we expect that they will not affect our franchise revenues since our royalties and lease payments are calculated as a percentage of their sales. An ancillary benefit of our cost reduction initiatives is that franchisees may have greater financial means to invest more quickly in a second or third Burger King restaurant. The effectiveness of our supply and logistics chain can also impact our costs of sales and administration expenses.

See "*Business—Group Operations—Procurement and logistics—Raw materials supply*" for more information.

Leasehold and occupancy costs

We currently rent almost all of our Company Restaurants and our Franchise with Lease Management Restaurants through commercial or ground leases. We are the tenant of record for both types of restaurants, though pursuant to our Franchise with Lease Management arrangements, the franchisee pays us a percentage of sales for rent, generally with a fixed minimum. Franchise with Lease Management arrangements, discussed in more detail under "*—Franchise arrangements and franchisee performance*" require us to be liable for the rent payment. However, not only do they provide us with control over the real estate, but the percentage of sales paid by the franchisee compensates us for our ownership and management of the business assets rights (*fonds de commerce*) and covers the underlying leasehold costs. Due to the strong ARS generated by the Burger King brand, as the ratio of Burger King restaurants to Quick restaurants has increased during the periods under review, our leasehold costs have improved as a percentage of revenues. Further, during the periods under review, in each conversion of a Quick Franchise Restaurant with Lease Management, the rent remained the same for the existing leasehold while the ARS improved significantly, thereby yielding higher lease payments from the franchisees, which contributed to our gross margin. Our leasehold and occupancy costs for restaurants were €67.2 million, €66.1 million and €68.3 million during the years ended December 31, 2019 and 2020 and the twelve months ended June 30, 2021, respectively, representing approximately 11%, 16% and 14% of our revenues for the same periods, respectively.

Commercial leases generally have a term of nine years, typically with early termination options for the tenant every three years and an automatic renewal right for the tenant at the end of the term. Since mid-2019, we have entered into several lease agreements with longer terms of up to twelve years for some of our new Burger King restaurant openings. Ground leases (usually related to freestanding restaurants with their own parking spaces and grounds) typically have a longer term of 30 years. Our leases generally contain an annual increase pursuant to an indexation clause that is based on, among other things, inflation. Increases in our leasehold and occupancy costs occur when we open new Company Restaurants and Franchise with Lease Management Restaurants. Opening new restaurants also has the effect of increasing restaurant overhead more broadly with additional rent, fixtures, insurance and other costs. Certain restaurant locations, particularly in transportation locations and at large shopping malls, may have a variable rent set at a percentage of sales, typically with a certain minimum rent. See "*Business—Real Estate*".

To manage leasehold and occupancy costs, we focus on site selection, the right-sizing of the restaurant, and the negotiation of leases that are realistic in terms of the sales that such location can generate. In this process, we are informed by the data from our other restaurants and we are guided by conservative guidelines for rent as a percentage of sales. In connection with the conversion of Quick restaurants to Burger King restaurants, we are committed to securing the lease agreement with the landlord prior to the conversion when the conversion is planned to take place at the end of the lease period. We are also leveraging Groupe Bertrand's long history and know-how in site selection in order to reduce costs. See "*Business—Our Network—Site selection*".

As the Burger King network expanded during the period under review, leasehold and occupancy costs were better absorbed as a percentage of revenues. In connection with the continued development of the Burger King brand in France, we have decided to enter into Franchise with Lease Management agreements with our franchisees going forward. We expect that occupancy costs will rise in the aggregate but decline as a percentage of revenues as Franchise with Lease Management locations take on a larger proportion of our franchise arrangements. We believe this will result from the fact that lease payments under Franchise with Lease Management arrangements will more than compensate for the higher leasehold and occupancy cost base.

Labor costs

In addition to the cost of our headquarters staff and management, we hire employees (whom we refer to as "team members") directly for our Company Restaurants, while franchisees are responsible for their own labor costs. Labor costs primarily comprise the salaries of team members employed in individual restaurants plus managers and restaurant directors. The QSHR category is labor-intensive, which is compounded by the fact that pursuant to French law and the applicable collective bargaining agreements for the fast food sector, our ability to make use of part-time work and require overtime is limited to certain prescribed thresholds. Though labor costs are largely fixed, restaurants directors and managers receive a variable component of their compensation based on ARS and other performance indicators such as profitability and respect of brand standards (*e.g.*, quality and service). During the periods under review, as the Burger King network was expanding, we regularly made new hires for new Company Restaurants and for our general & administrative structure to gear for growth, and our results of operations reflect the integration of such employees into our cost structure. Additionally, a portion of pre-opening costs generally includes employee wages as staff must complete training prior to the opening of the relevant Company Restaurant. The QSR segment generally has a high turnover among team members, which can increase training costs and reduce productivity, but gives us some flexibility to adapt the staffing level to the level of sales through attrition when sales decrease. Our Company Restaurants' labor costs were €100.8 million, €62.7 million and €61.8 million during the years ended December 31, 2019 and 2020 and the twelve months ended June 30, 2021, respectively, representing 17.2%, 15.0% and 12.1% of our total sales and franchise revenues for the same periods, respectively.

We seek to manage labor costs based on right sizing the staff for each Company Restaurant according to restaurant size and the expected footfall informed by similarly situated restaurants. We also focus a portion of our new restaurant development efforts on originating drive-through locations which tend to be more efficient from a labor-cost point of view because of the higher traffic that easily absorbs the additional staff cost. Moreover, we have been investing in point-of-sale and cooking equipment systems that seek to efficiently manage order, preparation and dispatch flow in the front of the house and kitchen. For new restaurant openings, applicable collective bargaining agreements for the fast food sector allow us to use short-term contracts and part-time work, which helps us to accommodate the higher footfall trends during the novelty effect period and also ensure the correct staffing level for the particular restaurant. We also manage team members on short-term contracts by attrition, given the high turnover in the QSR segment. We focus on internal promotion of restaurant managers from the ranks of team members.

Product attractiveness and brand equity

Sales and margins in the QSHR category can be impacted by the relative success of new products launched. The success of new burgers is attributable to a variety of factors, including the attractiveness and taste of the product, suitability of the product to changing consumer preferences, perceived product quality and competition from other comparable products launched by our competitors. Launch of a successful new product or an in-demand limited time offer can result in a sales uplift by encouraging additional orders from our customers. Conversely, a lack of new product offerings, an unsuccessful product or an incomplete roll-out of a new product can decrease sales if customers are not satisfied. Examples of new products during the period under review are the launch of gourmet burgers with premium ingredients, plant-based burger options and additional healthy menu items such as fresh bowls.

Brand equity is another factor that can affect results of operations for operators in the QSR segment. Positive associations regarding product quality, service, and value for money, among other factors, can help consumers make a decision regarding which QSHR restaurant to patronize. The Burger King brand was re-introduced in France in 2012 following a 15-year absence. In 2021, Burger King was ranked the highest among QSR brands in France, over McDonald's, KFC, Paul, Domino's and Brioche Dorée, according to a KANTAR consumer survey that asked customers how good they felt about the food at each of these QSR brands (increasing our position by 6 percentage points as compared to the same survey in 2018). We believe that the following characteristics differentiate Burger King in the market place and help enhance our market position, which contributed to our results of operations during the periods under review: (i) flame-grilled patties; (ii) customization under the "Have it Your Way" slogan; (iii) fresh ingredients; (iv) generous portion sizes; and (v) healthy dining options. During the periods under review, as the network of Burger King restaurants expanded, brand awareness increased and accelerated through word-of-mouth and the Group's advertising campaigns on various media. The development in France of the Burger King brand, a brand with worldwide currency and a strong challenger positioning to McDonald's in many other jurisdictions, has resulted in increasing awareness of the Burger King brand in France, which has helped to enhance ARS for Burger King locations and was a significant contributor to our revenues during the years periods under review.

Marketing and digital presence

In order to spread awareness of the Burger King brand and maintain and defend market share for the Quick brand, we undertake regular marketing campaigns and maintain an extensive digital presence. Franchisees under the Burger King brand and the Quick brands contribute 3.5% of their sales and between 4.5% and 5.0% of their sales, respectively, to a marketing budget to which we also contribute the same percentage from our Company Restaurants sales. We then work with advertising agencies to plan and execute campaigns that resonate with our target audiences. During the periods under review, we opted for a strong digital presence, producing "viral" video clips targeted to young people that were widely shared on social media, amplifying our ability to connect with potential customers. During the periods under review, the development of the Burger King network and brand in France allowed for an increased national marketing budget through which Burger King strengthened its marketing campaigns by commencing national television advertising. In addition to national advertising, we leverage our restaurant locations as another medium of communication with our customers primarily through local advertising and promotion campaigns. In the case of both brands, amounts collected from franchisees for such brand's marketing and advertising budget generally must be spent during the course of the same year. We closely monitor the marketing spending and frequency of our competitors' advertising and promotion campaigns and endeavor to maintain a relatively constant investment in order to maintain an appropriate communication presence.

Key Performance Indicators

In assessing the performance of our business, we consider a variety of performance and financial measures. The key measures for determining how our business is performing are the number and type of restaurants in our network, Average Restaurant Sales ("**ARS**") and Adjusted Run-rate EBITDA performance. Such indicators are either purely operational in nature, include financial information not derived from the Group's accounting system (*i.e.*, SWS includes sales recorded by franchisees and not revenues received by the Group) and/or are not recognized measurements of financial performance under IFRS. See "*Presentation of Financial and Other Information—Non-IFRS Financial Information*".

Number of restaurants

The number of restaurants consists of the total restaurants open at the relevant date, including both Company Restaurants and Franchise Restaurants. The number of restaurants is a good indicator of market penetration, the density of our network and our ability to successfully originate leasehold locations and new franchise arrangements for Burger King restaurants.

The following table presents the number of restaurants in our network by type, brand and geography as of the dates indicated.

	December 31,						June 30,	
	2018		2019		2020		2021[7]	
Total restaurants	**BK**	**Quick[1]**	**BK**	**Quick[2]**	**BK**	**Quick [3]**	**BK**	**Quick [4]**
	(number of restaurants)							
France (mainland only)	290	177	340	139	369	126	399	112
Of which Company Restaurants	*73*	*34*	*70*	*19*	*69*	*11*	69	10
Of which Pure Franchise Restaurants[5]	*50*	*15*	*49*	*14*	*52*	*11*	*53*	*8*
Of which Franchise with Lease Management Restaurants[5]	*167*	*122*	*221*	*105*	*248*	*97*	*277*	*92*
Of which Quick restaurants under conversion	—	*6*	—	*1*	—	*7*	—	*2*
International[6]	—	7	—	7	—	7	—	7
Total restaurants		**474**		**486**		**502**		**518**

[1] Includes six Quick restaurants temporarily closed as of December 31, 2018 for conversion into Burger King, of which three were Company restaurants, and three were Franchise with Lease Management Restaurants.

[2] Includes one Quick Franchise with Lease Management Restaurant temporarily closed as of December 31, 2019 for conversion into Burger King.

[3] Includes seven Quick Franchise with Lease Management restaurants temporarily closed as of December 31, 2020 for conversion into Burger King.

[4] Includes two Quick Franchise with Lease Management restaurants temporarily closed as of June 30, 2021 for conversion into Burger King. The Group has recently disposed of the remaining restaurants that it was operating under the Quick brand, including all restaurants operated internationally. See "*Summary—Recent Developments—Quick Disposal*". We currently operate 11 Quick restaurants (not including the two restaurants under conversion as of June 30, 2021) pursuant to the terms of the Quick License Agreement.

[5] Quick has historically had a more heterogeneous mix of franchise arrangements which included variations of pure franchise and franchise with lease management arrangements. For simplification of the presentation, all arrangements with some degree of lease management have been recorded as “Franchise with Lease Management Restaurants” and the remainder has been recorded as “Pure Franchise Restaurants”.

[6] Includes Franchise Restaurants in the French departments of Guadeloupe and Martinique as of December 31, 2018, as well as Morocco for all periods presented.

[7] Includes restaurants that are a part of our discontinued operations perimeter.

In addition, during the year ended December 31, 2017, we had 468 restaurants in our network (consisting of 252 Quick restaurants, 203 Burger King restaurants, four Quick restaurants under conversion and nine international restaurants), of which 74% were Franchise Restaurants. During the year ended December 31, 2016, we had 462 restaurants in our network (consisting of 339 Quick restaurants, 108 Burger King restaurants, eight Quick restaurants under conversion and seven international restaurants), of which 71% were Franchise Restaurants.

During the periods under review, the main trends in our restaurant network have been: (i) an expansion of the Burger King network, with an increasing share of Franchise with Lease Management arrangements and an acceleration of Burger King openings resulting from Quick conversions; (ii) a contraction of the Quick network resulting from conversions into Burger King restaurants and closures of certain loss-making restaurants; and (iii) an increased focus on Franchise with Lease Management restaurants, our preferred franchise arrangement. Due to the variations in the economic terms of our franchise arrangements between Pure Franchise and Franchise with Lease Management, the growth of Franchise with Lease Management can disproportionately increase the franchise revenues generation as we collect a percentage of sales because the lease and business assets rights (*fonds de commerce*) management fees we collect generally exceeds the fixed lease we pay to the landlord. In addition, our results of operations have been affected by outsized contribution of the progressively larger Burger King network due to its higher ARS. See "*—Key Factors Affecting Our Results of Operations—Evolution of our network*", "*—Key Factors Affecting Our Results of Operations—Franchise arrangements and franchisee performance*" and "*—Average Restaurant Sales*" for more information.

Average Restaurant Sales

Average Restaurant Sales ("**ARS**") refers to the annualized monthly average sales (excluding VAT) recorded per restaurant for the given sample size calculated by: (i) adding all monthly sales generated for the restaurant sample, but excluding (a) the month in which the opening of any restaurant occurred (as applicable) or (b) the month in which any restaurant has closed for more than seven days; (ii) dividing by the number of restaurant months to attain the ARS per month; and (iii) multiplying the ARS per month by 12 to annualize it. ARS is largely driven by footfall, which is in turn generated by a variety of factors, including but not limited to, location of the restaurants, product attractiveness, brand equity, consumer preferences, societal trends, general economic conditions, consumer sentiment, weather, opening hours, marketing, digital presence and promotional activity and limited time offers. See "*—Key Factors Affecting Our Results of Operations*".

We use ARS to assess and compare the performance of restaurants by type and brand across periods. ARS is also used as a benchmark to compute the variable compensation component for restaurant directors, restaurant managers and team leaders if the relevant Company Restaurant out-performs. We track ARS as a key performance indicator for the Burger King network and to reduce the impact of the novelty effect in our internal reporting. Management believes that ARS is the most useful indicator to assess the sales generation of the Burger King network.

The table below sets forth the ARS evolution for the brands and periods indicated.

	Year ended December 31,			**Twelve months ended June 30,**
Average restaurant sales (ARS)	**2018**	**2019**	**2020[1]**	**2021[1]**
		(€ in thousands)		
Burger King	3,260	3,227	2,859	2,806

[1] To account for the impact of COVID-19 on our restaurant operations during the year ended December 31, 2020 and the six months ended June 30, 2021, we have excluded periods during which restaurants were closed. However, we have retained in our sample restaurants that were only partially closed or had limited operations as a result of COVID-19 related restrictions.

The ARS evolution for Burger King for the periods under review principally reflects the impact of COVID-19 on the year ended December 31, 2020 and the six months ended June 30, 2021. However, it also demonstrates our ability to maintain a strong ARS despite the increase of new restaurants operated under the Burger King brand. The ARS of the Burger King restaurants remained strong largely because of footfall and continued strong resonance of the Burger King brand among its target demographics. ARS is also affected by the mix in the restaurant network and the change in restaurant network perimeter. As we plan to complete our Quick conversion or definitive closure efforts in the short-term, pre-existing Burger King restaurants will make up all of our network, and due to the waning of the novelty effect as to those restaurants, the ARS for our Burger King restaurants as a whole may decrease.

See also "*—Key Factors Affecting Our Results of Operations—Evolution of our network*", "*—Key Factors Affecting Our Results of Operations—Franchise arrangements and franchisee performance*" and "—Key Factors Affecting our Results of Operations—*Adjusted Run-rate EBITDA*" for more information.

Adjusted Run-rate EBITDA

We use Adjusted Run-rate EBITDA as a key performance indicator to measure operating performance. Adjusted Run-rate EBITDA is calculated as the EBITDA that the Group would have generated during the twelve months ended August 31, 2021, as if all of the Burger King restaurants that were newly opened, converted or temporarily closed for conversion over the period between September 2, 2020 and August 31, 2021 (the "**Run-rate Period**") had been operational during an entire twelve-month period.

We believe that Adjusted Run-rate EBITDA is a useful indicator of our ability to service our indebtedness and reflects the profit-generation capacity of our restaurant network for the relevant period. Adjusted Run-rate EBITDA is therefore used for internal purposes to evaluate operating performance of the business for the period utilizing the actual restaurant network composition at the period-end date.

We may use Adjusted Run-rate EBITDA to analyze our performance in future periods, depending on the pace of newly opened or converted restaurants, with appropriate changes in the methodology that our management may determine.

The table below sets forth our Adjusted Run-rate EBITDA for the twelve months ended August 31, 2021 and a reconciliation of Adjusted Run-rate EBITDA to EBITDA.

	For the twelve months ended August 31, 2021
	(€ in millions)
Adjusted EBITDA (continued activities) for the twelve months ended August 31, 2021	**161.2**
Restaurant EBITDA of the Burger King restaurants opened or converted during the Run-Rate Period, and which generated EBITDA during the year ended August 31, 2021	(10.9)
Estimated restaurant EBITDA of the Burger King restaurants opened or converted during the Run-rate Period	26.5
Restaurant EBITDA of former Quick restaurants converted, definitively closed or disposed	(2.2)
Restaurant EBITDA of the restaurants which changed their operating model during the Run-rate Period	0.3
Change in lease management rates of Franchise Restaurants	1.2
Run-rate impact	**14.9**
Adjusted Run-rate EBITDA	**176.1**

For a reconciliation of EBITDA to net loss for the six months ended June 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018, see footnote 1 to "S*ummary Historical Consolidated Financial Information and Other Data—Other Financial and Operational Data, including Run-Rate Data*".

We calculate Adjusted Run-rate EBITDA in the following manner:

- First, we take the Group's LTM Adjusted EBITDA as of August 31, 2021, excluding the EBITDA generated by discontinued activities as the starting point of the Adjusted Run-Rate EBITDA calculation.

- Second, we remove the restaurant operating EBITDA of the Burger King restaurants that were either opened or converted during Run-Rate Period, and which generated an EBITDA during the twelve months ended August 31, 2021.

- Third, we estimate the restaurant operating EBITDA of the Burger King restaurants that were opened or converted during the Run-rate Period as if they were operational during a twelve-month period. To do so, we calculate an estimate of the sales that would have been generated in a twelve-month period as an estimated ARS of €2.8 million (which is in line with the €2.8 million of ARS we generated for the twelve months ended June 30, 2021). We then apply this ARS to the restaurants in the sample by applying a cost margin or EBITDA margin, as applicable, to the estimated ARS based on the type of restaurant included in the sample, as follows:

  - **Company Restaurants**: for the four new Burger King Company Restaurants opened or converted in the sample, we apply a cost margin to the estimated ARS, calculated on the basis of the actual restaurant costs of the entire Burger King Company Restaurant network; and

  - **Franchise Restaurants**: for the 62 new Burger King Franchise Restaurants opened or converted in the sample, we apply an EBITDA margin to the estimated ARS, calculated on the basis of the underlying franchise arrangement of each model, *i.e.*, brand royalties for Pure Franchise Restaurants (representing the net amount collected after BK Europe's royalties); and (ii) brand royalties and lease and business asset fees for Franchise with Lease Management Restaurants (representing the net amount collected after BK Europe's royalties plus the net amount collected in lease and business asset fees after payments to landlords).

- Fourth, we remove the restaurant operating EBITDA of former Quick restaurants that were either converted into Burger King restaurants, definitively closed or disposed as of August 31, 2021, and which generated an EBITDA during the twelve-month period ended August 31, 2021.

- Fifth, we remove the restaurant operating EBITDA of any restaurants that changed their operating model during the Run-rate Period, and then estimate their restaurant EBITDA as if they had their new operating model during a twelve-month period. The new EBITDA restaurant estimations are calculated on the basis of the assumptions underlying the EBITDA estimations for each operating model described under the third step above. Based on the changes to their operating models during the period, we applied these calculations to three Burger King Company Restaurants which transferred into a Franchise Restaurant under Lease Management.

- Sixth, in order to account for contractual changes in lease management rates for our Franchise Restaurants (*i.e.*, as a result of progressive rates applied according to the year of openings), we remove the amount of franchise revenues generated by the lease management rate of these franchise restaurants with changed lease management rates during the twelve months ended August 31, 2021, and then apply the lease management rates under the current franchise agreements as of August 31, 2021.

Adjusted Run-rate EBITDA is not intended to be a projection, estimate or guarantee of performance regarding Adjusted EBITDA generation for the year ending December 31, 2021 or any other future period which may be affected by definitive closures of Quick restaurants, the phasing out of the novelty effect and the pace of conversions (including the length of temporary closures required for conversion). Moreover, prospective investors should note that the increase in Adjusted EBITDA modeled by Adjusted Run-rate EBITDA for new restaurant openings and conversions may be offset, to a degree that will vary on the circumstances, by a number of factors, including but not limited to, the performance of the remaining Quick network. See "*Risk Factors—Risks Related to Our Presentation of Financial and Other Information—The preparation of Adjusted Run-rate EBITDA as presented in this Listing Prospectus* reflects *certain estimates and assumptions which we consider reasonable, but we cannot assure you that we would have achieved such levels of profitability for the twelve-months ended August 31, 2021 had all of our Burger King restaurants in operation or under conversion as of August 31, 2021 been in operation during such period and Adjusted Run-rate EBITDA is not a projection of future performance*".

Investors should note that EBITDA is not uniformly or legally defined and is not a recognized indicator under IFRS. Other companies in the QSHR category may calculate EBITDA differently, make different adjustments or employ other run-rate estimations, and consequently our presentation of these figures may not be comparable to other companies' figures and must be read in conjunction with the discussion of gross margin, operating profit and operating cash flows included elsewhere herein and in our consolidated financial statements. The adjusted run-rate information presented herein is for informational purposes only. This information does not necessarily represent the results we would have achieved had all such newly-opened or converted restaurants been in operation for the twelve months ended September 30, 2021. This information is inherently subject to risks and uncertainties and it may not give an accurate or complete picture of our financial condition or results of operations, may not be comparable to our consolidated financial statements or the other financial information included in this Listing Prospectus and undue reliance should not be placed upon it when evaluating an investment decision. See "*Presentation of Financial and Other Information—Non-IFRS Measures*". See also "*Forward-Looking Statements*" and "*Risk factors—Risks Related to Our Business— Our future prospects depend on our ability to successfully implement our restaurant expansion strategy, but we may not be able to attract new franchisees or successfully develop or open restaurants*".

Critical Accounting Policies

IFRS consolidated financial statements require management to make estimates based on assumptions that may have an impact on the value of assets and liabilities at the date of the financial statements and income of the period.

Description of Key Income Statement Items

Sales and franchise revenues

Sales and franchise revenues consists of Company Restaurant revenues, Franchise revenues and other revenues.

Company Restaurant revenues

Company Restaurant revenues consists of sales, net of rebates, discounts and VAT and other sales taxes, generated by Company Restaurants.

Franchise revenues

Franchise revenues are based on a percentage of sales reported by Franchise Restaurants and consists of (i) royalty fees for franchisees under both Pure Franchise and Franchise with Lease Management agreements, (ii) lease and business assets rights (*fonds de commerce*) fees paid to us by franchisees pursuant to Franchise with Lease Management arrangements and (iii) fees paid to us for national marketing by Franchise Restaurants.

Other revenues

Other revenues consists of (i) other revenues invoiced to franchisees (predominantly entry fees); (ii) fees paid to us by (a) third-party partners, in exchange for services rendered by our headquarters, mainly in relation to supply and logistics activities or (b) other third-party brand-related partners; (iii) until the end of the first quarter of 2019, goods and logistics revenues invoiced to franchisees by the Group's dedicated logistics subsidiary "Logirest", after which this activity was outsourced to a third-party company; and (iv) beginning in 2020, revenues invoiced to various stakeholders in relation to our property development "*Contrat de Promotion Immobilière*" activity ("**CPI**"). This property development activity offers construction services for certain restaurant facilities to third-party lessors to be used to open new Burger King restaurants. The restaurants built pursuant to these services for third-party lessors are then subsequently rented by Burger King. Costs related to these property development revenues are booked in "Other costs".

Cost of sales

Cost of sales includes Company Restaurant food costs, Company Restaurant labor costs and other costs.

Company Restaurant food costs

Company Restaurant food costs consists of the cost of food sold in our Company Restaurants, including food losses.

Company Restaurant labor costs

Company Restaurant labor costs primarily consists of wages and salaries paid to Company Restaurants' directors, managers and team members. In addition, personnel costs also cover social security charges as well as health insurance and other employee benefits. All tax reductions related to salaries are netted from labor costs.

Other costs

Other costs consists of (i) until the end of the first quarter of 2019, dedicated logistics purchases for our franchisees that operated under the Quick brand, following which this activity was outsourced to a third-party company and (ii) beginning in 2020, costs associated with our CPI activity.

Operating and occupancy costs (excluding depreciation and amortization)

Operating and occupancy costs (excluding depreciation and amortization) include primarily rental expenses, covering rents associated with our restaurant network (both Company Restaurants and Franchise with Lease Management Restaurants).

Depreciation and amortization (restaurants)

Depreciation and amortization (restaurants) consists of regular depreciation on equipment (in particular furniture, fixture and IT equipment in restaurants), as well as on buildings. Land is not amortized.

Selling costs

Selling costs consists mainly of (i) national advertising campaigns, financed both by Franchise Restaurants and Company Restaurants through a fee based on SWS (recognized as "franchise revenues" where such costs were financed by Franchise Restaurants), (ii) local advertising expenses, (iii) promotion-related costs, primarily food costs in respect of free products and (iv) the Group's contributions to national advertising costs (when the fees collected from Company Restaurants and Franchise Restaurants do not entirely cover the related advertising costs incurred).

Royalties payable on the BK brand

Royalties payable on the BK brand consists of payments made to BK Europe for our own account with respect to Company Restaurants pursuant to the Company Franchise Agreement, or collected from franchisees pursuant to the Master Franchise Agreement, and, in each case, are based on a percentage of sales from Burger King brand restaurants.

Pre-opening costs

Pre-opening costs consists of costs incurred prior to the opening of a new restaurant, including rent, wages of employees in training and food costs incurred for training of new employees.

Other operating income and expenses

Other operating income and expenses mainly include operating provisions such as increases or reversals on bad debt reserve, notably related to franchisees, entry fees paid by the Group to BK (UK) Company Ltd. for new restaurants openings or conversion of Quick restaurants to the Burger King brand, provisions for periodical upward adjustments on rents, inventory provisions and operating indemnities such as exit indemnities. Other operating income also includes proceeds from sale and leaseback transactions undertaken from time to time with respect to the underlying real estate of new restaurants.

General and administrative costs (excluding depreciation and amortization)

General and administrative costs (excluding depreciation and amortization) consists of headquarters-related costs, including headquarters' salaries, costs of our training program, travel expenses, external services, insurance and rent for our headquarters' premises.

Depreciation and amortization (corporate center)

Depreciation and amortization (corporate center) consists of regular depreciation on headquarter-related equipment (in particular, furniture, fixture and IT equipment), facilities and IT intangible assets.

Other corporate income/(expenses)

Other corporate income/(expenses) consists primarily of damage and work injury insurance costs.

Other non-recurring income and expenses

Other non-recurring income and expenses consists of all exceptional income and expenses, including (i) exit indemnities or disposals following the definitive closure of a restaurant and other closure-related costs, (ii) risks and charges provisions allowances, (iii) assets impairment test provisions, allowances or reversals, as well as (iv) conversion costs not capitalized. Impairment tests are realized on a site-by-site basis based on the current year performance and on the anticipated results. In addition, write-offs in connection with restaurants' definitive closures or conversions are booked under this line item. There can be no assurance that items we have identified as non-recurring will not recur in the future or that similar items will not be incurred in the future.

Net financial income/(expense)

Financial expense mainly consists of debt interest expenses and amortized financing costs. Financial income consists of income from investments and cash deposits.

Income tax

Income tax include both corporate income taxes and the *Cotisation sur la valeur ajoutée* (or CVAE) related costs.

Share of profit/(loss) of companies consolidated using the equity method

Share of profit/(loss) of companies consolidated using the equity method consists of the net result from companies on which the Group owns shares but does not have control.

Reconciliations of our results of operations — Impact of the application of IFRS 16 (including IFRS IC), IFRS 5 and D&A related to assets held for sale

The tables below show reconciliations from our reported results of operations to our restated results of operations, which excludes the impact of the application of IFRS 16 (including IFRS IC), IFRS 5 and depreciation and amortization related to assets held for sale, as of and for the six months ended June 30, 2021, the six months ended June 30, 2020, the year ended December 31, 2020, the year ended December 31, 2019 and the year ended December 31, 2018 (with respect to IFRS 5 only), prepared in accordance with IFRS. For a further description of these accounting standards and the impact of their adoption on our financial statements, see "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods*" and "*—Changes in consolidation scope*".

Six months ended June 30, 2021

	For the six months ended June 30,					
	2021					
	Reported	*IFRS 5 Impact* [1]	*D&A Impact* [2]	***Pre-IFRS 5*** [3]	*IFRS 16 Impact* [4]	***Restated*** [5]
			(€ in millions)			
Sales and franchise revenues	221.4	30.5	-	251.9	-	251.9
Cost of sales	(77.8)	(4.8)	-	(82.6)	-	(82.6)
Gross profit	**143.6**	**25.7**	**-**	**169.3**	**-**	**169.3**
Operating and occupancy costs (excluding depreciation and amortization)	(17.7)	(2.1)	-	(19.8)	(37.0)	(56.8)
Depreciation and amortization (restaurants)	(35.4)	-	(6.8)	(42.2)	27.1	(15.1)
Profit from operations	**90.6**	**23.6**	**(6.8)**	**107.4**	**(9.9)**	**97.5**
Selling costs	(16.7)	(5.2)	-	(21.9)	-	(21.9)
BK brand royalties	(22.4)	-	-	(22.4)	-	(22.4)
Pre-opening costs	(0.3)	(0.1)	-	(0.4)	-	(0.4)
Other operating and income expenses	1.3	0.3	-	1.6	-	1.6
Gross operating profit of restaurants	**52.5**	**18.6**	**(6.8)**	**64.3**	**(9.9)**	**54.4**
General and administrative costs (excluding depreciation and amortization)	(18.5)	(4.8)	-	(23.3)	(1.1)	(24.4)
Depreciation and amortization (corporate center)	(3.1)	-	(0.2)	(3.3)	1.8	(1.5)
Other corporate income and expenses	(0.1)	-	-	(0.1)	-	(0.1)
Operating profit before non-recurring items	**30.8**	**13.8**	**(7.0)**	**37.6**	**(9.2)**	**28.4**
Other non-recurring income and expenses	(1.5)	(3.1)	-	(4.6)	(0.0)	(4.6)
Operating profit/(loss)	**29.3**	**10.7**	**(7.0)**	**33.0**	**(9.2)**	**23.8**
Net financial income/(expense)	(33.9)	(1.7)	-	(35.6)	15.5	(20.1)
Profit/(loss) before tax	**(4.6)**	**9.0**	**(7.0)**	**(2.6)**	**6.3**	**3.7**
Income tax	0.5	(1.3)	2.1	1.3	(0.6)	0.7
Share of profit/(loss) of companies consolidated using the equity method	0.0	-	-	0.0	0.0	0.0
Income from assets held for sales and discontinued operations	7.7	(7.7)	-	-	-	-
Net profit/(loss) for the period	**3.6**	**-**	**(4.9)**	**(1.3)**	**5.7**	**4.4**

[1] Reflects the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope*".

[2] Reflects the depreciation and amortization of assets held for sale as if they had been maintained, while they are no longer accounted for in reported accounts in accordance with IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations.

[3] Shows our financial results after cancellation of the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations (the IFRS 5 (discontinued operations) entries).

[4] Reflects the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition). See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases*".

[5] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and to include (c) depreciation and amortization related to assets held for sale as they had been maintained.

Six months ended June 30, 2020

	For the six months ended June 30,					
	2020					
	Reported	*IFRS 5 Impact* (1)	*D&A Impact* (2)	***Pre-IFRS 5*** (3)	*IFRS 16 Impact* (4)	***Restated*** (5)
	(€ in millions)					
Sales and franchise revenues	137.5	21.9	-	159.4	-	159.4
Cost of sales	(52.6)	(4.1)	-	(56.7)	-	(56.7)
Gross profit	**84.9**	**17.8**	**-**	**102.7**	**-**	**102.7**
Operating and occupancy costs (excluding depreciation and amortization)	(16.4)	(2.1)	-	(18.5)	(34.3)	(52.8)
Depreciation and amortization (restaurants)	(35.9)	-	(6.5)	(42.4)	26.3	(16.1)
Profit from operations	**32.7**	**15.7**	**(6.5)**	**41.9**	**(8.0)**	**33.9**
Selling costs	(9.9)	(3.3)	-	(13.2)	-	(13.2)
BK brand royalties	(14.3)	-	-	(14.3)	-	(14.3)
Pre-opening costs	(0.4)	(0.1)	-	(0.5)	-	(0.5)
Other operating and income expenses	0.9	(0.1)	-	0.8	-	0.8
Gross operating profit of restaurants	**9.0**	**12.3**	**(6.5)**	**14.8**	**(8.0)**	**6.8**
General and administrative costs (excluding depreciation and amortization)	(17.5)	(4.4)	-	(21.9)	(1.4)	(23.3)
Depreciation and amortization (corporate center)	(2.9)	-	-	(2.9)	1.3	(1.6)
Other corporate income and expenses	0.7	-	-	0.7	-	0.7
Operating profit before non-recurring items	**(10.7)**	**7.9**	**(6.5)**	**(9.3)**	**(8.1)**	**(17.4)**
Other non-recurring income and expenses	(3.1)	(0.2)	-	(3.3)	-	(3.3)
Operating profit/(loss)	**(13.8)**	**7.7**	**(6.5)**	**(12.6)**	**(8.1)**	**(20.7)**
Net financial income/(expense)	(31.5)	(1.4)	-	(32.9)	12.9	(20.0)
Profit/(loss) before tax	**(45.3)**	**6.3**	**(6.5)**	**(45.5)**	**4.8**	**(40.7)**
Income tax	(0.7)	(2.0)	2.2	(0.5)	(1.7)	(2.2)
Share of profit/(loss) of companies consolidated using the equity method	(0.0)	-	-	0.0	0.0	(0.0)
Income from assets held for sales and discontinued operations	4.3	(4.3)	-	-	-	-
Net profit/(loss) for the period	**(41.8)**	**-**	**(4.3)**	**(46.1)**	**3.2**	**(42.9)**

(1) Reflects the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope".*

(2) Reflects the depreciation and amortization of assets held for sale as if they had been maintained, while they are no longer accounted for in reported accounts in accordance with IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations.

(3) Shows our financial results after cancellation of the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations (the IFRS 5 (discontinued operations) entries).

(4) Reflects the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition). See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases".*

(5) Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and to include (c) depreciation and amortization related to assets held for sale as they had been maintained.

Year ended December 31, 2020

	For the year ended December 31,					
	2020					
	Reported	*IFRS 5 Impact* (1)	*D&A Impact* (2)	***Pre-IFRS 5*** (3)	*IFRS 16 Impact* (4)	***Restated*** (5)
	(€ in millions)					
Sales and franchise revenues	364.4	54.6	-	419.0	-	419.0
Cost of sales	(131.8)	(8.9)	-	(140.7)	-	(140.7)
Gross profit	**232.6**	**45.7**	**-**	**278.3**	**-**	**278.3**
Operating and occupancy costs (excluding depreciation and amortization)	(32.4)	(4.0)	-	(36.4)	(66.1)	(102.5)
Depreciation and amortization (restaurants)	(71.7)	-	(12.9)	(84.6)	52.0	(32.6)
Profit from operations	**128.5**	**41.7**	**(12.9)**	**157.3**	**(14.1)**	**143.2**
Selling costs	(28.2)	(7.3)	-	(35.5)	-	(35.5)
BK brand royalties	(35.4)	-	-	(35.4)	-	(35.4)
Pre-opening costs	(0.5)	(0.3)	-	(0.8)	-	(0.8)

Other operating and income expenses	10.8	(0.0)	-	10.8	-	10.8
Gross operating profit of restaurants	**75.1**	**34.0**	**(12.9)**	**96.2**	**(14.1)**	**82.1**
General and administrative costs (excluding depreciation and amortization)	(36.2)	(8.3)	-	(44.5)	(2.8)	(47.3)
Depreciation and amortization (corporate center)	(5.6)	-	-	(5.6)	2.3	(3.3)
Other corporate income and expenses	(1.1)	-	-	(1.1)	-	(1.1)
Operating profit before non-recurring items	**32.3**	**25.8**	**(12.9)**	**45.2**	**(14.6)**	**30.6**
Other non-recurring income and expenses	(12.9)	(0.3)	-	(13.2)	-	(13.2)
Operating profit/(loss)	**19.4**	**25.4**	**(12.9)**	**31.9**	**(14.6)**	**17.3**
Net financial income/(expense)	(65.6)	(2.3)	-	(67.9)	27.7	(40.2)
Profit/(loss) before tax	**(46.2)**	**23.1**	**(12.9)**	**(36.0)**	**13.1**	**(22.9)**
Income tax	(2.9)	(8.9)	3.7	(2.3)	(4.5)	(6.8)
Share of profit/(loss) of companies consolidated using the equity method	(0.0)	-	-	(0.0)	0.0	(0.0)
Income from assets held for sales and discontinued operations	14.2	(14.2)	-	-	-	-
Net profit/(loss) for the period	**(29.1)**	**-**	**(9.2)**	**(38.3)**	**8.6**	**(29.7)**

(1) Reflects the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope".*

(2) Reflects the depreciation and amortization of assets held for sale as if they had been maintained, while they are no longer accounted for in reported accounts in accordance with IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations.

(3) Shows our financial results after cancellation of the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations (the IFRS 5 (discontinued operations) entries).

(4) Reflects the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition). See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases".*

(5) Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and to include (c) depreciation and amortization related to assets held for sale as they had been maintained.

Year ended December 31, 2019

	For the year ended December 31,				
	2019				
	***Reported*)**	*IFRS 5 Impact* (1)	***Pre-IFRS 5* (2)**	*IFRS 16 Impact* (3)	***Restated*** (4)
			(€ in millions)		
Sales and franchise revenues	490.5	97.2	587.7	-	587.7
Cost of sales	(181.9)	(35.6)	(217.5)	-	(217.5)
Gross profit	**308.7**	**61.6**	**370.3**	**-**	**370.3**
Operating and occupancy costs (excluding depreciation and amortization)	(44.7)	(5.6)	(50.3)	(64.2)	(114.5)
Depreciation and amortization (restaurants)	(73.3)	(12.9)	(86.2)	51.5	(34.7)
Profit from operations	**190.7**	**43.0**	**233.7**	**(12.7)**	**221.0**
Selling costs	(38.8)	(14.4)	(53.2)	-	(53.2)
BK brand royalties	(37.9)	-	(37.9)	-	(37.9)
Pre-opening costs	(0.4)	(0.3)	(0.7)	-	(0.7)
Other operating and income expenses	16.7	0.2	16.9	-	16.9
Gross operating profit of restaurants	**130.2**	**28.6**	**158.8**	**(12.7)**	**146.1**
General and administrative costs (excluding depreciation and amortization)	(40.3)	(8.9)	(49.2)	(2.6)	(51.8)
Depreciation and amortization (corporate center)	(5.9)	-	(5.9)	2.7	(3.2)
Other corporate income and expenses	1.6	-	1.6	-	1.6
Operating profit before non-recurring items	**85.6**	**19.7**	**105.3**	**(12.6)**	**92.7**
Other non-recurring income and expenses	(19.4)	(1.1)	(20.5)	(0.4)	(20.9)
Operating profit/(loss)	**66.2**	**18.5**	**84.7**	**(13.0)**	**71.7**
Net financial income/(expense)	(62.2)	(2.9)	(65.1)	23.9	(41.2)
Profit/(loss) before tax	**4.1**	**15.7**	**19.8**	**10.9**	**30.7**
Income tax	(0.2)	(11.5)	(11.7)	(3.8)	(15.5)
Share of profit/(loss) of companies consolidated using the equity method	0.1	-	0.1	0.0	0.1
Income from assets held for sales and discontinued operations	4.1	(4.1)	-	-	-
Net profit/(loss) for the period	**8.0**	**-**	**8.0**	**7.1**	**15.1**

(1) Reflects the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope".*

(2) Shows our financial results after cancellation of the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations (the IFRS 5 (discontinued operations) entries).

(3) Reflects the impact of the application of IFRS 16 — Leases. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases*".

(4) Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

Year ended December 31, 2018

	For the year ended December 31,		
		2018	
	Reported	*IFRS 5 Impact*[1]	***Restated***[2]
		(€ in millions)	
Sales and franchise revenues	528.1	125.4	653.5
Cost of sales	(247.4)	(67.9)	(315.3)
Gross profit	**280.7**	**57.5**	**338.2**
Operating and occupancy costs (excluding depreciation and amortization)	(94.2)	(16.7)	(110.9)
Depreciation and amortization (restaurants)	(30.4)	(5.3)	(35.7)
Profit from operations	**156.1**	**35.5**	**191.6**
Selling costs	(35.7)	(16.1)	(51.8)
BK brand royalties	(29.2)	-	(29.2)
Pre-opening costs	(2.0)	(0.0)	(2.0)
Other operating and income expenses	11.1	1.6	12.7
Gross operating profit of restaurants	**100.4**	**21.0**	**121.4**
General and administrative costs (excluding depreciation and amortization)	(40.0)	(8.1)	(48.1)
Depreciation and amortization (corporate center)	(3.8)	-	(3.8)
Other corporate income and expenses	2.6	-	2.6
Operating profit before non-recurring items	**59.2**	**12.9**	**72.1**
Other non-recurring income and expenses	(31.6)	(0.2)	(31.8)
Operating profit/(loss)	**27.6**	**12.7**	**40.3**
Net financial income/(expense)	(40.5)	-	(40.5)
Profit/(loss) before tax	**(12.9)**	**12.7**	**(0.2)**
Income tax	(2.0)	(4.3)	(6.3)
Share of profit/(loss) of companies consolidated using the equity method	(0.1)	-	(0.1)
Income from assets held for sales and discontinued operations	8.4	(8.4)	-
Net profit/(loss) for the period	**(6.7)**	**-**	**(6.7)**

[1] Reflects the impact of the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope*".

[2] Restated to exclude the impact of (a) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

Results of Operations

Six months ended June 30, 2021 compared to the six months ended June 30, 2020

SWS

	For the six months ended June 30,			
	2020	**2021**	**change**	**% change**
	(€ in millions, except percentages)			
Of which Burger King	322.9	503.7	180.8	56.0%
Of which Quick	101.2	114.4	13.2	13.0%
SWS	**424.1**	**618.1**	**194.0**	**45.7%**

SWS increased by €194.0 million, or 45.7%, to €618.1 million for the six months ended June 30, 2021 from €424.1 million for the six months ended June 30, 2020.

This increase in network sales for the six-month period ended June 30, 2021 as compared to the previous year for the same period was driven by: (i) the temporary closures of all restaurants from March 16, 2020 through the end of April 2020, (ii) the implementation of other restrictive measures as a result of COVID-19, (iii) the rebound in activity from May 19, 2021 in connection with the easing of COVID-19 measures, (iv) new restaurant openings and (v) the development of new sales channels, such as delivery and Click & Collect options. These effects were offset by the prohibition of in-premises sales until May 19, 2021, as well as the persistence of other COVID-19 measures enforced during the second quarter of 2021, including: limitations on the total person capacity in our lobbies and children play areas, travel restrictions resulting in a limited number of tourists in France and the temporary closures of a few restaurants in high-traffic travel locations. They were also partially offset by the definitive closing or disposal of restaurants under the Quick brand over the period.

Results of operations

The following table sets forth the consolidated results of operations of the Group for the six months ended June 30, 2020 and 2021 on a restated basis, excluding the impact of the application of IFRS 16 (including IFRS IC) and IFRS 5. See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our results of operations — Impact of the application of IFRS 16* (*including IFRS IC*), *IFRS 5 and D&A related to assets held for sale*" for more information. Unless otherwise indicated, the period-to-period comparisons included below are based on our Restated Financial Information (*i.e.*, excluding the impact of the application of IFRS 16 (including IFRS IC) and IFRS 5).

	For the six months ended June 30,			
	2020	2021		
	Restated[1]		change	% change
	(€ in millions, except percentages)			
Sales and franchise revenues	**159.4**	**251.9**	**92.5**	**58.0%**
Cost of sales	(56.7)	(82.6)	(25.9)	45.7%
Gross profit	**102.7**	**169.3**	**66.6**	**64.8%**
Operating and occupancy costs (excluding depreciation and amortization)	(52.8)	(56.8)	(4.0)	7.6%
Depreciation and amortization (restaurants)	(16.1)	(15.1)	1.0	(6.2)%
Profit from operations	**33.9**	**97.5**	**63.6**	**187.6%**
Selling costs	(13.2)	(21.9)	(8.7)	65.9%
BK brand royalties	(14.3)	(22.4)	(8.1)	56.6%
Pre-opening costs	(0.5)	(0.4)	(0.1)	(20.0%)
Other operating income and expenses	0.8	1.6	0.8	100.0%
Gross operating profit of restaurants	**6.8**	**54.4**	**47.6**	**700.0%**
General and administrative costs (excluding depreciation and amortization)	(23.3)	(24.4)	(1.1)	4.7%
Depreciation and amortization (corporate center)	(1.6)	(1.5)	0.1	(6.3)%
Other corporate income and expenses	0.7	(0.1)	(0.8)	(114.3)%
Operating profit before non-recurring items	**(17.4)**	**28.4**	**45.8**	**(263.2)%**
Other non-recurring income and expenses	(3.3)	(4.6)	(1.3)	39.4%
Operating profit/(loss) after non-recurring items	**(20.7)**	**23.8**	**44.5**	**(215.0)%**
Net financial income/(expense)	(20.0)	(20.1)	(0.1)	0.5%
Profit/(loss) before tax	**(40.7)**	**3.7**	**44.4**	**(109.1)%**
Income tax	(2.2)	0.7	2.9	(131.8)%
Share of profit/(loss) of companies consolidated using the equity method	(0.0)	0.0	-	-
Income from assets held for sale and discontinued operations	-	-	-	n.a.
Net profit/(loss) for the period	**(42.9)**	**4.4**	**47.3**	**(110.3)%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope

of the Quick Carve-Out as discontinued operations and include (c) depreciation and amortization related to assets held for sale as if they had been maintained.

Sales and franchise revenues

Reported sales and franchise revenues increased by €83.9 million, or 61.0%, to €221.4 million for the six-month period ended June 30, 2021, from €137.5 million for the six-month period ended June 30, 2020.

Restated sales and franchise revenues increased by €92.5 million, or 58.0%, to €251.9 million for the six-month period ended June 30, 2021, from €159.4 million for the six-month period ended June 30, 2020, due to higher revenues results across all revenues sources.

The following table sets forth a breakdown of the restated sales and franchise revenues of the Group for the six months ended June 30, 2020 and 2021.

	For the six months ended June 30,			
	2020	**2021**		
	Restated[1]		**change**	**% change**
	(€ in millions, except percentages)			
Company Restaurant revenues	79.5	97.1	17.6	22.1%
Franchise revenues	68.4	111.6	43.2	63.2%
Other revenues	11.5	43.2	31.7	275.7%
Total sales and franchise revenues	**159.4**	**251.9**	**92.5**	**58.0%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include (c) depreciation and amortization related to assets held for sale as if they had been maintained.

Company Restaurant revenues increased by €17.6 million, or 22.1%, to €97.1 million for the six-month period ended June 30, 2021, from €79.5 million for the six-month period ended June 30, 2020. The net increase in Company Restaurant revenues was mainly due to the temporary closure of all our Company Restaurants (under both the Burger King and Quick brands) between March 16, 2020 through the end of April 2020 and the rebound in activity from May 19, 2021 in connection with the easing of the COVID-19 measures. In addition, such revenues increase was impacted by movements in our network over the last twelve months ended June 30, 2021, including (i) the conversion of four restaurants operated under the Quick brand and reopened under the Burger King brand with a higher ARS, (ii) the transfer of two restaurants formerly operated as Franchise Restaurants operated under the Quick brand to Company Restaurants and (iii) the higher share of Burger King restaurants with a higher ARS compared to Quick restaurants.

As of June 30, 2020, we operated 88 Company Restaurants, of which 70 and 17 were operated under the Burger King and Quick brands (including one temporarily closed for conversion into the Burger King brand), respectively. As of June 30, 2021, we operated 79 Company Restaurants of which 69 and 10 were operated under the Burger King and Quick brands, respectively.

Franchise revenues increased by €43.2 million, or 63.2%, to €111.6 million for the six-month period ended June 30, 2021, from €68.4 million for the six-month period ended June 30, 2020. This increase was mainly driven by the temporary closure of all our Franchise Restaurants (under both the Burger King and Quick brands) between March 16, 2020 through the end of April 2020; the rebound in activity from May 19, 2021 in connection with the easing of the COVID-19 measures; the net increase in the overall number of restaurants operated as Franchise Restaurants during the last twelve months ended June 30, 2021; and the decrease in the temporary support provided to franchisees in line with the increase in activity between 2020 and 2021. These positive effects were partially offset by the persistence of some restrictive COVID-19 measures during the first half of 2021.

At the end of June 2020, a total of 404 restaurants were operated as Franchise Restaurants, of which 280 operated under the Burger King brand in France, 113 operated under the Quick brand in France, seven operated under the Quick brand in Morocco and four were temporarily closed to be converted as Burger King brand restaurants. During the last twelve months ended June 30, 2021, the total number of Franchise Restaurants increased from 404 Franchise Restaurants at the end of June 2020 to 439 Franchise Restaurants at the end of June 2021, of which 330 operated under the Burger King in France, 100 operated under the Quick brand in France, seven operated under the Quick brand in Morocco and two were temporarily closed restaurants to be converted into Burger King brand restaurants.

Changes to our franchise network during the last twelve months ended June 30, 2021 resulted in an increase of our overall franchise network, reflecting an increase in the overall number of Franchise Restaurants operated under the Burger King brand and a decrease in the overall number of Franchise Restaurants operated under the Quick brand. These changes were driven by 31 restaurant openings in France (of which 28 were under the Burger King brand and three were under the Quick brand); the conversion of 17 Franchise Restaurants from Quick restaurants to Burger King restaurants; the transfer of 10 restaurants formerly operated as Company Restaurants to Franchise Restaurants (which reflected five Burger King restaurants and five Quick restaurants); the transfer of two restaurants formerly operated as Franchise Restaurants which operated under the Quick brand to Company Restaurants; the disposal or definitive closing of four restaurants under the Quick brand in France and the temporary closure of two restaurants formerly operated under the Quick brand to be converted to the Burger King brand.

Other income increased by €31.7 million, or 274.8%, to €43.2 million for the six-month period ended June 30, 2021, from €11.5 million for the six-month period ended June 30, 2020. This increase was primarily attributable to the increase in our property development activity and to the increase in fees paid to us by third-party lessors as a direct consequence of the rebound of such activity following the easing of COVID-19 restrictions.

Cost of sales

Reported cost of sales increased by €25.2 million, or 47.9%, to €77.8 million for the six-month period ended June 30, 2021, from €52.6 million for the six-month period ended June 30, 2020.

Restated cost of sales increased by €25.9 million, or 45.7%, to €82.6 million for the six-month period ended June 30, 2021, from €56.7 million for the six-month period ended June 30, 2020. This increase was mainly attributable to an increase in food and other costs, which was partially offset by a decrease in labor costs.

The following table sets forth a breakdown of the restated cost of sales of the Group for the six months ended June 30, 2020 and 2021.

	For the six months ended June 30,			
	2020	**2021**		
	Restated[1]		**change**	**% change**
	(€ in millions, except percentages)			
Company Restaurant food costs	(22.4)	(26.4)	(4.0)	17.9%
Company Restaurant labor costs	(28.2)	(27.3)	0.9	(3.2)%
Other costs	(6.0)	(28.9)	(22.9)	381.7%
Cost of sales	**(56.7)**	**(82.6)**	**(25.9)**	**45.7%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include (c) depreciation and amortization related to assets held for sale as if they had been maintained.

Company Restaurant food costs increased due to the temporary closure of all our restaurants between March 16, 2020 through the end of April 2020 and the rebound in activity from May 19, 2021 in connection with the easing of the COVID-19 measures. These effects were partly offset by the decrease of nine Company Restaurants from the overall number of Company Restaurants. Food costs accounted for 27.1% of Company Restaurant revenues for the six-month period ended June 30, 2021, a decrease of 1.1 percentage points compared to 28.2% for the six-month period ended June 30, 2020. This slight decrease is mainly attributable to better performance at the operational level over the 2021 period as compared to the same period in 2020 in relation to the easing of COVID-19 restrictive measures, the launch of new offers with higher margins and a higher share of home delivery sales with higher sales prices.

Labor costs decreased between the two periods, both in absolute terms and as a percentage of Company Restaurant revenues. However, labor costs accounted for 28.1% of Company Restaurant revenues for the six-month period ended June 30, 2021, a decrease of 7.4 percentage points compared to 35.5% for the six-month period ended June 30, 2020. This decrease in labor costs as a percentage of Company Restaurant revenues was mainly due to social charge exemptions granted by the French government during the first quarter of 2021, the higher share of home delivery sales with higher sales prices, higher productivity and job subsidies.

Other costs increased over the period as a direct consequence of the increase in our property development activity.

Operating and occupancy costs (excluding depreciation and amortization)

Reported operating and occupancy costs (excluding depreciation and amortization) for continued activities increased by €1.3 million, or 7.9%, to €17.7 million for the six-month period ended June 30, 2021, from €16.4 million for the six-month period ended June 30, 2020.

Restated operating and occupancy costs (excluding depreciation and amortization) increased by €4.0 million, or 7.6%, to €56.8 million for the six-month period ended June 30, 2021, from €52.8 million for the six-month period ended June 30, 2020. This increase was mostly driven by an increase in rental and other operating and occupancy costs, partly offset by a decrease in repair and maintenance costs.

The following table shows our restated operating and occupancy costs (excluding depreciation and amortization) for the six months ended June 30, 2020 and 2021.

	For the six months ended June 30,			
	2020	2021		
	Restated[1]		change	% change
	(€ in millions, except percentages)			
Utility costs	(2.8)	(2.6)	0.2	(7.1)%
Repair and maintenance costs	(6.1)	(4.2)	1.9	(31.1)%
Rental costs	(35.1)	(37.6)	(2.5)	7.1%
Other operating and occupancy costs	(8.7)	(12.4)	(3.7)	42.5%
Operating and occupancy costs (excl. depreciation and amortization)	**(52.8)**	**(56.8)**	**(4.0)**	**7.6%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include (c) depreciation and amortization related to assets held for sale as if they had been maintained.

The decrease in repair and maintenance costs reflects the impact of cost reduction measures following the slowdown in activity linked to the COVID-19 outbreak, as well as the net decrease of nine restaurants from the overall number of Company Restaurants.

The increase in rental costs is mostly due to the net increase in the overall number of restaurants over the period, with the addition of 26 restaurants during the twelve-month period ended June 30, 2021, as well as the fact that in the six-month period ended June 30, 2021, three additional restaurants were temporarily closed for conversion to Burger King restaurants compared to the prior period, resulting in rental costs for such restaurants being booked as non-recurring expenses. Such costs were partially offset by rebates granted by certain landlords following negotiations related to the COVID-19 crisis.

The increase in other operating and occupancy costs is mainly attributable to the delivery fees invoiced by aggregators.

Depreciation and amortization (restaurants)

Reported depreciation and amortization (restaurants) for continued activities decreased by €0.5 million, or 1.4%, to €35.4 million for the six-month period ended June 30, 2021, from €35.9 million for the six-month period ended June 30, 2020.

Restated depreciation and amortization (restaurants) decreased by €1.0 million, or 6.2%, to €15.1 million for the six-month period ended June 30, 2021, from €16.1 million for the six-month period ended June 30, 2020.

Selling costs

Reported selling costs for continued activities increased by €6.8 million, or 68.7%, to €16.7 million for the six-month period ended June 30, 2021, from €9.9 million for the six-month period ended June 30, 2020.

Restated selling costs increased by €8.7 million or 65.9% to €21.9 million for the six-month period ended June 30, 2021, from €13.2 million for the six-month period ended June 30, 2020.

Franchisees under the Burger King and Quick brands contribute 3.5% of their sales and between 4.5% and 5.0% of their sales, respectively, to a marketing budget to which we also contribute the same percentage from our Company Restaurants sales.

The increase in selling costs over the period was primarily attributable to the increase in Burger King's SWS by €180.8 million, or 56.0%; the increase in Quick's SWS by €13.2 million, or 13.1%; and the temporary support provided during the first semester of 2021 to restaurants that provided a lower than expected contribution rate to the marketing budget described above.

Selling costs as a percentage of SWS increased by 0.4 percentage points to 3.5% for the six-month period ended June 30, 2021, from 3.1% for the six-month period ended June 30, 2020. This increase was mainly due to the temporary support that was provided to the restaurants as described above, partially offset by the increasing share of restaurants operated under the Burger King brand, which have a lower rate of SWS dedicated to the marketing budget, within our total network of restaurants.

BK brand royalties

Reported BK brand royalties for continued activities increased by €8.1 million, or 56.6%, to €22.4 million for the six-month period ended June 30, 2021, from €14.3 million for the six-month period ended June 30, 2020.

Restated BK brand royalties increased by €8.1 million, or 56.6%, to €22.4 million for the six-month period ended June 30, 2021, from €14.3 million for the six-month period ended June 30, 2020. This increase was primarily attributable to the increase in Burger King's SWS, including the additional SWS generated by the 49 new Burger King restaurants opened between the two periods.

Pre-opening costs

Reported pre-opening costs for continued activities decreased by €0.1 million, or 25.0%, to €0.3 million for the six-month period ended June 30, 2021, from €0.4 million for the six-month period ended June 30, 2020.

Restated pre-opening costs decreased by €0.1 million, or 20.0%, to €0.4 million for the six-month periods ended June 30, 2021 from €0.5 million for the six-month period ended June 30, 2020.

Other operating income/(expense)

Reported other operating income for continued activities increased by €0.4 million, or 44.4%, to €1.3 million for the six-month period ended June 30, 2021, from €0.9 million for the six-month period ended June 30, 2020.

Restated other operating income increased by €0.8 million, or 100.0%, to an income of €1.6 million for the six-month period ended June 30, 2021, from €0.8 million for the six-month period ended June 30, 2020.

General and administrative costs (excluding depreciation and amortization)

Reported general and administrative costs (excluding depreciation and amortization) for continued activities increased by €1.0 million, or 5.7%, to €18.5 million for the six-month period ended June 30, 2021, from €17.5 million for the six-month period ended June 30, 2020.

Restated general and administrative costs (excluding depreciation and amortization) increased by €1.1 million, or 4.7%, to €24.4 million for the six-month period ended June 30, 2021, from €23.3 million for the six-month period ended June 30, 2020.

This increase was mostly related to the impact of the temporary closures of all restaurants from March 16, 2020 through the end of April 2020, leading to strong cost-reduction measures taken during the six months ended June 30, 2020, certain of which continued, although at a reduced level, during the six months ended June 30, 2021.

As a percentage of sales and franchise revenues, restated general and administrative costs (excluding depreciation and amortization) decreased by 4.9 percentage points to 9.7% for the six-month period ended June 30, 2021, from 14.6% for the six-month period ended June 30, 2020. This decrease as a percentage of sales and franchise revenues was mainly driven by the increase in revenues over the two periods.

Depreciation and amortization (corporate center)

Reported depreciation and amortization (corporate center) for continued activities increased by €0.2 million, or 6.9%, to €3.1 million for the six-month period ended June 30, 2021, from €2.9 million for the six-month period ended June 30, 2020.

Restated depreciation and amortization (corporate center) slightly decreased by €0.1 million, or 6.2%, to €1.5 million for the six-month period ended June 30, 2021, from €1.6 million for the six-month period ended June 30, 2020.

Other corporate income and expenses

Reported other corporate income and expenses for continued activities increased by €0.8 million, or 114.3%, to an expense of €0.1 million for the six-month period ended June 30, 2021, from an income of €0.7 million for the six-month period ended June 30, 2020. Restated other corporate income and expenses reflected the same figures.

Other non-recurring income and expenses

Reported other non-recurring expenses for continued activities decreased by €1.6 million, or 51.6%, to €1.5 million for the six-month period ended June 30, 2021, from €3.1 million for the six-month period ended June 30, 2020.

Restated other non-recurring expenses increased by €1.3 million, or 39.4%, to €4.6 million for the six-month period ended June 30, 2021, from €3.3 million for the six-month period ended June 30, 2020. This increase was mainly due to costs associated with the legal carve-out of the Quick activities booked during the second quarter of 2021. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope*".

Net financial expense

Reported net financial expenses for continued activities increased by €2.4 million, or 7.6%, to €33.9 million for the six-month period ended June 30, 2021, from €31.5 million for the six-month period ended June 30, 2020.

Restated net financial expenses increase by €0.1 million to €20.1 million for the six-month period ended June 30, 2021 from €20.0 million for the six-month period ended June 30, 2020.

Income tax

Reported income tax for continued activities decreased by €1.2 million, or 171.4%, to an income of €0.5 million for the six-month period ended June 30, 2021, from an expense of €0.7 million for the six-month period ended June 30, 2020.

Restated income tax decreased by €2.9 million, to an income of €0.7 million for the six-month period ended June 30, 2021, from an expense of €2.2 million for the six-month period ended June 30, 2020. The income tax booked for the six months ended June 30, 2021 was computed based on a forecasted corporate income tax for the full year ended December 31, 2021, partially offset by a provision on CVAE.

Share of profit/(loss) of companies consolidated using the equity method

Reported total share of profit/(loss) of companies consolidated using the equity method remained fairly stable over the two periods, reflecting an amount near zero. Restated total share of profit/(loss) of companies consolidated using the equity method reflected the same figures.

Net profit/(loss) for the period

Reported net profit for the six-month period ended June 30, 2021 increased by €45.4 million, to a net profit of €3.6 million, from a net loss of €41.8 million for the six-month period ended June 30, 2020.

As a result of the foregoing factors, restated net profit for the six-month period ended June 30, 2021 increased by €47.3 million, to net profit of €4.4 million, from a net loss of €42.9 million for the six-month period ended June 30, 2020.

Year ended December 31, 2020 compared to the year ended December 31, 2019

SWS

	For the year ended December 31,			
	2019	**2020**	**change**	**% change**
	(€ in millions, except percentages)			
Burger King	1,002.7	831.9	(170.8)	(17.0)%
Quick	358.6	249.8	(108.8)	(30.3)%
Total SWS	**1,361.3**	**1,081.8**	**(279.5)**	**(20.5)%**

SWS decreased by €279.5 million, or 20.5%, to €1,081.8 million for the year ended December 31, 2020 from €1,361.3 million for the year ended December 31, 2019. This decrease in network sales was predominantly driven by COVID-19 related restrictions, including the temporary closures of all restaurants from March 16, 2020 through the end of April 2020, when restaurants progressively reopened their drive-through windows, home delivery and takeaway services; limitations on the total person capacity in our lobbies and children play areas; travel restrictions resulting in a limited number of tourists in France over the summer of 2020; and the temporary closures of a few restaurants in high-traffic travel locations. This decrease was also due to the definitive closing or disposal of restaurants under the Quick brand during the course of 2020. The decrease in sales was partially offset by the development of new sales channels, such as delivery and Click & Collect options.

Results of operations

The following table sets forth the consolidated results of operations of the Group for the years ended December 31, 2019 and 2020 on a restated basis, excluding the impact of the application of IFRS 16 (including IFRS IC) and IFRS 5. See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our results of operations — Impact of the application of IFRS 16* (*including IFRS IC*), *IFRS 5 and D&A related to assets held for sale*" for more information.

Unless otherwise indicated, the period-to-period comparisons included below are based on our Restated Financial Information (*i.e.*, excluding the impact of the application of IFRS 16 (including IFRS IC) and IFRS 5).

	For the year ended December 31,			
	2019	**2020**		
	Restated[1]		**change**	**% change**
	(€ in millions, except percentages)			
Sales and franchise revenues	**587.7**	**419.0**	**(168.7)**	**(28.7)%**
Cost of sales	(217.5)	(140.7)	76.8	(35.3)%
Gross profit	**370.3**	**278.3**	**(92.0)**	**(24.8)%**
Operating and occupancy costs (excluding depreciation and amortization)	(114.5)	(102.5)	12.0	(10.5)%
Depreciation and amortization (restaurants)	(34.7)	(32.6)	2.1	(6.1)%
Profit from operations	**221.0**	**143.2**	**(77.8)**	**(35.2)%**

	For the year ended December 31,			
	2019	2020		
	Restated[1]		change	% change
	(€ in millions, except percentages)			
Selling costs	(53.2)	(35.5)	17.7	(33.3)%
BK brand royalties	(37.9)	(35.4)	2.5	(6.6)%
Pre-opening costs	(0.7)	(0.8)	(0.1)	14.3%
Other operating income and expenses	16.9	10.8	(6.1)	(36.1)%
Gross operating profit of restaurants	**146.1**	**82.1**	**(64.0)**	**(43.8)%**
General and administrative costs (excluding depreciation and amortization)	(51.8)	(47.3)	4.5	(8.7)%
Depreciation and amortization (corporate center)	(3.2)	(3.3)	(0.1)	(3.1)%
Other corporate income and expenses	1.6	(1.1)	(2.7)	(168.8)%
Operating profit before non-recurring items	**92.7**	**30.6**	**(62.1)**	**(67.0)%**
Other non-recurring income and expenses	(20.9)	(13.2)	7.7	(36.8)%
Operating profit/(loss)	**71.7**	**17.3**	**(54.4)**	**(75.9)%**
Net financial income/(expense)	(41.2)	(40.2)	1.0	(2.4)%
Profit/(loss) before tax	**30.7**	**(22.9)**	**(53.6)**	**(174.6)%**
Income tax	(15.5)	(6.8)	8.7	(56.1)%
Share of profit/(loss) of companies consolidated using the equity method	0.1	(0.0)	(0.1)	(100.0)%
Income from assets held for sale and discontinued operations	-	-	-	n.a.
Net profit/(loss) for the period	**15.1**	**(29.7)**	**(44.8)**	**(296.7)%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include for 2020 (c) depreciation and amortization related to assets held for sale as if they had been maintained.

Sales and franchise revenues

Reported sales and franchise revenues decreased by €126.1 million, or 25.7%, to €364.4 million for the year ended December 31, 2020, from €490.5 million for the year ended December 31, 2019.

Restated sales and franchise revenues decreased by €168.7 million, or 28.7%, to €419.0 million for the year ended December 31, 2020, from €587.7 million for the year ended December 31, 2019.

The following table sets forth a breakdown of the restated sales and franchise revenues of the Group for the years ended December 31, 2019 and 2020.

	For the year ended December 31,			
	2019	2020		
	Restated[1]		change	% change
	(€ in millions, except percentages)			
Company Restaurants revenues	323.8	194.0	(129.8)	(40.1)%
Franchise revenues	218.3	183.3	(35.0)	(16.0)%
Other revenues	45.6	41.7	(3.9)	(8.6)%
Total sales and franchise revenues	**587.7**	**419.0**	**(168.7)**	**(28.7)%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include for 2020 (c) depreciation and amortization related to assets held for sale as if they had been maintained.

Company Restaurant revenues decreased by €129.8 million, or 40.1%, to €194.0 million for the year ended December 31, 2020 from €323.8 million for the year ended December 31, 2019. This decrease was largely driven by the temporary closures of all restaurants from March 16, 2020 through the end of April 2020, as well as subsequent limitations on the total person capacity in our lobbies and children play areas due to COVID-19 restrictions. In addition, the decrease was also attributed to changes in our store network, including: the transfer of three restaurants formerly operated as Company Restaurants (of which two were operated under the Burger King brand and one was operated under the Quick brand) to franchise restaurants; the temporary closure of three Quick restaurants for conversion to the Burger King brand; and the disposal or definitive closure of one Company Restaurant operated under the Quick brand. These network changes were partially offset by (a) the opening of one new Company Restaurant under the Burger King brand, (b) the conversion of four restaurants formerly operated under the Quick brand, which generated higher ARS once reopened under the Burger King brand, (c) the transfer of two restaurants formerly operated as franchise restaurants to Company Restaurants under the Quick brand, (d) the higher share of Burger King restaurants, which generate a higher ARS compared to Quick restaurants, and (e) the stronger performance and positive like-for-like sales by Company Restaurants under the Quick brand for the twelve-month period before the COVID-19 crisis, as compared to the corresponding period of 2019.

Franchise revenues decreased by €35.0 million, or 16.0%, to €183.3 million for the year ended December 31, 2020 from €218.3 million for the year ended December 31, 2019. This decrease was largely driven by the temporary closures of all restaurants from March 16, 2020 through the end of April 2020, as well as subsequent limitations on the total person capacity in our lobbies and children play areas due to COVID-19 restrictions. In addition, as a result of decreased activity due to COVID-19 impacts, the Group provided temporary support to franchises with lower brand and lease management rates during the last three quarters of 2020. These effects were partially offset by the net increase in the overall number of restaurants that were operated as franchised restaurants during the twelve months ended December 31, 2020. The decrease in franchise revenues over this period was less than the decrease in revenues recorded for our Company Restaurants largely due to (i) the development of our network, pursuant to which we opened more Franchise Restaurants than Company Restaurants during the period and (ii) the disproportionate impact of COVID-19 restrictions on our Company Restaurants, many of which are located in malls or commercial shopping centers, which experienced shutdowns over the period.

At the end of December 2019, a total of 397 restaurants were operated as Franchise Restaurants, of which 270 operated under the Burger King brand in France, 119 operated under the Quick brand in France, seven operated under the Quick brand in Morocco and one was temporarily closed to be converted as Burger King brand restaurants. During the last twelve months ended December 31, 2020, the total number of Franchise Restaurants increased from 397 Franchise Restaurants at the end of December 2019 to 422 Franchise Restaurants at the end of December 2020, of which 300 operated under the Burger King in France, 108 operated under the Quick brand in France, seven operated under the Quick brand in Morocco and seven were temporarily closed restaurants to be converted as Burger King brand restaurants.

Changes to our franchise network during the last twelve months ended December 31, 2020 resulted in an increase of our overall franchise network, reflecting an increase in the overall number of Franchise Restaurants operated under the Burger King brand and a decrease in the overall number of Franchise Restaurants operated under the Quick brand. These changes were driven by 20 restaurant openings in France (of which 19 were under the Burger King brand and one was under the Quick brand), as well as the transfer of 11 restaurants formerly operated as Company Restaurants to Franchise Restaurants (which reflected six Burger King restaurants and five Quick restaurants). These increases in the number of franchised restaurants were partially offset by the transfer of two restaurants formerly operated as Franchise Restaurants which operated under the Quick brand to Company Restaurants, the disposal or definitive closing of four restaurants under the Quick brand in France and the conversion of five Franchise Restaurants from Quick restaurants to Burger King restaurants, of which one was temporary closed to be converted at the end of December 2019.

In addition, almost all of the 19 new Franchise Restaurants opened under or converted to the Burger King brand, as well as transferred from Company Restaurants, were operated under Franchise with Lease arrangements, which generate lease payments as a percentage of sales, contributing to franchise revenues for the twelve-month period ended December 31, 2020. However, this was partially offset by the effect of the temporary closures necessary to implement the conversion process.

Other revenues decreased by €3.9 million, or 8.6%, to €41.7 million for the year ended December 31, 2020 from €45.6 million for the year ended December 31, 2019. This decrease was largely attributable to the decrease of fees paid by Quick brand-related partners as the direct consequence of the temporary closures of all restaurants from March 16, 2020 through the end of April 2020, as well as subsequent limitations on the total person capacity in our lobbies and children play areas and a limited number of tourists in France over the summer of 2020 due to COVID-19 restaurant and travel restrictions. The decrease is also the direct consequence of outsourcing the Quick dedicated logistics activity in February 2019 to a new logistics supplier to follow the same model applied to the Burger King brand.

Cost of sales

Reported cost of sales decreased by €50.1 million, or 27.5%, to €131.8 million for the year ended December 31, 2020 from €181.9 million for the year ended December 31, 2019.

Restated cost of sales decreased by €76.8 million, or 35.3%, to €140.7 million for the year ended December 31, 2020 from €217.5 million for the year ended December 31, 2019.

The following table sets forth a breakdown of the restated cost of sales of the Group for the years ended December 31, 2019 and 2020.

	For the year ended December 31,			
	2019	2020		
	Restated[1]		change	% change
	(€ in millions, except percentages)			
Company Restaurant food costs..................................	(91.3)	(54.3)	37.0	(40.5)%
Company Restaurant labor costs.................................	(100.8)	(62.7)	38.1	(37.8)%
Other costs	(25.3)	(23.7)	1.6	(6.3)%
Cost of sales	**(217.5)**	**(140.7)**	**76.8**	**(35.3)%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include for 2020 (c) depreciation and amortization related to assets held for sale as if they had been maintained.

The decrease in cost of sales was primarily attributable to the decrease in food and labor costs for Company Restaurants, which decreased by €37.0 million, or 40.5%, and €38.1 million, or 37.8%, respectively.

Company Restaurant cost of sales, including food costs and labor costs, primarily decreased due to the temporary closure of all our restaurants between March 16, 2020 through the end of April 2020, lower activity in the fourth quarter in relation to the COVID-19 crisis and the decrease of nine Company Restaurants from the overall number of Company Restaurants.

As a percentage of Company Restaurants revenues, food costs slightly decreased by 0.2 percentage points to 28.0% for the year ended December 31, 2020, as compared to 28.2% for the year ended December 31, 2019. This slight decrease is mainly attributable to better performance at the operational level, the launch of new offers with higher margins and a higher share of home delivery sales with higher sales prices.

As a percentage of Company Restaurant revenues, labor costs increased by 1.2 percentage points to 32.3% for the year ended December 31, 2020 as compared to 31.1% for the year ended

December 31, 2019. This increase between the two periods is mostly due to the temporary closure of restaurants during the first half of 2020 which translated into lower productivity for the year ended December 31, 2020.

Other costs decreased by €1.6 million to €23.7 million for the year ended December 31, 2020 from €25.3 million for the year ended December 31, 2019 as the direct consequence of outsourcing the Quick dedicated logistics activity in February 2019 to a new logistics supplier to follow the same model applied to the Burger King brand. This decrease was partially offset by the transfer of the property development expenses generated during the first three quarters of 2020 from "Other operating income and expenses" to "Other costs" in accordance with IFRS 15.

Operating and occupancy costs (excluding depreciation and amortization)

Reported operating and occupancy costs (excluding depreciation and amortization) decreased by €12.3 million, or 27.5%, to €32.4 million for the year ended December 31, 2020 from €44.7 million for the year ended December 31, 2019.

Restated operating and occupancy costs (excluding depreciation and amortization) decreased by €12.0 million, or 10.5%, to €102.5 million for the year ended December 31, 2020 from €114.5 million for the year ended December 31, 2019.

The following table shows our restated operating and occupancy costs (excluding depreciation and amortization) for the years ended December 31, 2020 and 2019.

	For the year ended December 31,			
	2019	2020		
	Restated[1]		change	% change
	(€ in millions, except percentages)			
Utility costs	(7.9)	(5.4)	2.5	(31.6)%
Repair and maintenance costs	(18.8)	(12.7)	6.1	(32.4)%
Rental costs	(65.9)	(68.6)	2.7	(4.1)%
Other operating and occupancy costs	(22.0)	(22.3)	(0.3)	1.4%
Operating and occupancy costs (excl. depreciation and amortization)	**(114.5)**	**(102.5)**	**12.0**	**(10.5)%**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations and include 2020 (c) depreciation and amortization related to assets held for sale as if they had been maintained.

The decrease in repair and maintenance costs and utility costs reflect the impact of cost reduction measures implemented after the temporary closures of all restaurants from March 16, 2020 and the decrease of nine Company Restaurants from the overall number of Company Restaurants. Such decreases were partly offset by the decreasing share of franchise restaurants operated under Pure Franchise arrangements.

The decrease in rental costs is mostly due to rebates obtained from landlords following negotiations related to the COVID-19 crisis, as well as the fact that several restaurants formerly operated under the Quick brand were temporarily closed to be converted into the Burger King brand, which resulted in rental costs for such restaurants being booked as non-recurring expenses. Such decreases were partly offset by the net increase of 16 restaurants in the overall number of restaurants during the twelve month period ended December 31, 2020.

Depreciation and amortization (restaurants)

Reported depreciation and amortization (restaurants) decreased by €1.6 million, or 2.2%, to €71.7 million for the year ended December 31, 2020 from €73.3 million for the year ended December 31, 2019.

Restated depreciation and amortization (restaurants) decreased by €2.1 million, or 6.1%, to €32.6 million for the year ended December 31, 2020 from €34.7 million for the year ended December 31, 2019. This decrease is mainly due to a decrease in depreciation and amortization generated by restaurants disposed or definitively closed during the period and capital expenditure disposals in connection with disposals of fixtures to landholders in 2019. This decrease was partly offset by depreciation and amortization generated by new openings or conversions.

Selling costs

Reported selling costs decreased by €10.6 million, or 27.3%, to an expense of €28.2 million for the year ended December 31, 2020 from an expense of €38.8 million for the year ended December 31, 2019.

Restated selling costs decreased by €17.7 million, or 33.3%, to an expense of €35.5 million for the year ended December 31, 2020 from expenses of €53.2 million for the year ended December 31, 2019. This decrease is primarily attributable to the decrease in Burger King's SWS by €170.8 million, or 17.0%, and the decrease in Quick's SWS by €108.8 million, or 30.3%.

Selling costs as a percentage of SWS decreased by 0.6 percentage points to 3.3% for the year ended December 31, 2020, from 3.9% for the year ended December 31, 2019. This decrease was mainly the consequence of the cancellation of marketing campaigns during the temporary closures of all restaurants beginning on March 16, 2020 and the increasing share of restaurants operated under the Burger King brand within the total network with a lower rate of SWS dedicated to the marketing budget.

BK brand royalties

Reported BK brand royalties decreased by €2.5 million, or 6.6%, to €35.4 million for the year ended December 31, 2020 from €37.9 million for the year ended December 31, 2019. Restated BK brand royalties reflected the same figures. This decrease is primarily attributable to the decrease of SWS under the Burger King brand between the two periods, which was partially offset by the increase of brand fees rates invoiced by Burger King Corporation as the Group benefited from discounted brand fee rates in the year ended December 31, 2019 for all restaurants converted before such date. Since January 1, 2020, the stabilized brand rate (4.5%) has been applied for converted restaurants.

Pre-opening costs

Reported pre-opening costs slightly increased by €0.1 million, or 25.0%, to €0.5 million for the year ended December 31, 2020 from €0.4 million for the year ended December 31, 2019.

Restated pre-opening costs slightly increased by €0.1 million, or 14.3%, to €0.8 million for the year ended December 31, 2020 from €0.7 million for the year ended December 31, 2019.

Other operating income/(expense)

Reported other operating income decreased by €5.9 million, or 35.3%, to an income of €10.8 million for the year ended December 31, 2020 from an income of €16.7 million for the year ended December 31, 2019.

Restated other operating income decreased by €6.1 million, or 36.1%, to an income of €10.8 million for the year ended December 31, 2020 from an income of €16.9 million for the year ended December 31, 2019. This decrease is mainly attributable to a lower volume of real estate transactions effectuated in the ordinary course of our business in 2020 than in 2019, partly offset by the benefit of business interruption compensation from various stakeholders related to full or partial restaurant closures, which occurred during the second and fourth quarters of 2020.

General and administrative costs (excluding depreciation and amortization)

Reported general and administrative costs (excluding depreciation and amortization) decreased by €4.1 million, or 10.2%, to €36.2 million for the year ended December 31, 2020 from €40.3 million for the year ended December 31, 2019.

Restated general and administrative costs (excluding depreciation and amortization) decreased by €4.5 million, or 8.7%, to €47.3 million for the year ended December 31, 2020 from €51.8 million for the year ended December 31, 2019. This decrease is mainly due to the impact of cost reduction measures implemented after the temporary closures of all restaurants from March 16, 2020. As a percentage of revenues, general and administrative costs (excluding depreciation and amortization) increased by 2.5 percentage points to 11.3% for the year ended December 31, 2020 from 8.8% for the year ended December 31, 2019. This increase is mainly related to the decrease in revenues in 2020 due to the impact of COVID-19, as well as the decrease in revenues following the outsourcing of the Quick dedicated logistics activity in February 2019 to a new logistics supplier to follow the same model applied to the Burger King brand.

Depreciation and amortization (corporate center)

Reported depreciation and amortization (corporate center) slightly decreased by €0.3 million, or 5.1%, to €5.6 million for the year ended December 31, 2020 from €5.9 million for the year ended December 31, 2019.

Restated depreciation and amortization (corporate center) slightly increased by €0.1 million, or 3.1%, to €3.3 million for the year ended December 31, 2020 from €3.2 million for the year ended December 31, 2019.

Other corporate income and expenses

Reported other corporate expenses increased by €2.7 million to an expense of €1.1 million for the year ended December 31, 2020 from an income of €1.6 million for the year ended December 31, 2019. Restated other corporate income and expenses reflected the same figures. This increase is principally due to compensation granted by the Group in 2020 to partners in relation to the consequences of the COVID-19 crisis.

Other non-recurring income and expenses

Reported other non-recurring expenses decreased by €6.5 million to an expense of €12.9 million for the year ended December 31, 2020 from an expense of €19.4 million for the year ended December 31, 2019.

Restated other non-recurring expenses decreased by €7.7 million to an expense of €13.2 million for the year ended December 31, 2020 from an expense of €20.9 million for the year ended December 31, 2019. This decrease was mainly attributable to the settlement of a litigation with a former international franchisee, which had a negative impact on our consolidated results during the year ended December 31, 2019, as well as the decrease in the write-off of assets following the definitive closing of certain Quick restaurants. These effects were partly offset by the reversal of depreciation related to impairment of assets booked in the fourth quarter of 2019, compared to an increase in depreciation related to impairment of assets booked in the fourth quarter of 2020.

Net financial income/(expense)

Reported net financial expense increased by €3.4 million to an expense of €65.6 million for the year ended December 31, 2020 from an expense of €62.2 million for the year ended December 31, 2019.

Restated net financial expense decreased by €1.0 million to an expense of €40.2 million for the year ended December 31, 2020 from an expense of €41.2 million for the year ended December 31, 2019.

Income tax

Reported income tax decreased by €3.1 million, or 1,550.0%, to an income of €2.9 million for the year ended December 31, 2020 from an expense of €0.2 million for the year ended December 31, 2019.

Restated income tax decreased by €8.7 million, or 56.1%, to an expense of €6.8 million for the year ended December 31, 2020 from an expense of €15.5 million for the year ended December 31, 2019. This decrease is principally due to income tax payments made in the fourth quarter of 2019 to authorities in Belgium in preparation for the Quick Carve-Out.

Share of profit/(loss) of companies consolidated using the equity method

Reported share of loss of companies consolidated using the equity method increased by €0.1 million from an income of €0.1 million for the year ended December 31, 2019, to a nearly zero expense for the year ended December 31, 2020. Restated share of (loss) of companies consolidated using the equity method reflected the same figures.

Net profit/(loss) for the period

Reported net loss for the period increased by €37.1 million to a net loss of €29.1 million for the year ended December 31, 2020 from net profit of €8.0 million for the year ended December 31, 2019.

As a result of the foregoing factors, restated net loss for the period increased by €44.8 million to a net loss of €29.7 million for the year ended December 31, 2020 from net profit of €15.1 million for the year ended December 31, 2019.

Year ended December 31, 2019 compared to the year ended December 31, 2018

SWS

	For the year ended December 31,			
	2018	**2019**	**change**	**% change**
	(€ in millions, except percentages)			
SWS	1,216.2	1,361.3	145.1	11.9%
Of which Burger King	775.0	1,002.7	227.7	29.4%
Of which Quick	441.2	358.6	(82.6)	(18.7)%

SWS increased by €145.1 million, or 11.9%, to €1,361.3 million for the year ended December 31, 2019 from €1,216.2 million for the year ended December 31, 2018. This increase in network sales was predominantly driven by the significant growth of the Burger King restaurant network during the year ended December 31, 2019, reflecting 51 newly opened or converted restaurants, and the higher ARS of Burger King restaurants, generally.

This growth in SWS was partially offset by the negative impact of the closing of one Burger King restaurant during the fourth quarter of 2019 due to its relocation, as well as the changes in the size of the Quick network, namely as a result of: (a) a net reduction of 33 restaurants in mainland France (including one Quick restaurant opening after relocation during the first quarter of 2019) due to their conversion into Burger King restaurants, their disposal or their definitive closure and (b) the definitive closing of two Quick restaurants in the French departments of la Guadeloupe and la Martinique, which in turn was offset by two restaurant openings in the second half of 2019.

SWS growth was further offset by the lower ARS of Quick restaurants, generally, although this effect was itself mitigated by a positive performance for conventional Quick restaurants during the year ended December 31, 2019, reflecting a growth of 4.5% for the first quarter, 6.5% for the second quarter, 8.2% for the third quarter and 10.4% for the fourth quarter of 2019.

Results of operations

The following table sets forth the consolidated results of operations of the Group for the years ended December 31, 2018 and 2019 on a restated basis, excluding, in the case of the year ended December 31, 2018, the impact of IFRS 5, and in the case of the year ended December 31, 2019, the impact of IFRS 16 (including IFRS IC) and IFRS 5. See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our results of operations — Impact of the application of IFRS 16* (*including IFRS IC*), *IFRS 5 and D&A related to assets held for sale*" for more information.

Unless otherwise indicated, the period-to-period comparisons included below are based on our Restated Financial Information (*i.e.*, excluding the impact of the application of IFRS 5 for the year ended December 31, 2018 and excluding the impact of the application of IFRS 16 (including IFRS IC) and IFRS 5 for the year ended December 31, 2019).

	For the year ended December 31,			
	2018	**2019**		
	Restated(1)	**Restated(2)**	**change**	**% change**
	(€ in millions, except percentages)			
Sales and franchise revenues	**653.5**	**587.7**	**(65.8)**	**(10.1)%**
Cost of sales	(315.3)	(217.5)	97.8	(31.0)%
Gross profit	**338.2**	**370.3**	**32.1**	**9.5%**
Operating and occupancy costs (excluding depreciation and amortization)	(110.9)	(114.5)	(3.6)	3.2%
Depreciation and amortization (restaurants)	(35.7)	(34.7)	1.0	(2.8)%
Profit from operations	**191.6**	**221.0**	**29.4**	**15.3%**
Selling costs	(51.8)	(53.2)	(1.4)	2.7%
BK brand royalties	(29.2)	(37.9)	(8.7)	29.8%
Pre-opening costs	(2.0)	(0.7)	1.3	(65.0)%
Other operating income and expenses	12.7	16.9	4.2	33.1%
Gross operating profit of restaurants	**121.4**	**146.1**	**24.7**	**20.3%**
General and administrative costs (excluding depreciation and amortization)	(48.1)	(51.8)	(3.7)	7.7%
Depreciation and amortization (corporate center)	(3.8)	(3.2)	0.6	(15.8)%
Other corporate income and expenses	2.6	1.6	(1.0)	(38.5)%
Operating profit before non-recurring items	**72.1**	**92.7**	**20.6**	**28.6%**
Other non-recurring income and expenses	(31.8)	(20.9)	10.9	(34.3)%
Operating profit/(loss)	**40.3**	**71.7**	**31.4**	**77.9%**
Net financial income/(expense)	(40.5)	(41.2)	(0.7)	1.7%
Profit/(loss) before tax	**(0.2)**	**30.7**	**30.9**	**(15,450.0)%**
Income tax	(6.3)	(15.5)	(9.2)	(146.0)%
Share of profit/(loss) of companies consolidated using the equity method	(0.1)	0.1	0.2	(200.0)%
Income from assets held for sale and discontinued operations	-	-	-	n.a.

	For the year ended December 31,			
	2018	2019		
	Restated[1]	Restated[2]	change	% change
	(€ in millions, except percentages)			
Net profit/(loss) for the period	**(6.7)**	**15.1**	**21.8**	**(325.4)%**

[1] Restated to exclude the impact of (a) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

[2] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

Sales and franchise revenues

Reported sales and franchise revenues decreased by €37.6 million, or 7.1%, to €490.5 million for the year ended December 31, 2019, from €528.1 million for the year ended December 31, 2018.

Restated sales and franchise revenues decreased by €65.8 million, or 10.1%, to €587.7 million for the year ended December 31, 2019, from €653.5 million for the year ended December 31, 2018.

The following table sets forth a breakdown of the restated sales and franchise revenues of the Group for the years ended December 31, 2018 and 2019.

	For the year ended December 31,			
	2018	2019		
	Restated[1]	Restated[2]	change	% change
	(€ in millions, except percentages)			
Company Restaurants revenue	356.2	323.8	(32.4)	(9.1)%
Franchise revenue	172.7	218.3	45.6	26.4%
Other revenues	124.6	45.6	(79.0)	(63.4)%
Total sales and franchise revenues	**653.5**	**587.7**	**(65.8)**	**(10.1)%**

[1] Restated to exclude the impact of (a) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

[2] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

Company Restaurant restated revenues decreased by €32.4 million, or 9.1%, to €323.8 million for the year ended December 31, 2019 from €356.2 million for the year ended December 31, 2018. This decrease was mainly due to the transfer of 27 restaurants formerly operated as Company Restaurants to Franchise Restaurants (which reflected 18 Burger King restaurants and nine Quick restaurants), and the disposal or definitive closing of one Company Restaurant operated under the Burger King brand due to its relocation and the disposal or definitive closing of five Company Restaurants operated under the Quick brand. These network changes were partially offset by two new Company Restaurant openings under the Burger King brand; one new Company Restaurant opening under the Quick brand (after its relocation); the conversion of six restaurants formerly operated under the Quick brand and reopened under the Burger King brand, with a higher ARS; the transfer of nine restaurants formerly operated as Franchise Restaurants to Company Restaurants (eight of which were under the Burger King Brand and one under the Quick brand); the higher share of Burger King restaurants, which generate a higher ARS compared to Quick restaurants (approximately 77% of Company Restaurants revenues as of December 31, 2019, compared to 64% as of the year prior); and the stronger performance and positive like-for-like sales by Company Restaurants under the Quick brand for the twelve-month period ended December 31, 2019, as compared to the year prior.

Franchise restated revenues increased by €45.6 million, or 26.4%, to €218.3 million for the year ended December 31, 2019 from €172.7 million for the year ended December 31, 2018. This increase was largely attributable to a change in our network with a larger contribution of Franchise Restaurants under the Burger King brand within the network as of December 31, 2019. Each such restaurant generated higher revenues due to the higher ARS per restaurant, as well as the higher royalty and marketing fee rates as compared to Quick restaurants.

At the end of December 2018, a total of 364 restaurants were operated as Franchise Restaurants, of which 217 operated under the Burger King brand in France, 137 operated under the Quick brand in France, seven operated international under the Quick brand (five and two in Morocco and the West Indies, respectively) and three were temporarily closed to be converted as Burger King brand restaurants. During the last twelve months ended December 31, 2019, the total number of Franchise Restaurants increased from 364 Franchise Restaurants at the end of December 2018 to 397 Franchise Restaurants at the end of December 2019, of which 270 operated under the Burger King brand in France, 119 operated under the Quick brand in France, seven operated under the Quick brand in Morocco and one was temporarily closed to be converted as Burger King brand restaurants.

Changes to our franchise network during the last twelve months ended December 31, 2020 resulted in an increase of our overall franchise network, reflecting an increase in the overall number of Franchise Restaurants operated under the Burger King brand and a decrease in the overall number of Franchise Restaurants operated under the Quick brand.

The increase in the overall number of Franchise Restaurants in our network operated under the Burger King brand by 53 restaurants was primarily due to the conversion of 23 restaurants from the Quick brand, the opening of 20 new restaurants and the transfer of 18 Burger King brand restaurants formerly operated as Company Restaurants to Franchise Restaurants. These increases were partly offset by the transfer of eight restaurants formerly operated as Franchise Restaurants to Company Restaurants.

The decrease in the overall number of Franchise Restaurants in our network operated under the Quick brand by 20 restaurants was primarily due the conversion of 23 restaurants from the Quick brand to the Burger King brand and the disposal or definitive closure of five Franchise Restaurants. These changes were partly offset by the transfer of eight Quick brand restaurants formerly operated as Company Restaurants to Franchise Restaurants.

In addition, almost all of the 53 new Franchise Restaurants opened under or converted to the Burger King brand, as well as transferred from Company Restaurants, were operated under Franchise with Lease arrangements, which generate lease payments as a percentage of sales, contributing to franchise revenues for the twelve-month period ended December 31, 2020. However, this was partially offset by the effect of the temporary closures necessary to implement the conversion process.

Other restated revenues decreased by €79.0 million, or 63.4%, to €45.6 million for the year ended December 31, 2019 from €124.6 million for the year ended December 31, 2018. This decrease is mainly attributable to the decrease in sales of the Quick dedicated logistics services to Quick franchisees, which was a direct consequence of outsourcing the Quick dedicated logistics activity in February 2019 to a new logistics supplier to follow the same model applied to the Burger King brand. This decrease was also related to the net decrease in the overall number of Quick restaurants operated as franchise restaurants prior to the outsourcing, such that the decrease in other revenues corresponds to the decrease in the Quick franchise restaurants.

Cost of sales

Reported cost of sales decreased by €65.5 million, or 26.5%, to €181.9 million for the year ended December 31, 2019 from €247.4 million for the year ended December 31, 2018.

Restated cost of sales decreased by €97.8 million, or 31.0%, to €217.5 million for the year ended December 31, 2019 from €315.3 million for the year ended December 31, 2018.

The following table sets forth a breakdown of the restated cost of sales of the Group for the years ended December 31, 2018 and 2019.

	For the year ended December 31,			
	2018 Restated(1)	2019 Restated(2)	change	% change
	(€ in millions, except percentages)			
Company Restaurant food costs	(104.3)	(91.3)	13.0	(12.5)%
Company Restaurant labor costs	(115.6)	(100.8)	14.8	(12.8)%
Quick-dedicated logistics purchases for franchisees	(95.4)	(25.3)	70.1	(73.5)%
Cost of sales	**(315.3)**	**(217.5)**	**97.8**	**(31.0)%**

[1] Restated to exclude the impact of (a) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

[2] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

As a percentage of Company Restaurants revenues, food costs decreased by 1.1 percentage point to 28.2% for the year ended December 31, 2019, as compared to 29.3% for the year ended December 31, 2018. This decrease is mainly attributable to better performance at the operational level, the launch of new offers with higher margins and lower logistics costs as a greater share of raw materials were sourced in France.

As a percentage of Company Restaurant revenues, labor costs decreased by 1.4 percentage points to 31.1% for the year ended December 31, 2019 as compared to 32.5% for the year ended December 31, 2018. This decrease is due to an improvement in productivity for both the Burger King and Quick brands.

Quick-dedicated logistics purchases for franchisees decreased by €70.1 million, or 73.5%, to €25.3 million for the year ended December 31, 2019, from €95.4 million for the year ended December 31, 2019. This decrease was primarily attributable to the decrease in Quick dedicated logistics purchases as a result of outsourcing the Quick dedicated logistics activity in February 2019 to a new logistics supplier to follow the same model applied to the Burger King brand.

Operating and occupancy costs (excluding depreciation and amortization)

Reported operating and occupancy costs (excluding depreciation and amortization) decreased by €49.5 million, or 52.5%, to €44.7 million for the year ended December 31, 2019 from €94.2 million for the year ended December 31, 2018.

Restated operating and occupancy costs (excluding depreciation and amortization) increased by €3.6 million, or 3.2%, to €114.5 million for the year ended December 31, 2019 from €110.9 million for the year ended December 31, 2018.

The following table shows our restated operating and occupancy costs (excluding depreciation and amortization) for the years ended December 31, 2019 and 2018.

	For the year ended December 31,			
	2018	2019		
	Restated[1]	Restated[2]	change	% change
	(€ in millions, except percentages)			
Utility costs	(8.5)	(7.9)	0.6	(7.1)%
Repair and maintenance costs	(19.9)	(18.8)	1.1	(5.5)%
Rental costs	(60.7)	(65.9)	(5.2)	8.6%
Other operating and occupancy costs	(21.8)	(22.0)	(0.2)	0.9%
Operating and occupancy costs (excl. depreciation and amortization)	**(110.9)**	**(114.5)**	**(3.6)**	**3.2%**

[1] Restated to exclude the impact of (a) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

[2] Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

The decrease in repair and maintenance costs, utility costs and other operating and occupancy costs reflect the decrease of 21 Company Restaurants from the overall number of Company Restaurants. Such decreases were partly offset by the decreasing share of franchise restaurants operated under Pure Franchise arrangements.

The increase in rental costs is mostly due to the net increase of 12 restaurants in the overall number of restaurants during the twelve-month period ended December 31, 2019 and the fact that several restaurants formerly operated under the Quick brand were temporarily closed to be converted into the Burger King brand, which resulted in rental costs for such restaurants being booked as non-recurring expenses.

Depreciation and amortization (restaurants)

Reported depreciation and amortization (restaurants) increased by €42.9 million, or 141.1%, to €73.3 million for the year ended December 31, 2019 from €30.4 million for the year ended December 31, 2018.

Restated depreciation and amortization (restaurants) decreased by €1.0 million, or 2.8%, to €34.7 million for the year ended December 31, 2019 from €35.7 million for the year ended December 31, 2018. This decrease is mainly due to a decrease in depreciation and amortization generated by restaurants disposed or definitively closed during the period and capital expenditure disposals in connection with disposals of fixtures to landholders in 2019. This decrease was partly offset by depreciation and amortization generated by new openings or conversions.

Selling costs

Reported selling costs increased by €3.1 million, or 8.7%, to an expense of €38.8 million for the year ended December 31, 2019 from an expense of €35.7 million for the year ended December 31, 2018.

Restated selling costs increased by €1.4 million, or 2.7%, to an expense of €53.2 million for the year ended December 31, 2019 from an expense of €51.8 million for the year ended December 31, 2018. This increase is primarily attributable to the increase in Burger King's SWS by €227.7 million, or 29.4%. Selling costs as a percentage of SWS decreased by 0.4 percentage points to 3.9% for the year ended December 31, 2019, from 4.3% for the year ended December 31, 2018. This decrease was mainly the consequence of the increasing share of restaurants operated under the Burger King brand within the total network with a lower rate of SWS dedicated to the marketing budget.

BK brand royalties

Reported BK brand royalties increased by €8.7 million, or 29.8%, to €37.9 million for the year ended December 31, 2019 from €29.2 million for the year ended December 31, 2018. Restated BK brand royalties reflected the same figures. This increase is primarily attributable to the growth of the total number of Burger King restaurants in our network by 50 restaurants.

Pre-opening costs

Reported pre-opening costs decreased by €1.6 million, or 80.0%, to €0.4 million for the year ended December 31, 2019 from €2.0 million for the year ended December 31, 2018.

Restated pre-opening costs decreased by €1.3 million, or 65.0%, to €0.7 million for the year ended December 31, 2019 from €2.0 million for the year ended December 31, 2018. This decrease was mainly due to the decrease in Company Restaurant openings during the 2019 compared to the year prior.

Other operating income/(expense)

Reported other operating income increased by €5.6 million, or 50.5%, to an income of €16.7 million for the year ended December 31, 2019 from an income of €11.1 million for the year ended December 31, 2018.

Restated other operating income increased by €4.2 million, or 33.1%, to an income of €16.9 million for the year ended December 31, 2019 from an income of €12.7 million for the year ended December 31, 2018. This decrease is mainly attributable to a higher volume of real estate transactions effectuated in the ordinary course of our business in 2019 than in 2018.

General and administrative costs (excluding depreciation and amortization)

Reported general and administrative costs (excluding depreciation and amortization) increased by €0.3 million, or 0.8%, to €40.3 million for the year ended December 31, 2019 from €40.0 million for the year ended December 31, 2018.

Restated general and administrative costs (excluding depreciation and amortization) increased by €3.7 million, or 7.7%, to €51.8 million for the year ended December 31, 2019 from €48.1 million for the year ended December 31, 2018. As a percentage of revenues, general and administrative costs (excluding depreciation and amortization) increased by 1.4 percentage points to 8.8% for the year ended December 31, 2019 from 7.4% for the year ended December 31, 2018. This increase is mainly related to the decrease in revenues following the outsourcing of the Quick dedicated logistics activity in February 2019 to a new logistics supplier to follow the same model applied to the Burger King brand.

Depreciation and amortization (corporate center)

Reported depreciation and amortization (corporate center) increased by €2.1 million, or 55.3%, to €5.9 million for the year ended December 31, 2019 from €3.8 million for the year ended December 31, 2018.

Restated depreciation and amortization (corporate center) slightly decreased by €0.6 million, or 15.8%, to €3.2 million for the year ended December 31, 2019 from €3.8 million for the year ended December 31, 2018.

Other corporate income and expenses

Reported other corporate income decreased by €1.0 million, or 38.5%, to an income of €1.6 million for the year ended December 31, 2019 from an income of €2.6 million for the year ended December 31, 2018.

Restated other corporate income decreased by €1.0 million, or 38.5%, to an income of €1.6 million for the year ended December 31, 2019 from an income of €2.6 million for the year ended December 31, 2018.

Other non-recurring income and expenses

Reported other non-recurring expenses decreased by €12.2 million to an expense of €19.4 million for the year ended December 31, 2019 from an expense of €31.6 million for the year ended December 31, 2018.

Restated other non-recurring expenses decreased by €10.9 million to an expense of €20.9 million for the year ended December 31, 2019 from an expense of €31.8 million for the year ended December 31, 2018. This decrease was mainly attributable to the reversal of depreciation related to impairment of assets booked in the fourth quarter of 2019, principally for Company Restaurants, as well as fewer conversions of Quick restaurants to the Burger King brand, resulting in fewer write-offs of Quick's assets than in the year prior. These effects were partially offset by the settlement of a litigation with a former international franchisee, which had a negative impact on our consolidated results during the year ended December 31, 2019.

Net financial income/(expense)

Reported net financial expense increased by €21.7 million, or 53.6%, to an expense of €62.2 million for the year ended December 31, 2019, from an expense of €40.5 million for the year ended December 31, 2018.

Restated net financial expense increased by €0.7 million, or 1.7%, to an expense of €41.2 million for the year ended December 31, 2019, from an expense of €40.5 million for the year ended December 31, 2018.

Income tax

Reported income tax decreased by €1.8 million, or 90.0%, to an expense of €0.2 million for the year ended December 31, 2019 from an expense of €2.0 million for the year ended December 31, 2018.

Restated income tax increased by €9.2 million to an expense of €15.5 million for the year ended December 31, 2019 from an expense of €6.3 million for the year ended December 31, 2018. This increase is principally due to income tax payments made in the fourth quarter of 2019 to authorities in Belgium in preparation for the Quick Carve-Out.

Share of profit/(loss) of companies consolidated using the equity method

Reported share of profit of companies consolidated using the equity method increased by €0.2 million to an income of €0.1 million for the year ended December 31, 2019, from an expense of €0.1 million for the year ended December 31, 2018. Restated share of profit of companies consolidated using the equity method reflected the same figures.

Net profit/(loss) for the period

Reported net loss for the period decreased by €14.7 million to net profit of €8.0 million for the year ended December 31, 2019 from net loss of €6.7 million for the year ended December 31, 2018.

As a result of the foregoing factors, restated net loss for the period increased by €21.8 million to net profit of €15.1 million for the year ended December 31, 2019 from net loss of €6.7 million for the year ended December 31, 2018.

Liquidity and Capital Resources of the Group

Our cash requirements consist mainly of the following:

- operating activities, including our working capital expenditure requirements;
- servicing our indebtedness; and
- funding capital expenditures, particularly restaurant conversions and new restaurant openings, including the intendent equipment and fixtures purchases and pre-opening costs.

Liquidity and Capital Resources

Our primary sources of liquidity consist of the following:

- cash generated from our operating activities;
- the proceeds from the Notes offered hereby;
- financial leases for equipment and fixtures; and
- drawings under the New Revolving Credit Facility.

On an as-adjusted basis for the Refinancing, the consolidated net debt of the SSN Issuer and NewCo GB as of August 31, 2021 would have been €1,075.1 million and we would have had cash and cash equivalents of €60.1 million (assuming the New Revolving Credit Facility was undrawn during the entire period) as of August 31, 2021.

The PIK Issuer is a holding company with no revenue-generating operations or assets of its own except for the equity interest it holds in its subsidiaries and any rights in intercompany receivables owed by its subsidiaries. As a result, the PIK Issuer depends and will depend on the cash flow of its subsidiaries to meet its obligations, including its obligations under the PIK Notes. The PIK Issuer's ability to pay cash interest on the PIK Notes offered hereby will be determined by its cash available for debt service. See "*Description of the PIK Notes—Terms of the PIK Notes*."

The Indentures and the New Revolving Credit Facility Agreement will contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: incur additional indebtedness; pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments; enter into agreements that restrict distributions from restricted subsidiaries; sell or otherwise dispose of assets, including capital stock of restricted subsidiaries; enter into transactions with affiliates; create or incur liens; and merge, consolidate or sell substantially all of our assets. These covenants are subject to important exceptions and qualifications.

For more information regarding our indebtedness and cash service requirements on our indebtedness, see "*Capitalization*," "*Description of Certain Financing Arrangements*", "*Description of the SSN Notes—Certain Covenants*" and "*Description of the PIK Notes—Certain Covenants*".

Reconciliations of our cash flows — Impact of the application of IFRS 16 (including IFRS IC)

The tables below show reconciliations from our reported cash flows to our restated cash flows, which excludes the impact of the application of IFRS 16 and IFRS 5, as of and for the six months ended June 30, 2021, the six months ended June 30, 2020, the year ended December 31, 2020 and the year ended December 31, 2019, prepared in accordance with IFRS. For a further description of these accounting standards and the impact of their adoption on our financial statements, see "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods*" and "*—Changes in consolidation scope".*

Six months ended June 30, 2021

	For the six months ended June 30,		
	2021		
	Reported	*IFRS 16 Impact* [2]	***Restated*** [3]
	(€ in millions)		
Cash generated/(used) by operating activities............	84.5	(38.1)	46.4
Cash generated/(used) by investment activities...........	(27.2)	-	(27.2)
Cash generated/(used) by financing activities.............	(58.8)	38.1	(20.7)
Change in cash and cash equivalents	**(1.6)**	**-**	**(1.6)**

[1] Reflects the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition). See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases".*

[2] Restated to exclude the impact of the application of IFRS 16 — Leases.

Six months ended June 30, 2020

	For the six months ended June 30,		
	2020		
	Reported	*IFRS 16 Impact* [2]	***Restated*** [3]
	(€ in millions)		
Cash generated/(used) by operating activities............	29.1	(35.8)	(6.7)
Cash generated/(used) by investment activities...........	(11.2)	-	(11.2)
Cash generated/(used) by financing activities.............	43.7	35.8	79.5
Change in cash and cash equivalents	**61.7**	**-**	**61.6**

[1] Reflects the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition). See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in Accounting Methods—IFRS 16 — Leases".*

[2] Restated to exclude the impact of the application of IFRS 16 — Leases.

Year ended December 31, 2020

	For the year ended December 31, 2020		
	Reported	*IFRS 16 Impact* [(2)]	***Restated*** [(3)]
	(€ in millions)		
Cash generated/(used) by operating activities............	109.0	(72.4)	36.6
Cash generated/(used) by investment activities..........	(32.8)	-	(32.8)
Cash generated/(used) by financing activities.............	(13.2)	72.4	59.2
Change in cash and cash equivalents	**63.0**	**-**	**63.0**

(1) Reflects the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition). See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases"*.

(2) Restated to exclude the impact of the application of IFRS 16 — Leases*.*

Year ended December 31, 2019

	For the year ended December 31, 2019		
	Reported	*IFRS 16 Impact* [(2)]	***Restated*** [(3)]
	(€ in millions)		
Cash generated/(used) by operating activities............	156.7	(69.0)	87.7
Cash generated/(used) by investment activities..........	(5.0)	-	(5.0)
Cash generated/(used) by financing activities.............	(107.1)	69.0	(38.1)
Change in cash and cash equivalents	**44.6**	**-**	**44.6**

(1) Reflects the impact of the application of IFRS 16 — Leases. See "*—Factors Affecting the Comparability of the Financial Information Presented—Changes in accounting methods—IFRS 16 — leases".*

(2) Restated to exclude the impact of the application of IFRS 16 — Leases*.*

Cash Flows

Six months ended June 30, 2021 compared to the six months ended June 30, 2020

The following table sets forth the statement of consolidated cash flows of the Group as of and for the six months ended June 30, 2021 and 2020 on a restated basis, excluding the impact of the application of IFRS 16 (including IFRS IC). See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*)" for more information.

Unless otherwise indicated, the period-to-period comparisons included below are based on our Restated Financial Information (*i.e.*, excluding the impact of the application of IFRS 16 (including IFRS IC)).

	For the six months ended June 30,	
	2020	2021
	Restated[1]	
	(€ in millions)	
Cash generated/(used) by operating activities	(6.7)	46.4
Cash generated/(used) by investment activities	(11.2)	(27.2)
Cash generated/(used) by financing activities	79.5	(20.8)
Change in cash and cash equivalents	**61.7**	**(1.6)**

[1] Restated to exclude the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition).

Cash generated/(used) by operating activities

Reported cash generated/(used) by operating activities was recorded as an inflow of €84.5 million for the six-month period ended June 30, 2021 (as compared to an inflow of €29.1 million for the six-month period ended June 30, 2020).

Restated cash generated/(used) by operating activities was recorded as an inflow of €46.4 million for the six-month period ended June 30, 2021 (as compared to an outflow of €6.7 million for the six-month period ended June 30, 2020). This inflow was primarily attributable to an inflow related to EBITDA, partly offset by outflows for non-recurring items, mainly related to pre-conversion costs incurred during the temporary closure of restaurants (principally comprising labor, training and rent) and net post-closure costs (including exit indemnities as applicable) incurred due to the definitive closures of Quick brand restaurants, and an outflow for income tax paid during the quarter (mainly CVAE).

Cash generated/(used) by investment activities

Reported cash generated/(used) by investment activities was recorded as a cash outflow of €27.2 million for the six-month period ended June 30, 2021 (as compared to an outflow of €11.2 million for the six-month period ended June 30, 2020).

Restated cash generated/(used) by investment activities for the six-month period ended June 30, 2021 was recorded as a cash outflow of €27.2 million as compared to a cash outflow of €11.2 million for the six-month period ended June 30, 2020. The net cash outflow from investment activities for the six-month period ended June 30, 2021 was primarily due to (i) the acquisition of business goodwill and of the shares of three companies operating Burger King restaurants; (ii) investments for the completed conversions of 15 Quick restaurants to Burger King restaurants and two additional Quick restaurants which were temporarily closed for conversion as of June 30, 2021; (iii) investments in new restaurant openings, consisting of 15 Burger King restaurants and two Quick restaurants opened during the six-month period ended June 30, 2021; (iv) cash outflows related to restaurant refurbishments; and (v) additional cash outflows related to maintenance capital expenditures and network management activities (namely, costs related to the conversion of Company Restaurants into Franchise Restaurants and vice versa). This cash outflow was partially offset by asset disposals of restaurants transferred from Company Restaurants to Franchise Restaurants under both the Burger King and Quick brands in the six months ended June 30, 2021.

The net cash outflow from investment activities for the six-month period ended June 30, 2020 was primarily due to (i) investments in new restaurants openings consisting of seven Burger King restaurants and one Quick restaurant; to (ii) investments for the completed conversions of 10 Quick restaurants to Burger King restaurants and an additional five Quick restaurants temporarily closed for conversion as of June 30, 2020; (iii) cash outflows related to Quick restaurant refurbishments; and (iv) additional cash outflows related to maintenance capital expenditures and network management activities (namely, costs related to the conversion of Company Restaurants into Franchise Restaurants and vice versa). This cash outflow was partially offset by significant disposal gains mainly related to our real estate activity during the six months ended June 30, 2020.

Cash generated/(used) by financing activities

Reported cash generated/(used) by financing activities was recorded as a cash outflow of €58.8 million for the six-month period ended June 30, 2021, as compared to a cash inflow of €43.7 million for the six-month period ended June 30, 2020.

Restated cash generated/(used) by financing activities was recorded as a cash outflow of €20.7 million for the six-month period ended June 30, 2021, as compared to a cash inflow of €79.5 million for the six-month period ended June 30, 2020. This outflow for the six-month period ended June 30, 2021 was mainly related to (i) an outflow of €19.1 million related to the payment of interests (consisting primarily of accrued interests of our Existing Fixed Rate Notes and Existing Floating Rate Notes); and (ii) €12.2 million of borrowing redemption. This outflow was partially offset by an inflow of €10.6 million corresponding to a new bilateral borrowing entered into during the second quarter of 2021.

The €79.5 million cash inflow recorded in the six-month period ended June 30, 2020 was principally related to an inflow of €145.0 million of new borrowings consisting in the full draw of the Existing Revolving Credit Facility for €60.0 million, €5.0 million of new borrowing which occurred during the first quarter of 2020 and €80.0 million of a state guaranteed loan fully funded on June 18, 2020. This inflow was partially offset by an outflow of €47.1 million mainly due to a €40.0 million repayment of the Existing Revolving Credit Facility which occurred on June 29, 2020, as well as an outflow of €18.4 million related to the payment of interests (consisting primarily of accrued interests of our Existing Fixed Rate Notes and Existing Floating Rate Notes).

Year ended December 31, 2020 compared to the year ended December 31, 2019

The following table sets forth the restated statement of consolidated cash flows of the Group as of and for the years ended December 31, 2020 and 2019 on a restated basis, excluding the impact of the application of IFRS 16 (including IFRS IC). See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*)" for more information.

Unless otherwise indicated, the period-to-period comparisons included below are based on our Restated Financial Information (*i.e.*, excluding the impact of the application of IFRS 16 (including IFRS IC)).

	For the year ended December 31,	
	2019	**2020**
	Restated[1]	
	(€ in millions)	
Cash generated/(used) by operating activities	87.7	36.6
Cash generated/(used) by investment activities	(5.0)	(32.8)
Cash generated/(used) by financing activities	(38.1)	59.2
Change in cash and cash equivalents	**44.6**	**63.0**

[1] Restated to exclude the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition).

Cash generated/(used) by operating activities

Reported cash generated/(used) by operating activities was recorded as an inflow of €109.0 million for the year ended December 31, 2020, as compared to an inflow €156.7 million for the year ended December 31, 2019.

Restated cash generated/(used) by operating activities was recorded as an inflow of €36.6 million for the year ended December 31, 2020, as compared to an inflow €87.7 million for the year ended December 31, 2019. For the year ended December 31, 2020, the €36.6 million inflow was primarily attributable to an inflow related to EBITDA, partly offset by outflows for non-recurring items, mainly related to pre-conversion costs incurred during the temporary closure of restaurants (principally comprising labor, training and rent) and net post-closure costs (including exit indemnities as applicable) incurred due to the definitive closures of Quick brand restaurants, and an outflow for income tax paid during the quarter (mainly CVAE).

Cash generated/(used) by investment activities

Reported cash generated/(used) by investment activities for the year ended December 31, 2020 was recorded as a cash outflow of €32.8 million as compared to a cash outflow of €5.0 million for the year ended December 31, 2019. Restated cash generated/(used) by investment activities reflected the same figures. The net cash outflow from investment activities for the year ended December 31, 2020 was primarily due to (i) investments for the completed conversions of nine Quick restaurants to Burger King restaurants and seven additional Quick restaurants which were temporarily closed for conversion as of December 31, 2020; (ii) investments in new restaurant openings, consisting of 20 Burger King restaurants and one Quick restaurants opened during the twelve-month period ended December 31, 2020; (iii) cash outflows related to restaurant refurbishments; and (iv) additional cash outflows related to maintenance capital expenditures and network management activities (namely, costs related to the conversion of Company Restaurants into Franchise Restaurants and vice versa). This cash outflow was partially offset by asset disposals mainly related to (i) real estate activity and (ii) asset disposals of restaurants transferred from Company Restaurants to Franchise Restaurants under both the Burger King and Quick brands in the twelve months ended June 30, 2021.

The net cash outflow from investment activities for the year ended December 31, 2019 was primarily due to asset disposals, partly offset by (i) investments in new restaurants openings consisting of 22 Burger King restaurants and three Quick restaurants; to (ii) investments for the completed conversions of 29 Quick restaurants to Burger King restaurants and an additional Quick restaurant temporarily closed for conversion as of December 31, 2019; (iii) cash outflows related to Quick restaurant refurbishments; and (iv) additional cash outflows related to maintenance capital expenditures and network management activities (namely, costs related to the conversion of Company Restaurants into Franchise Restaurants and vice versa).

Cash generated/(used) by financing activities

Reported cash generated/(used) by financing activities were recorded as a cash outflow of €13.2 million for the year ended December 31, 2020, as compared to a cash outflow of €107.1 million for the year ended December 31, 2019.

Restated cash generated/(used) by financing activities were recorded as a cash inflow of €59.2 million for the year ended December 31, 2020, as compared to a cash outflow of €38.1 million for the year ended December 31, 2019. The €59.2 million inflow for the twelve-month period ended December 31, 2020 was mainly related to an inflow of €145.0 million of new borrowings consisting in the full draw of the Existing Revolving Credit Facility for €60.0 million, €5.0 million of new borrowing which occurred during the first quarter of 2020 and €80.0 million of a state guaranteed loan fully funded on June 18, 2020. This inflow was partly offset by an outflow of €85.9 million mainly due to (i) a €40.0

million repayment of the Existing Revolving Credit Facility which occurred on June 29, 2020; (ii) a €9.1 million redemption of borrowings and lease debt; (iii) an outflow of €36.8 million related to the payment of interests (consisting primarily of accrued interests of our Existing Fixed Rate Notes and Existing Floating Rate Notes).

The €38.1 million outflow for the twelve-month period ended December 31, 2019 was mainly related to (i) €39.4 million related to the payment of interests (consisting primarily of accrued interests of our Existing Fixed Rate Notes and Existing Floating Rate Notes) and to the closing of the litigation with a former international Quick franchisee; (ii) €9.0 million repayment of borrowings and lease debt; (iii) €7.2 million of dividends paid by the SSN Issuer to allow NewCo GB to pay its interest payments in cash; and (iv) €0.9 million capital decrease paid by the SSN Issuer to allow NewCo GB to pay its interest payments in cash. These outflows were partly offset by €18.3 million in new borrowings.

Year ended December 31, 2019 compared to the year ended December 31, 2018

The following table sets forth the statement of consolidated cash flows of the Group as of and for the years ended December 31, 2019 and 2018, which has been presented on a restated basis for the year ended December 31, 2019, excluding the impact of IFRS 16 (including IFRS IC). See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*)" for more information.

Unless otherwise indicated, the cash flows for the year ended December 31, 2019 included below are based on our Restated Financial Information (*i.e.*, excluding the impact of the application of IFRS 16 (including IFRS IC)).

	For the year ended December 31,	
		2019
	2018	**Restated[1]**
	(€ in millions)	
Cash generated/(used) by operating activities	49.8	87.7
Cash generated (used) by investment activities	(74.0)	(5.0)
Cash generated (used) by financing activities	(42.5)	(38.1)
Change in cash and cash equivalents	**(66.7)**	**44.6**

(1) Restated to exclude the impact of the application of IFRS 16 — Leases (cancellation of IFRS 16 entries and rents' recognition).

Cash generated/(used) by operating activities

Cash generated/(used) by operating activities was recorded as an inflow of €87.7 million for the year ended December 31, 2019, as compared to €49.8 million for the year ended December 31, 2018. This inflow was primarily attributable to an inflow related to EBITDA, partly offset by outflows for non-recurring items, mainly related to the closing of the litigation with a former international Quick franchisee, pre-conversion costs incurred during the temporary closure of restaurants (principally comprising labor, training and rent) and net post-closure costs (including exit indemnities as applicable) incurred due to the definitive closures of Quick brand restaurants, and an outflow for income tax paid during the quarter (mainly taxes paid to authorities in Belgium as a result of the Quick Carve-Out as well as CVAE.

Cash generated/(used) by investment activities

Cash generated/(used) by investment activities for the year ended December 31, 2019 was recorded as a cash outflow of €5.0 million as compared to a cash outflow of €74.0 million for the year ended December 31, 2018.

The net cash outflow from investment activities for the year ended December 31, 2019 was primarily due to asset disposals, partly offset by (i) investments in new restaurants openings consisting of 22 Burger King restaurants and three Quick restaurants; to (ii) investments for the completed conversions of 29 Quick restaurants to Burger King restaurants and an additional Quick restaurant temporarily closed for conversion as of December 31, 2019; (iii) cash outflows related to Quick restaurant refurbishments; and (iv) additional cash outflows related to maintenance capital expenditures and network management activities (namely, costs related to the conversion of Company Restaurants into Franchise Restaurants and vice versa).

The net cash outflow from investment activities for the year ended December 31, 2018, and excluding the acquisition of the investment vehicles which occurred during this year, was primarily due to (i) investments for the completed conversions of 63 Quick restaurants to Burger King restaurants and six additional Quick restaurants which were temporarily closed for conversion as of December 31, 2018; (ii) investments in new restaurant openings, consisting of 24 Burger King restaurants; (iii) cash outflows related to Quick halal protein restaurants' refurbishments; and (iv) additional cash outflows related to maintenance capital expenditures and network management activities (namely, costs related to the conversion of Company Restaurants into Franchise Restaurants and vice versa).

Cash generated/(used) by financing activities

Cash generated/(used) by financing activities was recorded as a cash outflow of €38.1 million for the year ended December 31, 2019, as compared to a cash outflow of €42.5 million for the year ended December 31, 2018.

The €38.1 million outflow for the twelve-month period ended December 31, 2019 was mainly related to (i) €39.4 million related to the payment of interests (consisting primarily of accrued interests of our Existing Fixed Rate Notes and Existing Floating Rate Notes) and to the closing of the litigation with a former international Quick franchisee; (ii) €9.0 million repayment of borrowings and lease debt; (iii) €7.2 million of dividends paid by the SSN Issuer to allow NewCo GB to pay its interest payments in cash; and (iv) €0.9 million capital decrease paid by the SSN Issuer to allow NewCo GB to pay its interest payments in cash. These outflows were partly offset by €18.3 million in new bilateral borrowings.

The €42.5 million outflow for the twelve-month period ended December 31, 2018 was mainly related to (i) €38.4 million related to the payment of interests (consisting primarily of accrued interests of our Existing Fixed Rate Notes and Existing Floating Rate Notes); and to (ii) €15.7 million repayment of borrowings. These outflows were partly offset by new borrowings for €11.6 million (mainly related to a CICE (*Crédit Impôt pour la Compétitivité et l'Emploi*) financing).

Working capital

Our primary source of trade receivables are (i) royalties and lease and business assets payments due from franchisees and (ii) payments due from lessors in connection with our CPI activity. On the other hand, our primary source of trade payables consisted of (i) investment-related payables (for restaurant openings and conversions), (ii) payables related to our CPI activity and (iii) food costs. Within food costs, we purchase raw materials and food products only for Company Restaurants. Since the end of the first quarter ended March 31, 2019, Franchise Restaurants under both the Burger King and Quick brands are responsible for their own food and logistics costs as the food purchase and logistics have since been outsourced to a third-party company. The other elements of our operating working capital inflows consist of labor costs and, for the Burger King brand, payments due to BK Europe which are generally paid following the close of the applicable month. Cash outflows related to operating working capital include royalty payments due from franchisees and lease payments, the majority of which are pre-payable on a quarterly basis.

Capital Expenditures

Over the periods under review, our capital expenditure was divided into the following categories:

- **Capital expenditures for new restaurant openings:** includes expenses incurred related to new restaurant openings, such as transaction costs related to securing leaseholds, purchase and installation of new fixtures, purchase and installation of internal furnishings and exterior signage, and groundwork related to drive-throughs and parking (as applicable) for Company Restaurants and Franchise with Lease Management Restaurants (where costs are shared with the franchisee), net of disposals (as applicable);

- **Capital expenditures for restaurant conversions:** includes expenses incurred related to the conversion of existing Quick restaurants to Burger King restaurants, such as transaction costs related to renegotiating leaseholds, purchase and installation of new fixtures, purchase and installation of internal furnishings and exterior signage, and groundwork related to drive-throughs and parking (as applicable) for Company Restaurants and Franchise with Lease Management Restaurants (where costs are shared with the franchisee), net of disposals (as applicable);

- **Maintenance capital expenditures:** includes investments to maintain, refurbish and/or replace obsolescent assets and equipment, including for furniture for restaurant interiors, point-of-sale terminals and signage, net of disposals (as applicable); and

- **Other capital expenditures:** includes mainly (i) expenses incurred related to network management (namely, the conversion of Company Restaurants into Franchise Restaurants and vice versa), including the purchase of intangible assets, such as business assets rights ("*fonds de commerce*"), tangible assets owned by the former franchisee and financial assets, such as shares of former franchisee companies, net of disposals; and (ii) IT and digital investments, as well as certain marketing and new menu offering capital expenditures, net of disposals.

We estimate that our capital expenditures for the year ended December 31, 2021 will be approximately €43 million, most of which will consist of capital expenditures for restaurant conversions and new restaurant openings. Such capital expenditures are expected to remain relatively low due to limited planned restaurant conversions and the continued implementation of our asset-light strategy for new restaurant openings. Maintenance capital expenditures will increase in line with the size of the network.

Six months ended June 30, 2021 compared to the six months ended June 30, 2020

The following table sets forth our capital expenditures for the periods indicated as of and for the six months ended June 30, 2021 and 2020 on a restated basis, excluding the impact of the application of IFRS 16 (including IFRS IC) and IFRS 5. See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*)" for more information.

	For the six months ended June 30,	
	2020	2021
	Restated[(1)]	
	(€ in millions)	
Capital expenditures for new restaurant openings	4.3	3.7
Capital expenditures for restaurant conversions	5.0	10.4
Maintenance capital expenditures	3.8	6.1
Other capital expenditures	0.5	8.0
Total net capital expenditures	**13.6**	**28.1**

(1) Restated to exclude the impact of (a) the application of IFRS 16 — Leases (including IFRS IC), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

Capital expenditures for new restaurant openings decreased by €0.7 million, or 14%, to €3.7 million for the six-month period ended June 30, 2021, from €4.3 million for the six-month period ended June 30, 2020, largely as a result of the higher share of new restaurant openings under our asset-light model.

Capital expenditures for restaurant conversions increased by €5.4 million to €10.4 million for the six-month period ended June 30, 2021, from €5.0 million for the six-month period ended June 30, 2020. This expenditure was primarily related to (i) the completed conversion of 15 Quick restaurants to Burger King restaurants (of which one was a Company Restaurant and 14 were Franchises with Lease Management restaurants); and (ii) the conversion of two additional Quick restaurants which were temporarily closed for conversion as of June 30, 2021. Further, a majority of the planned conversions for the year 2021 were implemented in the first half of the year. For the six-month period ended June 30, 2020, three Quick restaurants were converted to Burger King restaurants and five additional restaurants were under conversion.

Maintenance capital expenditures increased by €2.3 million to €6.1 million for the six-month period ended June 30, 2021, from €3.8 million for the six-month period ended June 30, 2020. This increase is principally due to the fact that part of the conversion process involves a full refurbishment of former Quick restaurants and the resulting good state of repair of the relatively new Burger King restaurant network.

Other capital expenditures increased by €7.4 million to €8.0 million for the six-month period ended June 30, 2021, from €0.5 million for the six-month period ended June 30, 2020, and were mainly related to network management costs and the acquisition of business goodwill and shares of three Burger King Company Restaurants during the first semester of 2021.

Year ended December 31, 2020 compared to the year ended December 31, 2019

The following table sets forth our capital expenditures as of and for the years ended December 31, 2020 and 2019 on a restated basis, excluding the impact of the application of IFRS 16 (including IFRS IC) and IFRS 5. See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*)" for more information.

	For the year ended December 31,	
	2019	2020
	Restated[1]	
	(€ in millions)	
Capital expenditures for new restaurant openings	12.0	11.0
Capital expenditures for restaurant conversions	23.6	15.0
Maintenance capital expenditures	9.4	7.2
Other capital expenditures	(24.0)	4.5
Total net capital expenditures	**21.0**	**37.7**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases including IFRS IC (cancellation of IFRS 16 entries and rents' recognition), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

Capital expenditures for new restaurant openings decreased by €1.0 million, or 7.8%, to €11.0 million for the year ended December 31, 2020 from €12.0 million for the year ended December 31, 2019.

Capital expenditures for restaurant conversions decreased by €8.6 million, or 36.4%, to €15.0 million for the year ended December 31, 2020, from €23.6 million for the year ended December 31, 2019. Capital expenditures for restaurant conversions during the year ended December 31, 2020 was primarily due to (i) the completed conversion of nine Quick restaurants to Burger King restaurants, of which four were Company Restaurants and five were Franchise with Lease Management Restaurants and (ii) the conversion of seven additional Quick restaurants which were temporarily closed for conversion as of December 31, 2020. For the twelve-month period ended December 31, 2019, 29 Quick restaurants were converted to Burger King restaurants and one additional restaurant was under conversion.

Maintenance capital expenditures decreased by €2.2 million, to €7.2 million for the year ended December 31, 2020 from €9.4 million for the year ended December 31, 2019. This decrease was primarily due to the fact that part of the conversion process includes a full refurbishment of former Quick restaurants and the good state of repair of the relatively new Burger King restaurant network.

Other capital expenditures increased by €28.5 million, to an expense of €4.5 million for the year ended December 31, 2020, from an income of €24.0 million for the year ended December 31, 2019. This increase was primarily due to real estate disposals and network management related to our franchise operations during the year ended December 31, 2019.

Year ended December 31, 2019 compared to the year ended December 31, 2018

The following table sets forth our capital expenditures as of and for the years ended December 31, 2019 and 2018, which has been presented on a restated basis for the year ended December 31, 2019, excluding the impact of IFRS 16 (including IFRS IC) and IFRS 5. See "*Presentation of Financial and Other Information*", "*—Factors Affecting the Comparability of the Financial Information Presented*" and "*—Reconciliations of our cash flows — Impact of the application of IFRS 16* (*including IFRS IC*)" for more information.

	For the year ended December 31,	
	2018	2019
	Restated[1]	
	(€ in millions)	
Capital expenditures for new restaurant openings	22.6	12.0
Capital expenditures for restaurant conversions	67.5	23.6
Maintenance capital expenditures	7.5	9.4
Other capital expenditures	(6.5)	(24.0)
Total net capital expenditures	**91.2**	**21.0**

[1] Restated to exclude the impact of (a) the application of IFRS 16 — Leases including IFRS IC (cancellation of IFRS 16 entries and rents' recognition), (b) the application of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations to reclassify the Quick activities falling within the scope of the Quick Carve-Out as discontinued operations.

Capital expenditures for new restaurant openings decreased by €10.7 million, or 47.2%, to €12.0 million for the year ended December 31, 2019 from €22.6 million for the year ended December 31, 2018.

Capital expenditures for restaurant conversions decreased by €43.9 million, or 65.0%, to €23.6 million for the year ended December 31, 2019, from €67.5 million for the year ended December 31, 2018. Capital expenditures for restaurant conversions during the year ended December 31, 2019 was primarily related to (i) the higher share of franchise restaurants; (ii) the higher share of investments supported by lessors, which reflects their confidence on the Burger King France model; (iii) the completed conversion of 29 Quick restaurants to Burger King restaurants, of which six were Company Restaurants and 23 were Franchise with Lease Management Restaurants and (ii) the conversion of an additional Quick restaurant which was temporarily closed for conversion as of December 31, 2019. For the twelve-month period ended December 31, 2018, 63 Quick restaurants were converted to Burger King restaurants and an additional six restaurants were under conversion.

Maintenance capital expenditures increased by €1.9 million, to €9.4 million for the year ended December 31, 2019 from €7.5 million for the year ended December 31, 2018. This increase was primarily due to the fact that part of the conversion process includes a full refurbishment of former Quick restaurants and the good state of repair of the relatively new Burger King restaurant network.

Other capital expenditures increased by €17.5 million, to an income of €24.0 million for the year ended December 31, 2019, from an income of €6.5 million for the year ended December 31, 2018. This increase was primarily due to real estate disposals and network management during the year ended December 31, 2019.

Contractual Obligations and Commercial Commitments

The following table summarizes the commitments and principal payments that we will be obligated to make, including under our debt instruments, as of August 31, 2021, on an as-adjusted basis after giving effect to the Refinancing (assuming the New Revolving Credit Facility was undrawn on the Issue Date). The table does not set forth the repayment obligations in respect of the PIK Notes offered hereby which are obligations solely of the PIK Issuer and mature in 2027.

	Expected cash payments falling due in the year ending December 31,			
	Total	2021	2021 - 2023	2023 and thereafter
	(€ in millions)			
SSN Notes offered hereby	620.0	-	-	620.0
Other indebtedness	30.7	5.5	21.0	4.2
Capital leases	479.8	9.7	76.6	393.5
Total[1]	1,130.5	15.2	97.6	1,017.7

[1] Total excludes the impact of debt issuance costs that are capitalized in accordance with IFRS.

Off-Balance Sheet Arrangements

As of June 30, 2021, the SSN Issuer did not record any significant off-balance sheet liability.

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to various market risks in the normal course of business.

Commodity price risk

Our restaurants are subject to commodity price risk related to food costs and related packaging, mostly correlated to underlying commodities such as beef, chicken and paper (for packaging). We are also indirectly exposed to grains and fuel prices as they are inputs for certain raw materials we purchase and an input in our logistics costs. In the case of Franchise with Lease Management restaurants, the foregoing risks are limited as they are borne directly by the franchisees.

Exchange rate risk

We have no significant exposures to foreign exchange rate risk as the majority of our revenues, expenses and indebtedness are denominated in euro.

Interest rate risk

We are subject to interest rate risks related to our indebtedness that are linked to EURIBOR plus certain margins.

INDUSTRY

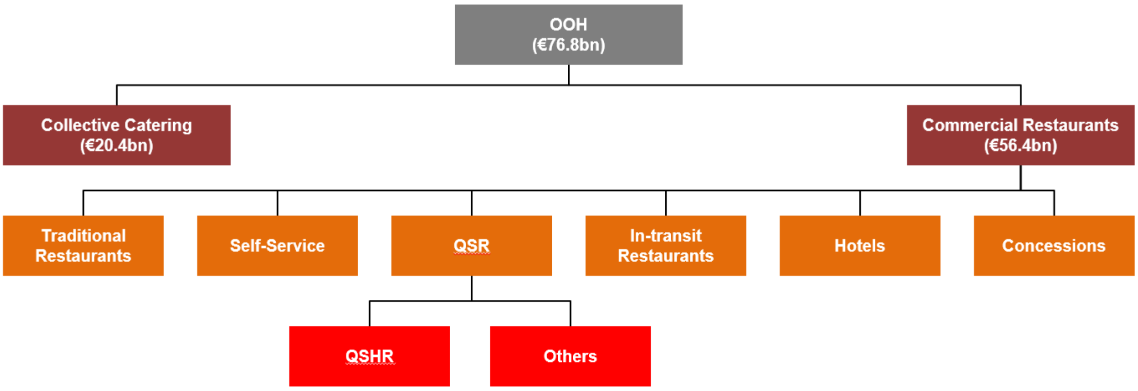
*Certain of the information set forth in this section has been derived from external sources. Unless otherwise indicated, the facts and information on which the Group bases its statements made, and its views expressed, in this Listing Memorandum are derived from a market report by GIRA Foodservice and The NPD Group, Inc. ("**NPD Group**") that we have obtained. Industry publications 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, we have not independently verified it. Further, such estimates or judgments, particularly as they relate to expectations about our market and industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" and "Forward-Looking Statements" elsewhere in this Listing Memorandum. The projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-Looking Statements".*

The French restaurant market or the OOH market

The French restaurant market or the OOH market is one of the key contributors to the French economy, representing approximately 2% of France's GDP in 2020. According to GIRA Foodservice, sales in the OOH market in France grew from approximately €72.4 billion in 2017 to reach approximately €76.8 billion in 2019, representing a CAGR of approximately 3.0%. In 2020, the OOH market declined to approximately €47.8 billion due to the impact of the COVID-19 crisis, representing a decline of 38% compared to 2019.

The French OOH market consists of two main sectors, the collective catering and the commercial restaurant sector. The collective catering sector includes employer restaurants, school restaurants, health and social restaurants and other collective segments and had total sales of approximately €20.4 billion in 2019 and €15.2 billion in 2020. The commercial restaurant sector includes traditional restaurants, self-service restaurants, QSR, in-transit restaurants, hotel and concession restaurants, and had total sales of approximately €56.4 billion in 2019 and €32.6 billion in 2020. Between 2019 and 2023, revenue of the OOH market in France is expected to grow by approximately €1.6 billion, *i.e.*, representing a CAGR of approximately 0.5%, with the QSR segment representing the primary driver of such projected growth.

The graphic below presents a simplified version of the French OOH market and the respective revenue of each segment for 2019:

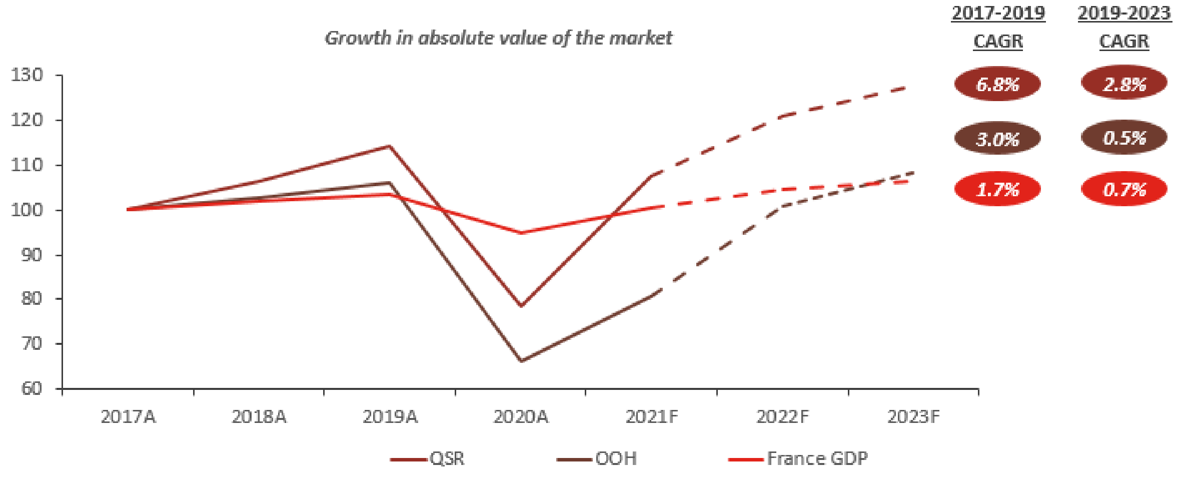


Source: GIRA Foodservice

The QSR Segment

The QSR segment in France includes any type of restaurant where consumers are able to order food "on-the-go". The QSR segment comprises any type of restaurant serving "on-the-go" food such as hamburgers, sandwiches, kebabs, fried chicken, sushi, pizza or health conscious quick service restaurants. Chain restaurants play an important role in the QSR segment. Sales in the QSR segment totaled approximately €19.5 billion in 2019 and grew at a CAGR of approximately 6.8% between 2017 and 2019; whereas the French OOH market overall grew at a CAGR of approximately 3.0% during the same period. In 2020, the QSR segment generated approximately €13.4 billion in sales, representing a decline of approximately 31.2% as compared to 2019; whereas the French OOH market overall declined by 37.7% during the same period. It is expected that sales in the overall QSR segment will grow at a CAGR of approximately 2.8% between 2019 and 2023 (9.0% between 2021 and 2023).

The following graphic presents the growth of the OOH market and the QSR segment as compared to overall French GDP growth (set to 2017 levels).



Source: GIRA Foodservice, IMF

Performance of the QSR segment during the COVID-19 crisis

The QSR segment in France has been the most resilient segment within the OOH market during COVID-19. We believe that the following fundamental characteristics of the QSR segment, as well as the scale and capabilities of the large QSR operators, have contributed to the relative strength of the segment:

- trust of customers in well-known, reputable brands operating in the QSR segment;
- ability of large QSR operators to implement effective sanitary measures in a rapid manner;
- prevalence and availability of off-premise channels (such as Click & Collect, drive-through and delivery) during periods of lockdown and restricted on-premise consumption; and
- Continued investment by QSR operators in digital channels to enhance customer experience.

As a result, the QSR segment (excluding cafés and bars) has materially outperformed other OOH segments with only 23.8% decline between 2019 and 2020, compared to 37.7% decline in the overall OOH market during the same period. Similarly, according to the NPD Group, on a like-for-like basis, the QSR segment has returned to growth in the first half of 2021 with segment sales increasing 10.6% compared to the first half of 2020, whereas the overall OOH market has continued to decline 14.1% compared to the first half of 2020.

As such, according to the NPD Group, the QSR segment has gained significant incremental share of the OOH market over this period, accounting for 44% and 55% of the away-from-home market in 2020 and the first half of 2021, respectively, compared to 36% in 2019.

Growth in the QSR Segment

The QSR segment's strong performance in France has been driven by changes in consumer habits over time. We believe that the following factors contribute to this positive trend:

Less time dedicated to meals

With increasingly busier lifestyles, longer working hours and a desire to maximize leisure time, consumers devote less time to the preparation and consumption of meals. This trend favors the QSR segment, which offers consumers "on-the-go" food that they may purchase and consume quickly.

Consumer focus on affordability

We believe that consumers have become more cost conscious in recent years as a result of the economic recession in France following the COVID-19 crisis and that their income available for restaurant discretionary spending has been constrained by the increase in spending in "tech" expenses, driving the local population to increasingly seek the greatest value for their money. According to a consumer sentiment study by the NPD Group, 46% of French people think that an attractive price is one of their main criteria to select a restaurant since the beginning of the crisis.

According to a recent study by the NPD Group, within the commercial restaurant sector, the QSR segment is the most affordable with an average ticket price in 2020 of €5.42, compared to an average ticket price for full-service restaurants segment in the same period of €12.76.

Ability to increase average ticket price

The average ticket price for restaurants in the QSR segment increased at a faster rate than other categories in the French OOH market. In France, the average ticket for the QSR segment for main meals grew at a CAGR of approximately 7.7% between 2019 and 2020.

We believe that the following factors have contributed to this accelerated growth rate:

- *Affordability:* as the product offering within the QSR segment is significantly more affordable than other categories within the commercial restaurant sector, any increase in price naturally starts from a lower base;

- *Product variety:* restaurants within the QSR segment increasingly complement their classic menu options with a variety of new products to expand their traditional meal options. This variety increases customers' basket size by encouraging them to order additional items (such as ice cream and additional portions of sides); and

- *Families and groups of young adults:* as more and more families choose to take certain meals out of the home, they are becoming an increasingly large part of the QSR segment's customer base compared to other segments within the commercial restaurant sector. Families are often attracted by the lower prices, product variety and child-friendly environments common to the QSR segment. This in turn translates into higher average tickets. In addition, the QSR segment is attractive to young adults as it is more affordable than other segments within the commercial restaurant sector and provides a convivial environment for groups of young adults to interact and socialize.

Increased out-of-home consumption as a result of the dominant and growing position of chain restaurants over independents

The increased density of chain restaurants has been one of the key factors behind the growth of the French OOH market as it has facilitated consumers' accessibility to away-from-home dining by increasing the number of restaurants, as chains are able to open new restaurants more easily than independent operators.

Chain restaurants have the ability to leverage economies of scale and benefit from a logistics advantage to provide consumers with a varied menu featuring competitively priced meals of consistent quality throughout the network. The ability of chain restaurants to offer significant pricing discounts, combined with the significant financial resources they devote to marketing campaigns, also contributes to their success. In addition, when traveling, a consumer may prefer a chain restaurant which provides a harmonized level and standard of service throughout its extensive national network. The contribution of chain restaurants to the commercial restaurant sector's sales in France increased steadily between 2017 and 2020, from approximately 36.8% to approximately 40.5%.

Health and wellness

In recent years, consumers have become increasingly health-conscious and mindful of the importance of a balanced and nutritious diet. This heightened awareness is partly due to ongoing health and wellness campaigns across Europe, emphasizing the benefits of "healthy" foods such as meat alternatives, fresh fruits and vegetables. Consumers are also increasingly knowledgeable about specific diet-related health issues such as cardiovascular diseases and obesity, which has led to an increase in the demand for healthier food products such as fish, vegetables and poultry.

Players in the QSR segment have been able to quickly adapt to changing health and wellness trends, with major chain restaurants now highly focused on improving the nutritional quality of their offerings and communicating nutritional information on the packaging of their products. QSR players are also committed to developing and expanding their menus to incorporate healthier alternatives (for example, plant-based meat alternatives, salad and fresh fruit), which appeals to a wider consumer base.

Growing share of non-traditional daypart consumption in the QSR segment

The QSR segment has historically generated the largest part of its sales during traditional dayparts, with customer traffic generally concentrated around lunchtime, and to a lesser extent during dinner. In recent years, QSR operators have continued to expand their menu offering into non-traditional dayparts, such as breakfast, coffee and snacks, by leveraging their convenience-driven service models. With increasing consumer receptivity to convenient and affordable options, this represents a growth opportunity for QSR players to address incremental demand and capture a larger share of meal occasions throughout the day.

Growing use of digital channels

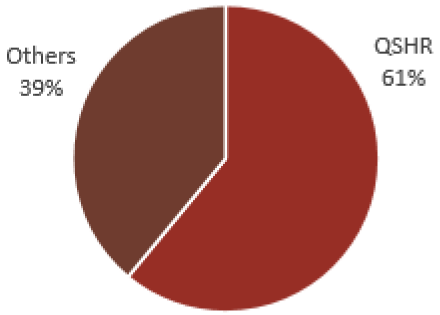
Digital channels and tools have steadily gained traction within the QSR segment with the increasing accessibility and consumer acceptance of various digital tools. As a result, digital sales have become an important driver of growth for QSR operators, driven both by increased consumer convenience and the expansion of digitally-enabled value propositions.

Branded mobile applications and presence on third-party delivery applications enable QSR players to build a direct relationship with customers and create a fully-integrated and highly-convenient experience, whether through Click & Collect or home delivery. Furthermore, growth in digital sales provides the ability to leverage the existing network of QSR operators, which helps achieve operating efficiencies, for example through the use of digital kiosks, tablets and mobile payments, which enhances the customer journey for on-premise and drive-through customers. With the continued expansion of this channel, QSR operators also have the opportunity to increase brand awareness through the use of social media, leverage valuable customer data to acquire new customers and extract higher customer lifetime value through digital loyalty programs.

During the COVID-19 crisis, the growth in the use of digital channels has been further accelerated by the lockdowns and curfews restricting on-premise consumption, resulting in a 22% year on year growth in digital orders for commercial restaurant in France in March 2021 according to the NPD Group. As of the end of May 2021, according to the NPD Group, QSR is leading the path, representing up to 81% of digital orders in commercial restaurants.

The QSHR category

The largest category of the QSR segment in France is the QSHR category, which in 2019 recorded approximately €8.1 billion of sales, representing approximately 60% of the total sales in the QSR segment (excluding cafés and bars). In 2020, the QSHR category recorded approximately €6.2 billion of sales. Chain restaurants play an important role in the QSHR category, generating in excess of approximately 97% of the category's sales in 2020. Sales in the QSHR category grew at a CAGR of approximately 8.4% between 2017 and 2019. The graphic below shows the split of the QSHR segment (excluding cafés and bars) in France in 2020 in terms of sales.



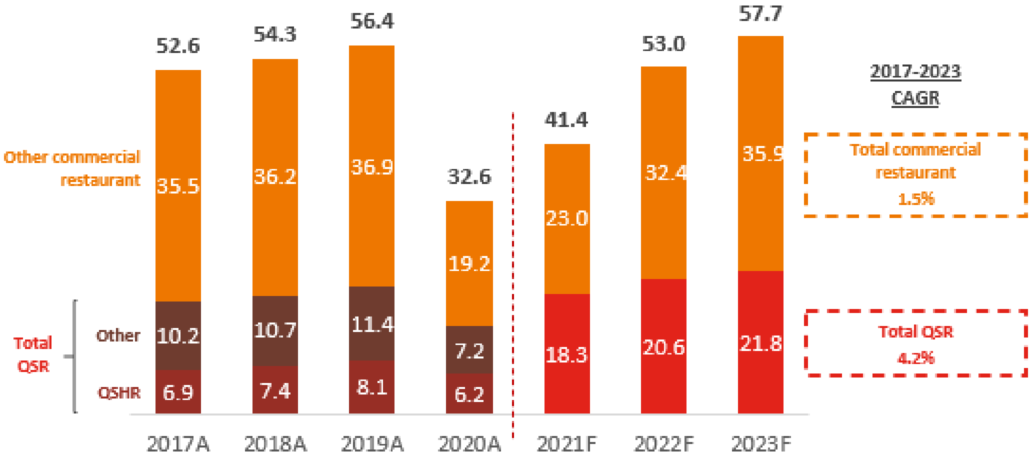
Source: GIRA Foodservice

During the COVID-19 crisis, the QSHR category has been the most resilient category within the QSR segment. Similar to the trends discussed above, the large QSHR operators within the category have benefited from consumer trust in their well-known brands, their ability to take effective sanitary measures and the availability of off-premise channels during lockdown periods.

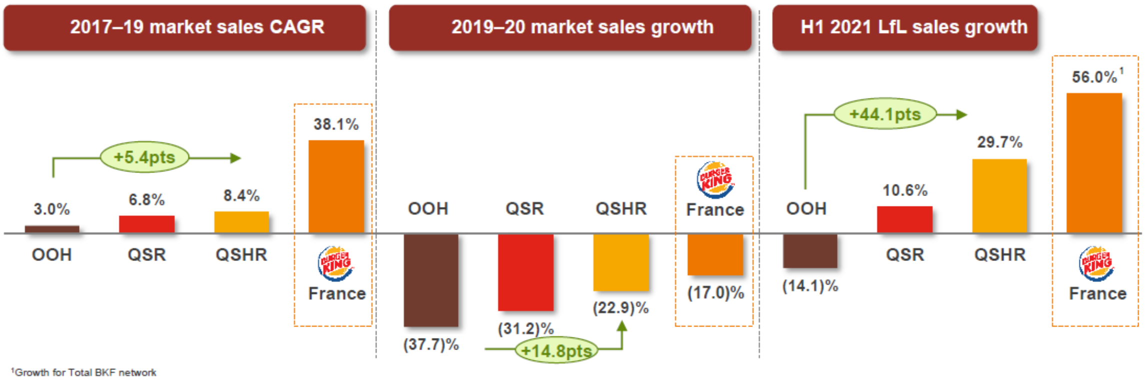
As a result, according to GIRA Foodservice, the QSHR category has outperformed other QSR categories with only 22.9% decline between 2019 and 2020, compared to a 37.1% decline in the overall QSR segment excluding QSHR during the same period.

We believe that the ability of QSHR chains to adapt their offering to consumer demands (such as speed of service, extended operating hours, children/family-friendly environment and food as an indulgence) is a key factor underlying the success of the QSHR category compared to other QSR categories or the commercial restaurant sector (see "*—The QSR Segment—Growth in the QSR Segment—Increased out-of-home consumption as a result of the dominant and growing position of chain restaurants over independents*").

The QSR segment overall, and the QSHR segment in particular, have been the fastest growing restaurants in the French commercial restaurant market over the 2017 to 2019 period as well as between 2019 and 2020, and are expected to continue this trend through 2023, which are demonstrated by the charts below.



Source: GIRA Foodservice

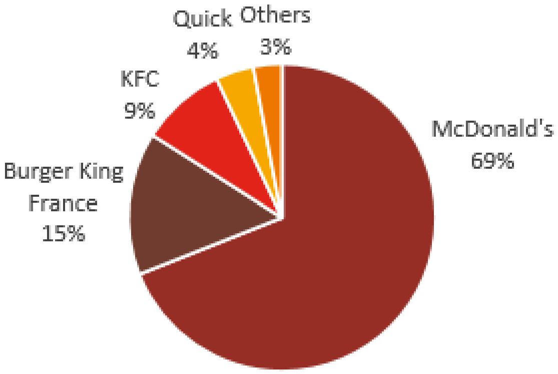


[1]Growth for Total BKF network

Competitive landscape

As discussed above, QSHR sales are the largest category of the approximately €13.4 billion QSR (excluding cafés and bars) segment in France as of 2019 (€10.2 billion as of 2020). The main players in the QSHR category are McDonald's and Burger King, which together accounted for approximately 84% of QSHR category sales in France as of the first half of 2021, according to the NPD Group. As of December 31, 2020, McDonald's had 1,468 restaurants in France, and Burger King had 399 restaurants as of June 30, 2021. The third player in France, KFC, operated a network of 272 restaurants in France as of December 31, 2020.

The following graphic presents the market share of chain restaurants in the QSHR category in terms of market share as of the first half of 2021:



Source: NPD

According to the NPD Group, from 2017 to March 2021, the market share of Burger King in the QSHR segment doubled to approximately 15% (7 percentage points increase), as compared to KFC's market share, which increased by approximately 2 percentage points, and as compared to McDonald's market share, which decreased by approximately 4 percentage points. Furthermore, our market share in QSHR digital sales, referring to delivery and Click & Collect, increased to approximately 14% following its launch in France in 2020, as compared to KFC's market share, which decreased by approximately 4%, and McDonald's market share, which decreased by approximately 0.6 percentage points.

Our main competitor, McDonald's, focuses its business model on appealing to a large consumer base with an extensive product offering which it tailors to appeal to the French consumer. It operates a similar franchise business model to that of Burger King. As of 2017, approximately 80% of its restaurants are operated by franchisees and the other 20% are directly operated by the company.

KFC operates a smaller network in France than Burger King. We believe that KFC currently has an established, specific customer base, but that it is willing to expand its base to a broader clientele, in particular by appealing to families, who have proven to be an important factor for the entire QSR segment.

In addition to competing with other QSHR players, we also compete with the second largest category within the QSR segment, sandwich shops and viennoiseries. Sandwich shops and viennoiseries had total sales of approximately €2.2 billion in 2019 (€1.6 billion in 2020). Generally considered to be a healthy meal choice, sandwiches are popularly known as French fast food and target a different usage than hamburgers. In 2020, sandwich shops in France maintained approximately a 16.4% market share (in terms of sales) of the QSR segment (excluding cafés and bars). Sandwich shops' sales grew at a CAGR of approximately 2.9% between 2017 and 2019 and declined 28.2% between 2019 and 2020 (compared to the approximately 8.4% CAGR and 22.9% decline for the QSHR category over the same period).

However, competition between hamburgers and sandwiches is limited as QSHR restaurants and sandwich shops have different market positions. Generally, QSHR restaurants appeal to a wider consumer base. Restaurants in this category include drive-thru locations, city center restaurants and restaurants located in shopping centers. Sandwich shops however, are principally located in city centers. In addition, sandwich shops tend to target the working population; whereas QSHR restaurants aim to appeal to a younger clientele (mainly, between 15 and 34 years old) and children and families (for example, by including kids menus and playground areas). Lastly, sandwich shop's sales are mostly concentrated around lunch time.

QSHR restaurants, however, serve meals that are relatively equally distributed between lunch and dinner. Further, sandwich shops rarely offer their customers the ability to consume their meals on site. A critical feature of the QSHR restaurant is that consumers are free to choose whether to consume their meal on site or elsewhere. This offers consumers an additional choice that most sandwich shops are unable to provide their customers.

Notwithstanding the projected overall growth of the sandwich shop category, this category is highly fragmented, with a significant majority of sandwich shops in France owned by independents and the remainder by chain restaurants (for example, Brioche Dorée, Paul and Subway) which systematically enjoy a more positive image than hamburger restaurants. A significant majority of sandwich shops in France are owned by independents and the remainder by chains (for example, Brioche Dorée, Paul and Subway). Other than Subway, which operated approximately 350 locations in France, it is unlikely that any single sandwich shop chain in France currently has sufficient resources or influence to match that of the two major QSHR chain restaurants in terms of advertising and communications.

Although we do not consider Subway to be a direct competitor, it does compete for a similar customer base, mainly in city center areas, as all of their restaurants are located in these areas. There are also other categories within the QSR segment in France such as kebab, sushi, pizza and other types of snack restaurants that are experiencing overall growth. However, these types of restaurants remain marginal within the QSR segment in France, and represented, in the aggregate, approximately 23.2% of the market share in terms of sales in 2019.

BUSINESS

Overview

We are Burger King France, resolutely focused on the expansion of the world's second largest QSHR chain in the French market which is characterized by secular, long-term demand for eating out and a strong affinity for our brand. Guided by the Burger King philosophy of "Have it your way", we offer customers a differentiated eating experience, combining high-quality food, such as our flame-grilled hamburgers, with attractive restaurant locations.

In 2013, our principal shareholder Groupe Bertrand reintroduced the Burger King brand to the French market after a 15-year absence, by signing of an exclusive master franchise agreement between Burger King France and BK Europe, the holder of the Burger King brand. Groupe Bertrand is a leader in the French restaurant industry, known for its ability to roll out and transform restaurant concepts. Following our acquisition in 2015 of Financière Quick Group, an incumbent QSHR operator with nearly 400 prime restaurant locations in France, we demonstrated a successful track-record of expansion of our Burger King network in France, both through the conversion of Quick restaurants to the Burger King brand, as well as through new Burger King restaurant openings. As of June 30, 2021, we operated 412 restaurants (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion) and as of August 31, 2021, we operated 413 restaurants under the Burger King brand (425 restaurants including nine restaurants under the Quick brand to be converted or definitively closed in the short-term and three Quick restaurants under conversion).

Our mission is to continue to deliver a high-quality service to our customers and support the growth of our franchisees through expansion of new Burger King restaurants. We are committed to strict development criteria, prioritizing sustainable initiatives and seeking to exploit economies of scale to further growing our EBITDA. Our business model features a mix of predominantly Franchise with Lease Management Restaurants and Pure Franchise Restaurants, and to a lesser extent Company Restaurants. We believe this model enables us to manage our growth flexibly while controlling the locations of the restaurants in our network. As of June 30, 2021, approximately 83% of our Burger King restaurants are Franchise Restaurants under the Burger King brand and the remaining 17% are Company Restaurants, a balance that supports our gross margin and reduces our capital expenditure requirement for expansion. As of June 30, 2021, we were the direct lessee for or owner of approximately 87% of the restaurant locations in our network, compared to 85% of the restaurant locations in our network as of December 31, 2018.

In 2021, Burger King was ranked the highest among QSR brands in France, over McDonald's, KFC, Paul, Domino's and Brioche Dorée, according to a KANTAR consumer survey that asked customers how good they felt about the food at each of these QSR brands. The strong recognition of the Burger King brand in France, together with Burger King's significant restaurant network worldwide, serves as a solid base to attract customers and prospective franchisees.

For the twelve months ended June 30, 2021, the average restaurant sales ("**ARS**") for Burger King restaurants was approximately €2.8 million.

We are the second largest QSHR chain in France, with locations throughout the country and approximately 15% market share by sales of burgers in 2021 (up from 8% in 2017), generating €1,056.7 million in SWS, €448.3 million in revenue (reported) and €151.3 million of Adjusted EBITDA (reported) for the twelve months ended June 30, 2021, with 412 restaurants as of June 30, 2021 (399 of which were under the Burger King brand).

Our History

Burger King France was established in October 2013 by our principal indirect shareholder Groupe Bertrand and BKC, through its affiliate BK (UK) Company Ltd, to hold the master franchise conferred by BK Europe (as of November 2013) and develop the Burger King brand in France. Established in 1997, Groupe Bertrand, founded more than 20 years ago, specializes in the restaurant industry in France and is active across several segments of the commercial restaurant sector, including through the operation of restaurants, both chains and individual restaurants, master franchises and concessions. Groupe Bertrand operates several well-known restaurant throughout France including large breweries (such as L'Alsace, Au Pied de Cochon, le Bar André à La Rochelle, Bofinger, la Brasserie Lipp, La Coupole, Grand Café Capucines, La Lorraine, Le Procope, Terminus Nord, Vaudeville); Parisian restaurants (such as Auteuil Brasserie, L'Île, Copenhague, Flora Danica, Polpo, Quai Ouest, Les Deux Stations, Le Sir Winston); tea rooms (such as Angelina); concessions and events (such as Château de Versailles, Jardin des Plantes, Jardin des Tuileries, Jardin du Luxembourg, Giverny, Cité des Sciences, Printemps Haussmann, Musée des Armées); chains (such as Au Bureau, Hippopotamus, Café Leffe, Bert's, Volfoni, Léon); and fast food restaurants such as Burger King France. Groupe Bertrand is also active in the leisure and hotels industry. Burger King previously operated in France between 1980 and 1997, when it decided to discontinue its operations in France for strategic reasons. Following a 15-year absence from the French market, Burger King returned to France first in Marseille Provence airport in 2012 and then in Paris at the Saint-Lazare train station in 2013. Once Burger King France signed the Master Franchise Agreement with BK Europe in November 2013, both restaurants became part of Burger King France. In 2014, the Burger King App was first launched. In 2015, Burger King France's first full year of activity, 16 Burger King restaurants were opened in France. In December 2015, we acquired Quick as a means of accelerating our penetration of the French market through a process of converting Quick locations into Burger King locations. Quick, founded in 1970 as one of the first European QSR chains and which had expanded into France in 1980, held an extensive network of 393 restaurants as of December 31, 2015. In order to focus on building the Burger King brand in France, we launched the Quick conversion program which involved selling the Quick activities in Belgium and Luxembourg in September 2016. The first Quick conversion was in September 2016, with a total of 36 converted restaurants in 2016. In 2017, we aired our first advertising on national television. In July 2018, Bridgepoint acquired a minority stake in a holding company of Burger King France to further support the development of the Burger King brand in France alongside Groupe Bertrand. Following a total of 224 conversions of Quick restaurants to Burger King restaurants, in October 2021, we completed the disposal of the remaining restaurants operating under the Quick brand through the sale of 100% of the shares of Quick Restaurants S.A. As of June 30, 2021, we operated a total of 412 restaurants, including 399 Burger King restaurants, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion. During our early ramp up period from 2013 to 2015, the number of our restaurants grew from 3 in 2013 to 16 in 2014 and to 42 in 2015. During our conversion period, the number of our restaurants increased to 108 in 2016 to 203 in 2017 and to 290 in 2018. In addition, there were 70 conversions of Quick in 2017 and 63 conversions in 2018. Our switch to an asset-light business model allowed our number of restaurants to grow to 340 in 2019 and 369 in 2020, with a projected total of 435 in 2021. In addition, there were 29 conversions of Quick in 2019, 9 conversions in 2020 and 15 conversion in 2021.

Our Competitive Strengths

We believe that we benefit from the following key strengths:

Attractive and resilient market in France with steady growth characteristics

We believe that the QSR market in France benefits from strong and sustainable growth characteristics with demonstrated resilience through business cycles, as well as in the face of the COVID-19 pandemic. The QSR segment has historically experienced a steady growth rate in France, and we believe that it has significant untapped potential. According to GIRA Foodservice, absolute sales in the French QSR market grew at a CAGR of 6.8% per annum between 2017 and 2019 from approximately €17.1 billion in 2017 to €19.5 billion in 2019. The QSR market has historically been the key driver of growth in the OOH market, with a CAGR of 6.8% between 2017 and 2019, compared to a

CAGR of 3.5% for the commercial restaurants and a CAGR of 3.0% for the total OOH). Based on GIRA Foodservice, the QSR market also increased its share of the commercial restaurants market from 32% in 2017 to 41% in 2020. Although QSR market sales temporarily decreased in 2020 due to the impact of the COVID-19 pandemic in absolute terms (decreasing by 31.2% between 2019 and 2020), according to the NPD Group on a like-for-like basis, sales have significantly increased by 10.6% in the first half of 2021 compared to the same period during the prior year.

The QSHR category in the broader QSR market also exhibited growth throughout these same periods. QSHR is the largest category within the broader QSR segment and has been a significant driver of the growth in the French QSR market. According to GIRA Foodservice, sales in the QSHR market grew at a CAGR of 8.4% between 2017 and 2019, from approximately €6.9 billion in 2017 to €8.1 billion in 2019. As with the QSR segment as a whole, the QSHR market temporarily decreased in 2020 due to the impact of the COVID-19 pandemic, albeit at a lower rate than the QSR market. We observed the relative resilience of the QSR market and outperformance of the QSHR market during COVID-19 compared to the total commercial restaurants/total OOH, with a decrease of 22.9% in absolute sale in the QSHR segment and 31.2% in the QSR segment versus 42.2% for the total commercial and 37.7% for the total OOH in 2020 compared to 2019. Notwithstanding this temporary decrease in 2020, according to the NPD Group on a like-for-like basis, the QSHR market's sales increased by 29.7% in the first half of 2021 compared to the same period during the prior year. Based on GIRA Foodservice, its share in the QSR market increased from 40% in 2017 to 47% in 2020. In addition, GIRA Foodservice expects sales in the QSR segment to exceed 2019 levels in 2022, with projected sales amounting to €20.6 billion in 2022 as compared to €19.5 billion in 2019. GIRA Foodservice expects the QSR market to grow at a CAGR of approximately 2.8%, between 2019 and 2023, compared to a growth at a CAGR of approximately 0.6% in the overall commercial restaurants sector in France, which is expected to increase its sales from approximately €56.4 billion in 2019 to €57.7 billion in 2023.

We believe the French QSR market has significant penetration potential and that we are poised to take advantage of this growth. The QSR market in France, which was a €19.5 billion market in 2019, has a lower penetration rate than other Western European countries, although it is growing fast and roughly in line with the growth rates in such other countries. For example, the QSR market grew in France at a rate of 7.4% between 2018 and 2019 and the QSHR category grew at a rate of 9.3% over the same period. Further, we believe there is significant whitespace potential in France based on the average annual commercial foodservice spend per inhabitant in France (€640), which in the year 2017 was much lower as compared to its neighboring countries, such as the United Kingdom (€831) or Belgium (€842), according to GIRA Foodservice. The French market is generally characterized by more stringent anti-competition regulations than other Western European markets, limiting the number of chains in operation in France, which could prevent new market entrants. In addition, we believe that our successful business model serves as a barrier to entry because brand equity and prime locations throughout mainland France cannot be easily replicated by new entrants due to the significant investment levels required and the necessary time to attain our economies of scale, operational and logistics know-how. As a result, through our established presence in the French market, we believe we have a strong competitive advantage in the face of potential competitors or new market entrants.

This long-term growth potential is underpinned by structural changes in customer habits and way of life, which we believe are favorable for QSR restaurant operators. These trends include increasing digital penetration and out-of-home convenience-oriented food consumption, favoring value for money, preferences for health-conscious and quality product offerings and the expansion of daypart opportunities. Such structural trends in French society foster an increased demand for the QSR segment. According to NPD, there has been a 5 percentage points growth in share of restaurant chains to 61% as of March 2021 year on year. Furthermore, 46% of French people name attractive price as their main selection criteria for a restaurant. Certain of these favorable trends were accelerated as a result of the impact of the COVID-19 pandemic. For example, customers have more increasingly relied on digital channels (such as home delivery and Click & Collect options) and convenient and affordable dining options. According to NPD, the QSR share of commercial restaurants digital orders is now 81% with a 22% growth in digital orders as of March 2021 year on year. More than 90% of Burger King France restaurants offer Click & Collect following the launch in 2020. Customers have also demonstrated their loyalty to strong brands that successfully address the aforementioned evolving preferences. See – "*Industry*".

Well-established leading market position underpinned by a distinctive global brand and high local recognition

We are the second largest QSHR chain in France, with approximately 15% market share by sales in the first half of 2021 according to the NPD Group, which has almost doubled in comparison to our 8% market share in 2017. Our market position is supported by our extensive and growing restaurant network. In the last few years, the sizes of our respective Burger King brand network and franchise network have significantly expanded, with our Burger King brand network almost doubling from 203 restaurants as of December 31, 2017 to 399 restaurants as of June 30, 2021 and our franchise network for Burger King restaurants increasing from 158 franchise restaurants as of December 31, 2017 to 330 franchise restaurants as of June 30, 2021. Throughout these periods, our Group has also demonstrated strong sales per unit, with average sales per unit in 2019 of €3.2 million for restaurants with more than 12 months of historical operation.

Our leading market position in France is underpinned by the distinctive Burger King global brand and high local recognition in France. We are Burger King's master franchisee in France and are well positioned to leverage the scale and marketing of one of the most recognized brands in the restaurant industry worldwide. Burger King is the world's second largest QSHR chain in terms of total number of restaurants with over 18,000 restaurants in more than 100 countries. The chain had more than $20.0 billion of SWS for the year ended December 31, 2020. As a Burger King master franchisee we benefit from Burger King's international brand awareness, its distinctive product offer, unique cooking method, efficient and reliable supply chains and food quality reputation. We also benefit from Burger King's extensive marketing, advertising and product development capabilities to drive sales and generate increased footfall in our restaurants. Over the years, Burger King has launched innovative and creative multimedia advertising campaigns that highlight the popular relevance of the Burger King brand globally.

We believe we are well positioned to further increase our market position by closing the market share gap between ourselves and McDonald's, our largest competitor in France, which held 69% market share as of the first half of 2021 Our strong brand awareness and growing market share are supported by our high-quality and innovative product offering, our focus on expanding digital convenience options for our customers and our unique local communication strategy. Our focus on innovation in terms of digital convenience for our customers has further contributed to the strengthening of our market share. Following the launch of home delivery and Click & Collection options respectively in 2019 and in 2020, our market share of digital sales (measured by the number of transactions) steadily increased to 14% as of March 2021. In addition, we also expanded our digital sales channel in 2020 through the mobile Burger King app, which now includes our expanded customer loyalty program. Our Burger King app was downloaded on average 5,000 times a day during the first six months of 2021 and has increased to a daily download rate of 10,000 times a day during promotions. Our Kingdom loyalty program had more than 3.6 million registered members as of the end of September 2021. In addition, over the last few years we have expanded home delivery options through our partnerships with home delivery services such as Uber Eats, Just Eat and Deliveroo. Our rate of home delivery increased by four times from 15 transactions per day per restaurant in July and August 2019 to more than 60 transactions per day per restaurant in July and August 2021. We expect the volume of our digital sales to increase, along with growth in the French QSR market and as digital penetration grows in line with increased focus on digital convenience.

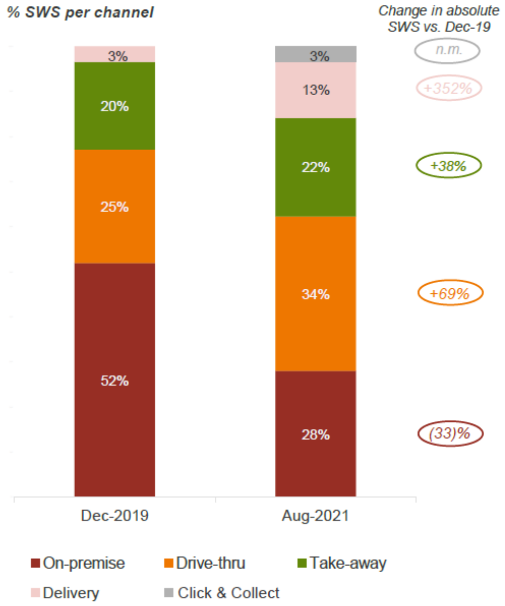
We enjoy strong brand recognition in France, supported by customer's perception of the taste and quality of our products according to KANTAR. In 2021, Burger King was ranked the highest among QSR brands in France, over McDonald's, KFC, Paul, Domino's and Brioche Dorée, according to a KANTAR consumer survey that asked customers how good they felt about the food at each of these QSR brands. In addition, we invest annually (through contributions from both our Company Restaurants and Franchise Restaurants) in innovative and creative multimedia advertising campaigns at the French national level, which we believe reinforce Burger King's growing brand awareness in France and have a positive impact on our level of SWS. According to an IFOP (*Institut français d'opinion publique*) survey on the French population, our brand awareness has improved in France from 72% Spontaneous Awareness in 2018 to 83% in 2021 while our Total Brand Awareness has remained stable reflecting 91% in both 2018 and 2021. In addition, according to KANTAR, our brand equity has also improved, with an increase in the power of our brand equity from 18 in March 2018 to 21 in April 2021 (out an index of 100). The strong and growing recognition of the Burger King brand in France, together with Burger King's significant restaurant network worldwide, serves as a solid base to further increase our market share.

Broad footprint and diversified channel mix with strong digital and contactless capabilities

Our extensive restaurant network reflects a balanced approach of different formats and sizes appropriately tailored for each of the locations in which we operate. We choose our restaurant sites carefully and have developed a targeted site acquisition and qualification process that incorporates our management's experience as well as extensive data collection, analysis and interpretation. Our restaurant development team has extensive experience identifying and evaluating suitable restaurant locations. As of June 30, 2021, we operated a network of 412 restaurants (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion). At each of our sites, we select and develop one of three of our principal restaurant formats: a free-standing drive-through facility format, a downtown format and a shopping center or mall format. As of June 30, 2021, 328 of our restaurants reflected a drive-through facility format, 39 of our restaurants reflected a downtown format, 26 of our restaurants reflected a shopping center or mall format and 19 restaurants reflected other formats (including restaurants located in travel locations such as airports, train stations and highway service concessions). For our drive-through facility restaurants, which have historically represented our largest restaurant type, we have developed three different restaurants sizes to best address market potential. We are also focused on ensuring that most of our restaurant locations are well-suited to offer both take away and home delivery services to our customers.

We have a strong focus on innovation and have developed complementary multi-channel offerings that we believe have favorably positioned us to respond to evolving customer trends. Particularly, we believe our multi-channel offering has underpinned the resilience of our business (including during COVID-19) and maximize customer reach. Our customers can access our product offer through multiple channels, including on-site through in-restaurant dining or drive-through orders, online through Click & Collect services (which include services for on-site Click & Collect pick up through our parking lots or drive-through lines or home delivery) and home delivery services (either through third-party aggregators such as Uber Eats, Just Eat and Deliveroo. In addition, we intend to begin to roll out our own home-delivery services in certain locations, which we believe demonstrate an opportunity to further develop our multi-channel approach.

A breakdown comparing our SWS by channel for the December 2019 and August 2021 period are reflected in the chart below:



We have further optimized our restaurants and customer journey with a number of digital initiatives that are consistent across all of our channels to better cater to our customers and improve their dining experience. For example, we have enhanced our drive-through experience by accelerating the order process through the use of digital tablets in our drive-through sites. All our restaurants have been equipped with in-store kiosks since 2015. Since 2019, our drive-through capacity has doubled based on the average number of cars per hour that passed through the drive-through. We have also developed our mobile app to allow for Click & Collect orders directly in-app to facilitate easy ordering. To further improve customers' in-dining experience, in 2021 we rolled out geolocalized table service in approximately 250 restaurant locations, allowing dine-in customers to receive their meals directly at their table and further supporting market share gains in the key target family demographic. As of the date hereof, table service is available in more than half of our restaurant network, and we are targeting the implementation of this service in approximately 80% to 90% of our restaurant network by the end of 2022. Customers can also now register purchases to their loyalty programs via scanner capabilities on every touch point in order to facilitate customer identification. Thanks to our single PoS IT system that is fully integrated across all of our network and distribution channels, we are able to achieve future-proof and scalable state-of-the-art operations monitoring and process management.

Agile business model with best-in-class operational expertise

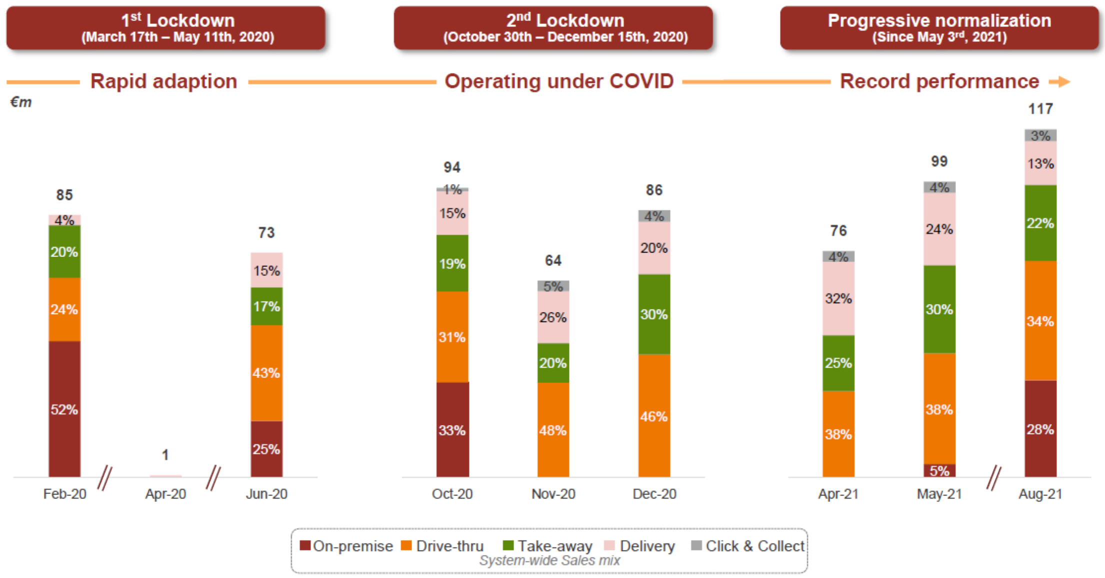
We believe navigating the challenges brought on by the COVID-19 pandemic demonstrated the strength and resiliency of our business model and our ability to respond quickly to unprecedented business disruption. At the on-set of the pandemic, our management team rapidly implemented various cash management measures to mitigate the negative impact of the pandemic on our operations and liquidity position. Our management team prioritized various initiatives to strengthen our liquidity position, including by drawing in full our Existing Revolving Credit Facility for a total of €60 million and entering into the state-guaranteed PGE Loan (*contrat de prêts garantis par l'État français*) for a total of €80 million. In addition, in an effort to manage cash during the restrictive periods of the pandemic, we ceased most external service expenditures such as cleaning, security and maintenance, both in our restaurants and at our headquarters, and temporarily renegotiated our rental obligations of certain of our Company Restaurants and supported our franchisees in the renegotiations of their rental obligations for certain periods with our landlords. As a result, we were able to maintain a strong level of free cash flow since the start of the pandemic. Further, we were focused on supporting our franchisees through the challenges of the pandemic and closely monitored their financial health, adapting our support initiatives as the impact of the pandemic on our franchisees' performance evolved. For example, during the period of the first lockdown in France, we implemented temporary royalty adjustments for our franchisees. We also temporarily waived the obligation of our franchisees to pay us a minimum lease management fee. As a result of such measures, none of our franchisees experienced a default of their payment obligations to third parties.

We further believe that our strong restaurant-level operations coupled with our tight cost control and disciplined cash management have allowed us to further enhance our resilient model to withstand any future crises. In response to the pandemic, we implemented robust operational protocols to safely continue our activity in compliance with government restrictions. While our restaurant opening plan was impacted by the pandemic, we were still able to open a number of new restaurants during the COVID-19 period and plan to continue to carry out the final conversions from the few remaining Quick restaurants to the Burger King brand, which we believe demonstrates the confidence of our franchisees and the strength of our strategy.

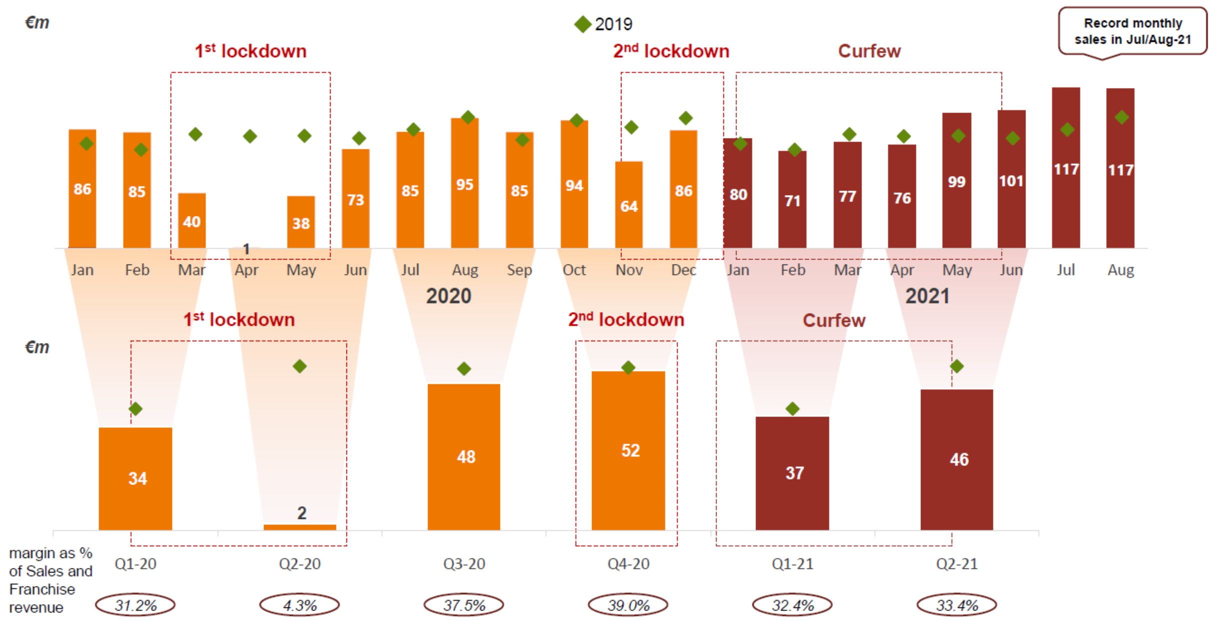
In addition, in continuation of our digital strategy and to cope with external restrictions, we further enhanced our multi-channel offerings, including through the expansion of our drive-through and takeaway services by using new Click & Collect channels as of July 2020, the development of our home delivery options and our integration with third-party delivery aggregators. The further enhancement of such offerings allowed us to protect our top line during the COVID-19 pandemic restrictions by offsetting the reduction in on-premise customer traffic and allowing customers to access our products through alternate channels. Following the return of on-premises dining with the easing of COVID-19 lockdown measures, we continue to benefit from the robust contribution of our off-premises channels, such as delivery and Click & Collect options. We also regularly and proactively communicated with our customers, which had a positive impact on our brand image. In response to a KANTAR survey in April 2021 which asked to what extent customers' image of fast food brands has improved, maintained or gotten worse in the last months of the COVID-19 pandemic, 25% of respondents indicated that Burger King had improved. Pursuant to the survey results, Burger King's operations reflected the highest proportion of responses indicating improvement as compared to other fast food chains in France that were mentioned in the survey, including McDonald's, KFC, Domino's and Subway. In addition to the foregoing measures, we remained committed throughout the pandemic periods to our ESG best practices, including introducing menu innovations that were healthy and nutritious, such as the launch of our bowls and plant based offerings, and our continued efforts to enhance our supply chain with local sourcing and pro-environment initiatives.

We believe that our SWS before and after each of the most severe COVID-19-related restrictive periods in France (*i.e.*, the first and second lockdowns in March to May 2020 and October to December 2020) demonstrate our ability to rapidly ramp up and down, with monthly sales immediately following each lockdown nearly recovering to pre-lockdown periods. For example, in June 2020, our SWS under the Burger King brand recovered to €73 million as compared to the €85 million pre-lockdown level in February 2020. Similarly, in December 2020, the month during which the second lockdown restrictions were lifted, our SWS reached €86 million as compared to the €94 million pre-lockdown SWS recorded in October 2020. Further, despite the implementation of a curfew in France ending in June 2021, we were able to achieve consistently increasing SWS levels from April 2021 through August 2021, which we believe emphasizes the resilience of our business model, further supported by the long-term integration of the measures we adopted in response to the COVID-19 pandemic. As a demonstration of this resilience our SWS in the months following the easing of lockdown restrictions in July and August 2021 reached historically record levels.

A breakdown of our SWS for each of our channels over the course of first lockdown, second lockdown and post-lockdown periods is presented below:

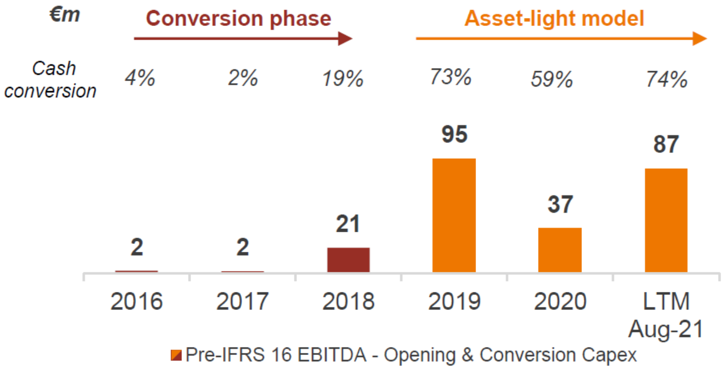


Further, a breakdown of our monthly SWS during the period beginning January 1, 2020 through August 31, 2021, as well as a breakdown of our quarterly EBITDA over those same periods, as compared to the corresponding periods in 2019 is presented below:



Asset-light business model with high cash conversion

Our successful franchise-based business model, including a robust network of committed franchise partners, generates recurring and predictable revenues with high EBITDA margin. As of June 30, 2021, 83% of our Burger King network restaurants were Franchise Restaurants under our Burger King brand (compared to 70% as of December 31, 2016), with 17% of our restaurants operated as Company Restaurants (compared to 30% as of December 31, 2016). While our previous strategy was focused on the conversion of Quick restaurants and the progressive switch toward franchise restaurants, our current approach reflects a continuous focus on franchising most of our restaurants (29 out of 30 restaurant openings were franchise restaurants over the six-month period ended June 30, 2021), and we are now moving from conversions to new openings. This asset-light model allows for higher cash conversion and reduces or eliminates for locations with third-party landlord agreements our capital expenditures for such franchise openings. The table below demonstrates our enhanced cash conversion (measured as pre-IFRS 16 EBITDA minus restaurant opening and conversion capex divided by pre-IFRS 16 EBITDA) in recent years following our adoption of an asset-light franchise-focused model for new restaurant openings, as compared to prior years. Our annual cash conversion ratio increased from 4%, 2% and 19%, respectively, for the years ended December 31, 2016, 2017 and 2018, as compared to 73%, 59% and 74%, respectively, for the years ended December 31, 2019, 2020 and the twelve months ended August 31, 2021.



We believe that our "asset-light" operating model generates enhanced cash conversion and significant recurring free cash flow primarily driven by royalties and lease payments collected from franchisees based on sales levels, while limiting our capital expenditures. The corporate infrastructure and capital expenditures necessary to support a franchise business model are substantially less than a company-operated system, as franchisees and landlords assume most capital expenditure costs. In particular, most of our openings are operated by franchisees under a lease management contract, and when this franchise model is combined with third party landlord agreements we bear no capital expenditure. We expect the continued success of our asset-light operating model, underpinned by the completion of most of our Quick conversions pursuant to the disposal of most of our Quick restaurants (see "*Business—Quick Disposal*") and our continued preference for the Franchise with Lease Management arrangements combined where possible with third party landlord agreements.

In addition, our franchise-based model allows us to retain strong control over our network through our standard agreements with our franchisees, which govern various aspects of our relationship, including the royalties and fees due by them to us. We believe that our franchise model offers us favorable upsides and that our emphasis on growing this model in the future will continue to drive high cash conversion.

Seasoned management team with a proven track-record supported by shareholders experienced in our industry

We benefit from the experience and industry know-how of our senior management team. We are led by our Managing Director, Jérôme Tafani, who joined the Group in February 2016 and previously served as Executive Director for Chipotle Mexican Grill Europe and worked for more than 20 years at McDonald's, where he held several financial and operations positions before being appointed Managing Director for France and Corporate Senior Vice President for Europe. Our Chief Financial Officer, Xavier Cottineau, joined the Group in September 2016 after serving as Chief Financial Officer at Financière Louis, as Finance Vice President at EuroDisney and senior financial auditor at PricewaterhouseCoopers. Our experienced management team has a long and successful history with a proven track record of developing, integrating and operating in the QSR segment and has managed to lead our Group through evolutions to its business model, support our Group's growing network (including its organic growth trajectory) and execute M&A transactions to further our business strategies. Our management team has also successfully managed our business through challenges that accompanied evolving government regulations and customer behavior in the face of the COVID-19 crisis, and guided the recovery of our operations to strong levels following the easing of COVID-19 related restaurant closure measures.

We also benefit from the support and expertise of our significant shareholders, Groupe Bertrand, which is a leading French operator of restaurant chains, and Bridgepoint, which is an international alternative assed fund management group. Each of our shareholders provides us with long-term support through their respective and complementary expertise. Groupe Bertrand was founded by Olivier Bertrand more than 20 years ago. Groupe Bertrand has created and managed a fast growing restaurant franchise group in France, with over 900 restaurants (both franchises and owned restaurants) under management. Groupe Bertrand has demonstrated that it considers network development over the long term, applies a cautious approach to risk management and enjoys a strong entrepreneurial culture, which serve as further support to our senior management. Bridgepoint joined as minority shareholder of our Group in July 2018 to further support the development of the Burger King brand alongside Groupe Bertrand.

Our Strategy

Our objective is to grow our business and increase profitability by implementing the following strategies:

Continue to take advantage of attractive market fundamentals

We intend to continue leveraging our extensive and prime-location restaurant network and existing broad range of products, which covers value promotion menus and premium limited time offerings to drive profitable restaurant sales and traffic. We also seek to expand our product offering by relying on our expertise in creating innovative, premium convenience food products that match customers' demand, which we believe will be a key driver of our revenues. For example, we intend to continue to expand our healthy and nutritious product offering through the introduction of additional healthy options and preservative-free ingredients to further capture key markets, such as families, and anticipate market trends toward local sourcing, value-for-money products and healthy food options as well as meatless alternatives and products with no animal protein. We also plan to further strengthen our multi-channel approach through the enhancement of takeaway options and the development of new digital sales channels to further drive our growth. Finally, we intend to capitalize on increased consumption opportunities by the continued operation of our restaurants in the afternoon or late-night hours. We believe that we will continue to benefit from the support that BKC provides through its menu items, product enhancements and reimaging initiatives, which combined with our continuous innovation and operational expertise, will help drive overall consumption levels in the currently moderately-penetrated French QSR segment.

Enhanced focus on digital transformation

We intend to increase our market share of digital sales in the QSR market through the continued development and maintenance of our best-in-class multi-channel offering. We plan to continue to make improvements to our existing digital sales channels in order to maintain and increase our digital sales, while also developing additional innovative and convenient digital capabilities. While we have already successfully integrated the use of in-app orders and pre-orders, Click & Collect orders, in-store tablets that allow customers to skip the line and home delivery options with third-party aggregators, we also see opportunity in expanding our digital channels, through, for example, white-label delivery. We believe that the current trends and growth observed in our digital sales, accelerated as a result of the impact of the COVID-19 pandemic, demonstrate a distribution channel that adapts to the changing preferences of our customers and is complementary to our in-restaurant dining channel. Further improving and increasing sales through our digital channel will enable us to capture an additional segment of the market by offering customers an easy and convenient dining option.

Continue our commitment to sustainability and focus on improving our ESG performance

Improving our ESG initiatives and growing our network while prioritizing sustainability initiatives is central to our business. Our key strategic ESG pillars include: (i) adapting our product offering to address future global challenges, (ii) promoting the well-being of our teams and (iii) limiting our environmental impact. With respect to our product offering, we intend to continue to promote local and quality product sourcing, innovate our offer to provide healthy and responsible food options (through, for example, a full permanent range of plant-based burgers, wraps, salads and sandwiches without animal protein) and apply stringent safety standards to our operations. In promoting the well-being of our teams, our goal is to create an inclusive workplace with frequent staff trainings and an emphasis on fighting against harassment. We are also focused on limiting our environmental impact through waste management initiatives, continued improvement of our logistics services and responsible growth of our business.

We also seek to prioritize ESG initiatives in order to create and share value with our stakeholders. For example, our New Revolving Credit Facility, to be entered into on or about the Issue Date, will be based on sustainability-linked terms for its margin. In addition, we have adopted Burger King's global ESG guidelines with an aim to exceed the baseline standards promoted therein.

Expand our restaurant network and profitably increase our market share

We believe there is significant untapped demand for the Burger King offering across France, supporting the potential to continue our successful expansion strategy. Our network of Burger King brand restaurants expanded from 16 as of December 31, 2014 to 399 as of June 30, 2021. Following the Quick Disposal, we expect our network to increase, with over 400 targeted locations already identified, providing us with significant room for further growth, particularly in light of the moderately-penetrated French QSR market. For example, McDonald's, our largest competitor in France, has a denser network of restaurants in France than Burger King, with approximately 1,500 restaurants (as of June 2021) for McDonald's, compared to 412 restaurants (as of June 2021) for Burger King (including 399 restaurants under the Burger King brand, 11 Quick restaurants to be converted or definitively closed in the short-term and two Quick restaurants under conversion). We believe we are well-positioned to close the network density gap between ourselves and McDonald's and to further increase our market positioning.

We plan to further expand our Burger King brand restaurant network in collaboration with current and new franchisees to continue to increase our market share in the French QSHR category. We expect that a higher density of restaurants will further contribute to brand awareness, support customer loyalty and increase traffic in our existing restaurants, while our new restaurants will benefit from our strong brand, reputation and know-how. We have a rigorous approach to expansion and expect to promote new restaurant growth through the opening of Franchise with Lease Management Restaurants, which allow us to retain a high degree of control over our network of restaurants, with limited capital expenditure. Opening Company Restaurants requires significantly higher capital expenditures and adds leases and personnel costs to our cost structure, whereas in franchise arrangements, the cost impact of adding a new Franchise Restaurant is significantly reduced. As a result, we intend to control the number of new Company Restaurants.

Focus on cost control and economies of scale

We intend to continue to improve our gross margin and profitable expansion through the optimization of our supply chain and marketing. While Franchisees bear the food and logistic costs for their restaurants, we organize and negotiate the sourcing for both Company and Franchise restaurants. We source a wide range of ingredients, including beef and chicken, potatoes and other fresh and frozen products and a variety of sauces to form our menu and we also incur logistics costs to store inventory and transport raw materials and semi-finished products to such restaurant locations. Our food and logistics costs are significant, and we believe that we could drive our gross margin through enhanced control of our logistics costs by exploiting economies of scale in line with the growth of our restaurant network, further developing local supplier networks and implementing cost control measures to reduce food waste. For example, we require all of our Burger King franchisees to source their raw materials from suppliers that BKC has previously approved and with whom we intend to continue to leverage our extensive restaurant network and economies of scale to obtain the most favorable commercial terms. In addition, suppliers have sought to invest in long-term partnerships with us, which has allowed us to reduce food costs and secure dedicated product lines to satisfy our needs. We also intend to enter into exclusive deals with our suppliers, such as with Coca Cola or Nutella, driven by our brand image and growth prospects.

Apart from focusing on the optimization of our supply chain, we intend to further develop our communication and advertising campaigns to promote our brands, product offerings and commercial offers in order to reinforce awareness of the Burger King brand, build on our image and increase customer traffic, which we believe will also contribute to the improvement of our gross margin and profitable expansion. As a result of our growing network and presence in France, we believe we will have improved media buying conditions, allowing us to obtain a higher return on our marketing expenses.

Drive EBITDA growth and cash generation to support deleveraging

Our franchise model, combined with an asset-light approach for a significant share of new openings, is a pillar to our deleveraging strategy. We will continue to deploy this model with a preference, where possible, for opening Franchise with Lease Management restaurants that permit us to actively manage our network, target specific whitespace and encourage the formation of denser clusters of restaurants, as well as to limit swings in our working capital. Where possible we will also favor third party landlord agreements allowing us to effectively reduce our new opening capex spend to nothing with a majority of our new openings under the asset-light model lease management. In addition, we believe that tight cash control measures implemented in response to the COVID-19 pandemic, coupled with the strong cash buffer built and maintained through the crisis, will allow us to continue focusing on deleveraging in the periods to come.

Our Business

We are the master franchisee for the Burger King brand in France. We operate QSR restaurants either directly through our subsidiaries or through franchisees. We have historically expanded the footprint of the Burger King brand in France both through conversions of existing Quick restaurants to the Burger King brand and through the opening of new Burger King restaurants. Pursuant to the terms of the Quick Disposal, we have continued to operate a limited number of Quick restaurants (see "—*Quick Disposal*"). We intend to convert, sell or close those final remaining locations in the short-term and will then focus exclusively on organic expansion of the Burger King brand in France moving forward. See "*Forward-Looking Statements".*

In this "*—Our Business*" section, we have focused the discussion on the Burger King brand. However, where relevant, we refer to the Quick brand in light of the expected conversions or definitive closure of the final Quick restaurants that we continue to operate after the disposal. Our administrative and operations structure is common to both the Burger King and Quick brands.

Quick Disposal

On July 29, 2021, Financière BKF (formerly Financière Quick) entered into an agreement (the "**Quick Securities Sale Agreement**") with funds controlled by H.I.G. Capital for the disposal of the remaining 107 restaurants that the Group was operating under the Quick brand, excluding 11 Quick restaurants to be converted or definitively closed in the short term and in respect of which we would be able to continue using the "Quick" name until December 31, 2023 pursuant the Quick License Agreement (as defined below)), through the sale of 100% of the shares of Quick Restaurants S.A., an indirect subsidiary of the SSN Issuer. The consideration payable by the purchaser under the Quick Securities Sale Agreement shall be equal to a base amount of approximately €245.0 million (including the Vendor Loan). On closing, the purchaser shall pay to Financière BKF the sum of the Base Amount and the Earn-Out Amount, less a vendor loan of €5 million (the "**Vendor Loan**"). The Vendor Loan bears 5% PIK interest and shall be junior to the purchaser's third party debt financing but senior to the equity and/or quasi equity of the purchaser. The Vendor Loan is repayable upon certain events and otherwise by no later 6 months after the maturity of the purchaser's debt financing.

The Quick Securities Sale Agreement contains (i) customary representations and warranties from Financière BKF as seller to the purchaser (which, for certain representations and warranties, are subject to the purchaser's commitment to subscribe to a W&I insurance), and (ii) a 5-year undertaking from the seller group not to be engaged in quick service restaurants selling exclusively or predominantly Halal burgers (subject to exceptions) and not to use the "Giant" name. Prior to entering into the Quick Securities Sale Agreement, the restaurants operated by the Group under the Quick brand had been transferred under a specific subgroup headed by Quick Restaurants S.A., and had been classified as discontinued operations in our consolidated financial statements since January 1, 2019 in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of the Financial Information Presented—Changes in consolidation scope*". The sale closed on October 8, 2021, generating approximately €245.0 million of proceeds(including the Vendor Loan).

Pursuant to the Quick Securities Sale Agreement, on October 8, 2021, France BKR (formerly France Quick SAS, a subsidiary of Financière BKF), Quick Restaurants SA and Quick Services SAS (a subsidiary of Quick Restaurants SA) entered into a license agreement (the "**Quick License Agreement**") whereby Quick Restaurants SA and Quick Services SAS granted France BKR a non-exclusive and irrevocable license, with sub-licensable rights, of the Quick brand, which France BKR will use to continue to operate certain restaurants in France under the Quick brand until they are progressively converted to the Burger King brand, closed or sold, under certain agreed conditions.

The Burger King Master Franchise Agreement

In November 2013, we entered into a master franchise and development agreement with BK Europe for a period of 20 years, the duration of which has since been amended in the context of the COVID-19 pandemic to extend for an additional year through December 31, 2034 (such agreement, as amended from time to time, the "**Master Franchise Agreement**"). Pursuant to the terms of the Master Franchise Agreement, we have the exclusive right to develop the Burger King brand in France and may grant third parties the right to operate Burger King restaurants in exchange for the payment of royalties and license fees. We are also entitled to use related trademarks, logos and trade names and receive access to BKC's know-how and the processes that it has developed. The Master Franchise Agreement imposes certain obligations that we must respect in order to maintain the exclusive rights to develop the Burger King brand in France. Certain default provisions under the Master Franchise Agreement include, among others: (i) failure to pay BKC amounts we owe under the Master Franchise Agreement; (ii) transferring or assigning our rights under the Master Franchise Agreement; (iii) if we or any of our affiliates acquire an interest in a competitor; or (iv) if we enter into insolvency proceedings. If the Master Franchise Agreement is terminated for any reason, we do not lose the right to continue the operation of the Burger King restaurants that we have already established. However, we will lose our exclusivity right and be unable to further expand our presence and market share in France.

The Master Franchise Agreement also contains certain covenants related to the expansion of Burger King in France that we must respect in order to maintain the exclusive development rights for the Burger King brand in France. Under the terms of the Master Franchise Agreement, after December 31, 2021 (unless otherwise agreed with BKC), we will no longer be able to operate Quick restaurants anywhere in the world. Thus, following the conversion or definitive closure in the short-term of the small number of remaining Quick restaurants that we will continue to operate pursuant to the Quick License Agreement, we intend to focus entirely on the Burger King brand. Franchisees have historically been an important part of our business. Pursuant to the Master Franchise Agreement, we may enter into franchise agreements with third parties to operate and manage their own Burger King restaurants in France. We believe that franchisees provide us with the ability to expand our presence in France while controlling our capital expenditures. As the master franchisee for France, we are responsible for the management and strategic development of the network's brand development, promotion, execution of a marketing and advertising strategy and certain other services, for which we are remunerated by franchisees through fees and royalties. We derive revenue from Franchise Restaurants in the form of (i) royalties and franchise fees; (ii) advertising contributions; and (iii) rental revenue from the properties that we lease to our Lease Management franchisees, in each case based on a percentage of sales reported by franchisees (see "—Our Business—*Restaurant operations—Types of franchise arrangements*"). We also derive revenue from Company Restaurants in the form of direct sales.

Restaurant operations

We have two distinct operating models for our Burger King restaurants: Franchise Restaurants and Company Restaurants, which represented approximately 83% and 17%, respectively, of our total restaurants as of June 30, 2021 compared to 75% and 25%, respectively, of our total restaurants as of December 31, 2018.

Franchise Restaurants

For the Burger King brand, Franchise Restaurants generated €829.6 million in SWS for the twelve months ended June 30, 2021 and 79% of our total SWS, compared to €670.8 million in SWS for the year ended December 31, 2020 when Burger King Franchise Restaurants represented 75% of our total SWS. For the Quick brand, Franchise Restaurants generated €31.9 million in SWS for the twelve months ended June 30, 2021, and 3% of our total SWS, compared to €39.9 million in SWS for the year ended December 31, 2020 when Quick Franchise Restaurants represented 4% of our total SWS. For Burger King France, Franchise Restaurants generated €186.4 million in Group revenue for the twelve months ended June 30, 2021.

General franchise policy

We have entered into an agreement with BKC, the owner of the Burger King brand, to act as master franchisee for the Burger King brand in France. We are therefore responsible for approving new franchisees in France. To that end, we are actively developing the brand and seeking strategic partners who have already gained significant business experience to expand our network. Our franchise operating model allows us to focus our resources on developing the brand with limited capital expenditures while working with our franchisees to promote Burger King restaurants as attractive and convenient dining destinations.

Protecting the integrity and reputation of the Burger King brand is an important business goal. Before entering into a new agreement with a potential franchisee, we conduct certain due diligence procedures regarding the potential franchisee. As a general rule, we do not grant any of our franchisees the right to an exclusive territory. Our franchise agreements for Franchise with Lease Management are generally valid for a period of nine years from the date of execution (or restaurant opening, as the case may be) after which there is a twelve-month test period at the end of which the agreement is automatically renewed if certain cumulative conditions relating to the franchisee, its financial situation as well as compliance with the standards are met. The agreement can be renewed only once. If the conditions are not met during the above mentioned twelve-month period, the agreement terminates at the end of the first nine-year period. Our franchise agreements for Pure Franchises are generally entered into for a period of ten years and may continue up to a duration of twenty years.

We encourage our franchisees to exhibit an entrepreneurial spirit and to take charge of their business investment, while at the same time supporting them in their operations and growth. As an integral part of our business, we have established a franchisee consultative committee which provides our franchisees with a forum where we may consult them on certain matters, such as advertising campaigns. While this committee has no decision-making or budget-setting power, it provides our franchisees with a further opportunity to maintain an open dialogue with the management of Burger King France.

Franchisees are essential to the expansion of our network. We expect that after a franchisee has successfully demonstrated the ability to manage one restaurant, the franchisee should be able to successfully manage another, typically in the same area. When deciding to open a new restaurant in a particular area, we prefer to use existing franchisees that are already operating restaurants in that market. However, we do not anticipate that any franchisee would generally manage more than three to five restaurants, depending on the catchment area and business case. This allows us to benefit from and leverage the entrepreneurialism and restaurant experience of our current franchisees while avoiding becoming dependent on any particular franchisee. As of June 30, 2021, we had a total of 117 franchisees and 330 Franchise Restaurants in our Burger King network. Our largest franchisee operates eight restaurants.

We may terminate our agreements with our franchisees for certain reasons, including failure to pay royalties and other fees and failure to operate the restaurant in accordance with our standards. As the ultimate holder of the Burger King brand, BKC may also direct us to terminate any of our franchise agreements under certain circumstances to protect the integrity of the Burger King brand. Our franchise agreements also contain certain provisions that prohibit the franchisee from operating another restaurant business that would compete directly with our business, or in a location where the restaurant would compete with an existing Company Restaurant or Franchise Restaurant. In addition, our agreements impose certain non-compete restrictions on our employees. For example, during the period of an employee’s employment contract and for six months after such contract has been terminated, an employee may not go and work in another Burger King restaurant.

Types of franchise arrangements

We use two types of franchise arrangements: lease management arrangements (*location gérance*) (“**Franchise with Lease Management**”) and traditional franchise arrangements (“**Pure Franchise**”), each of which is briefly described below. While the obligations under our Franchise with Lease Management and Pure Franchise agreements are substantially similar, the main difference between the two arrangements concerns the business assets rights (*fonds de commerce*). In a Pure Franchise arrangement, the franchisee owns the business assets rights (*fonds de commerce*) and as such is fully responsible for the operation of the business and its relevant expenses. However, in a Franchise with Lease Management arrangement, we maintain ownership of the business assets rights (*fonds de commerce*) and authorize the franchisee to operate the business assets rights (*fonds de commerce*) in exchange for certain obligations. In addition, under our Pure Franchise arrangements the business goodwill ownership is held by the franchisee (and can be called at the option of the franchisor), whereas under our Lease Management arrangements the business goodwill ownership is held by Burger King France.

Although we have historically used both types of franchise arrangements, we now focus on using Franchise with Lease Management arrangements for our Burger King franchise model and we intend to limit the entry into Pure Franchise arrangements, mainly for sites related to concessions such as airports, railway stations, or motorway service areas. The Franchise with Lease Management arrangement allows us to retain a higher degree of control over the network of restaurants, with limited capital expenditure, while at the same time benefiting from the local management expertise and capital outlay of the franchisee. Whenever we can, we shift existing Pure Franchise arrangements to a Franchise with Lease Management arrangement as we develop the Burger King brand in France.

As of June 30, 2021, we had a total of 54 Pure Franchise Restaurants and 285 Franchise with Lease Management Restaurants, compared to a total of 72 Pure Franchise Restaurants and 292 Franchise with Lease Management Restaurants as of December 31, 2018. We intend to continue to shift this trend towards Franchises with Lease Management as our network expands.

Franchise with Lease Management

In a Franchise with Lease Management arrangement, the franchisee maintains contractual ties to us with both a franchise agreement and a tenancy agreement. Under this arrangement, we remain the owner of the business assets rights (*fonds de commerce*) and leasehold rights. In general, we are the tenant of record with respect to the restaurant real estate which we typically lease from third party landlords and we, in turn, lease the restaurant real estate to the franchisee. Franchise with Lease Management arrangements provide us with an enhanced ability to direct network density by proposing new locations to new or existing franchisees. This allows us to manage the rollout of the Burger King brand more closely. Under a Franchise with Lease Management agreement, the franchisee-lessee pays us for the use of the real estate through a percentage of restaurant sales, typically subject to a minimum yearly rent that coincides with our fixed costs under the relevant lease. In addition to these rent payments, the franchisee is also responsible for brand royalty payments and advertising contributions. These fees compensate us for the value of our business assets rights (*fonds de commerce*), which the franchisee operates, as well as for franchisee access to our know-how. We have chosen to use Franchise with Lease Management agreements as our preferred contractual arrangement for all of our Burger King franchisees going forward (to the extent feasible) to have the same contractual relationship with all of our franchisees and protect our business model by maintaining direct control over our restaurant locations.

Pure Franchise

In a Pure Franchise arrangement, the franchisee is the tenant of record of the real estate where the franchisee operates the Franchise Restaurant. While we have ultimate decision power when choosing a new location for a restaurant, franchisees may propose a certain location that we may consider when deciding whether or not to open in a specific location. In addition, the franchisee is the owner of the business assets rights (*fonds de commerce*) and is solely responsible for the restaurant's necessary capital expenditures. We enter into Pure Franchise arrangements in certain limited circumstances, for example in the event of a site concession that would prevent us from leasing the real estate ourselves, and have maintained certain of our historical Pure Franchise arrangements. In a Pure Franchise arrangement, franchisor revenue is primarily generated from royalty and license fees as the lease revenue stream is not present in this arrangement.

Royalties and Fees Paid by Franchisees

When a franchisee opens or converts a restaurant to a new Burger King Franchise Restaurant, we charge a new franchise fee, a portion of which we maintain as compensation for our role as master franchisee. We pay BKC a portion of the new franchise fee to cover certain entrance fees owed in connection with the opening of each new Burger King Franchise Restaurant.

We charge Burger King franchisees brand royalties generally equal to 9% of their sales (or 7% for concessions only for our Pure Franchise restaurants). Under the terms of the Master Franchise Agreement, we pay one half of this amount (*i.e.*, 4.5% of sales) to BK Europe, the affiliate of BKC, leaving us with a net amount of 4.5% of sales in brand royalties.

Our standard arrangement provides that Franchises with Lease Management pay rent equal to a percentage of their sales typically ranging from 10% to 14% depending on the level of sales. As a result of the impact of the COVID-19 pandemic, these royalty fees have been temporarily adjusted. See *"Risk Factors—Risks Related to Our Business—Our business, financial condition and results of operations have been and may continue to be, adversely affected by the COVID-19 pandemic or other similar pandemics*". As we are the tenant of record on the leases for Franchise Restaurants operated under Franchise with Lease Management arrangements, we directly pay the landlords for the use of these properties. For the twelve months ended June 30, 2021, pre-IFRS 16 leasehold and occupancy costs represented approximately 14% of our revenue, or 5% of the system wide sales, though rent is typically a fixed sum, except for certain shopping mall locations.

In addition to brand royalties, we also expect our franchisees to actively participate in the development of the Burger King brand in France and to contribute to our marketing and advertising campaign. Burger King franchisees contribute an amount equal to 3.5% of sales to the national advertising fund that we manage, which, according to the Master Franchise Agreement and our own franchise agreements, is used exclusively for communication and advertising expenses. In addition to these advertising contributions, our franchisees must dedicate 1.5% of sales to local advertising, typically for their own account, for a total advertising cost per franchisee equal to 5% of sales. See "—*Group Operations—Marketing, advertising and promotions*".

Company Restaurants

In addition to Franchise Restaurants, we operate our own restaurants ("**Company Restaurants**") to anchor our network, both in respect of key flagship locations and supply chain management, as well as demonstrate the benefits of operating Burger King restaurants and diffuse know-how and innovations to current and potential franchisees. Company Restaurants also enable us to contribute to the generation of economies of scale with respect to supply chain negotiations and volume purchasing of food, equipment and other supplies. Additionally, Company Restaurants can be operated temporarily or for the medium-term until future franchisees are chosen or a current franchisee is ready to take possession of an additional Franchise Restaurant. We also intend to operate, directly or indirectly, ten remaining Quick restaurants pursuant to the Quick License Agreement, which we intend to convert to Burger King restaurants or definitively close in the short-term.

As of June 30, 2021, we operated 73 Company Restaurants, including 69 Burger King restaurants and four Quick restaurants (comprising 18% of all restaurants), which generated €195.2 million of SWS for the twelve months ended June 30, 2021. Company Restaurants further represented 18% of Group revenue for the same period. We foresee the opening of a limited number of new Company Restaurants in order to favor the restaurants operated under Lease with Franchise Agreement arrangements.

Our Burger King Company Restaurants are operated pursuant to a company franchise agreement that we entered into with BK Europe in 2013 (the "**Company Franchise Agreement**"). The Company Franchise Agreement replicates substantially all of the terms of our Master Franchise Agreement, with the exception of the remuneration that we pay BK Europe and a royalty fee generally representing 4.5% of restaurant sales per annum, which has historically changed during the term of the Company Franchise Agreement pursuant to agreed-upon annual milestones. The Company Franchise Agreement provides that these payments will incrementally increase throughout its duration. The Company Franchise Agreement contains substantially similar terms and conditions, including covenants to operate in compliance with defined operating protocols, and termination events to our Master Franchise Agreement. However, our rights under the Company Franchise Agreement are independent of our rights under the Master Franchise Agreement, and the termination of the latter does not automatically terminate our rights to operate our Company Restaurants in accordance with the Company Franchise Agreement.

Economics

The percentage of EBITDA that we generate from each of Company Restaurants and Franchise with Lease Management Restaurants varies based on each arrangement. EBITDA generated from each type of arrangement as a percentage of ARS depends on the following: (i) for Company Restaurants, the EBITDA margin depends on the cost structure (including food and logistics costs, leasehold and occupancy costs and labor costs) and 4.5% of sales as a royalty to BK Europe; and (ii) for Franchise with Lease Management Restaurants, we generate EBITDA on a post-IFRS 16 basis corresponding to approximately 16% of SWS (representing net royalties and lease and business asset fees.

Joint Venture Restaurants

Certain of our Company Restaurants and Franchise Restaurants, are operated through our 50/50 joint ventures with the Auchan Group, Agaquick and Agabk, which, together operate 25 restaurants. Agaquick has historically been focused on the conversion of Quick restaurants into the Burger King brand, while Agabk is focused on the opening of new Burger King restaurants.

Our Network

Restaurant portfolio

As of June 30, 2021, we operated 399 Burger King restaurants and 11 Quick restaurants (not including the two restaurants under conversion as of June 30, 2021) throughout all regions of France. As of June 30, 2021, 83% of our Burger King restaurants were Franchise Restaurants and 17% were Company Restaurants. We work with a total of 117 franchisees under the Burger King brand. Our average franchisee operates 2.8 restaurants and our largest franchisee operates eight restaurants. We also operate our restaurants across different formats and catchment areas including downtown areas, shopping centers and drive-through facilities. Each type has its own business model and produces different results overall. For example, on average, restaurants with drive-through facilities generate approximately 40% of their sales from their drive-through facilities and are often more profitable than other restaurant types as the rents are typically lower and require lower operating expenses. The table below shows a breakdown of our network of restaurants in France by operating model and restaurant type as of June 30, 2021:

Breakdown of number of restaurants, as of June 30, 2021	**Number of restaurants**
By operating model	
Company Restaurants	73
Of which Burger King	69
Of which Quick	4
Franchise Restaurants	339
Of which Burger King	332
Of which Quick	7
Total	**412**
By restaurant type	
Downtown areas	39
Shopping centers	26
Freestanding with drive-through facilities	328
Other	19

Site selection

The activities described hereunder are undertaken in close cooperation with BH, an affiliate of our principal shareholder, pursuant to a services agreement, with input from our management team and certain employees. See "*Principal Shareholders and Related Party Transactions—Related Party Transactions*".

We consider the location of a restaurant to be critical to its long-term success and as such we devote significant effort to the investigation and evaluation of potential locations for both Company Restaurants and Franchise Restaurants. We have developed a targeted site acquisition and qualification process that incorporates our management's experience as well as extensive data collection, analysis and interpretation. Our restaurant development team has extensive experience identifying and evaluating suitable restaurant locations. On average, the period from site selection to the start of construction is approximately 18 months.

Our site selection process for both Company Restaurants and Franchise Restaurants includes extensive data collection, strategic mapping and competitive analysis. We seek new restaurant locations based on specific criteria, such as intrinsic demographic characteristics and expected demographic trends relating to a potential location, the presence of one or several of our major competitors or indirect competitors, the catchment area, the known success of other retail brands already present in the area, the residential density thresholds and traffic patterns, along with the potential visibility of, and accessibility to, the restaurant. Each of these identification criteria is supported by our developed know-how.

Following this initial "experience-based" assessment, our development and management teams assess the development costs of each site based on various factors, including the site's complexity, size and location. The management team develops an estimate of the potential revenue for each identified site based on known local market trends and conditions and relies on estimated data such as the success rates of our major direct or indirect competitors in the vicinity. This enables our development and management teams, who meet on a weekly basis, to assess the potential return on investment and cash conversion rates of a restaurant at each new site identified. Thereafter management makes a physical visit to a potential site before a final decision is made to adapt a specific site. Our Managing Director and Deputy Managing Director are actively involved in the site selection process.

Further work may be carried out on a potential site, including the appointment of marketing and footfall consultants to assess customer flow and market factors. Our development and management teams continue to compile and review information on a potential site up to the date a lease is signed. If any negative information on the proposed site or area is discovered during this time, the management team may choose not to proceed with developing a particular site.

Development

The activities described hereunder are undertaken in close cooperation with BH, an affiliate of our principal shareholder, pursuant to a services agreement, with input from our management team and certain employees. See "*Principal Shareholders and Related Party Transactions—Related Party Transactions*".

On average, 24 months is required from the identification of a site for a new Company Restaurant or Franchise Restaurant until the new Company Restaurant or Franchise Restaurant is ready to open for business. The majority of this time is dedicated to carrying out due diligence regarding the potential site as described above and the negotiation and signing of a lease. This time period includes the average time required to obtain the necessary permits and carry out pre-opening training at the new location.

A significant portion of this process is related to obtaining the necessary construction permits when we are planning to build a new restaurant. In our experience, obtaining a construction permit from local authorities may take up to five months. While we are able to expedite this process under certain circumstances, the preliminary approval process imposes a significant delay and must be completed before we are able to begin other aspects of opening a new restaurant. However, the actual timeframe for the development of a new Company Restaurant or Franchise Restaurant will vary based on site specific considerations such as whether the location is newly constructed or converted from an existing space. Management directly oversees each step of the development process that prepares a new Company Restaurant or Franchise Restaurant for operation.

In 2020, we successfully developed one new Company Restaurant and 19 new Franchise Restaurants under the Burger King brand. In addition, during 2020, we successfully converted nine Quick restaurants to Burger King brand restaurants (of which four and five as Company Restaurants and Franchise Restaurants respectively).

During the six months ended June 30, 2021, we successfully developed 15 new Franchise Restaurants under the Burger King brand. In addition, during the same period, we successfully converted 15 Quick restaurants to Burger King brand restaurants (of which one and 14 as Company Restaurants and Franchise Restaurants respectively).

Opening New Burger King Restaurants

As part of our strategy, we plan to pursue expansion through organic growth by opening new restaurants to operate under the Burger King brand, either as a Company Restaurant or a Franchise Restaurant. Opening a new Burger King restaurant has a cost of approximately €2.4 million of capital expenditure, including real estate and the costs the franchisees are responsible for (as further described below), although these costs may vary across geographical regions. We may share such costs with our franchisees depending on the type of franchise arrangement. In a Pure Franchise agreement, our franchisees are solely responsible for all costs associated with opening a new restaurant. When one of our Franchise with Lease Management partners opens a new restaurant, the franchisee is responsible for the kitchen equipment, seating, lighting and some other decor-related features, which amounts to a total of between €750,000 to €910,000. These costs exclude staff wages up until opening day, recruitment costs, training costs, accommodation and transportation for staff and various marketing initiatives in order to promote the opening which our franchisees incur in addition to their investment. Capital expenditures that are not paid by the franchisees are totally or partially supported by the landlord or a real estate company. Our asset light operating model allows us to develop and expand our network without involving corporate capital expenditures, or where expenditures are necessary, limiting them to some technical fittings and leasehold improvements.

Management has engaged with potential lenders, educating them about the case for lending to Burger King franchisees in France. The consistently strong performance following the opening of a Burger King restaurant helps to provide comfort to potential lenders and allows our franchisees easier access to the necessary funds. In addition, as of June 30, 2021, we operated 399 restaurants under the Burger King brand compared to approximately 1,500 restaurants for our main competitor, McDonald's (as of June 2021). In light of these figures, which demonstrate a strong market potential, and as the master franchisee for the Burger King brand in France, we aim to further expand our Burger King network in France, including through our franchise restaurants.

Restaurant monitoring and reporting

Our executive team, together with our regional directors, area managers and restaurant managers, monitor the financial and operating performance of our Company Restaurants and Franchise Restaurants at both sales and profit levels. The performance of our Franchise Restaurants is also closely monitored by our franchisees, who are primarily responsible for monitoring the performance of their respective Franchise Restaurant(s). We receive regular financial reporting by franchisees which assists us in monitoring performance and forecasting new development in similar locations. In addition, according to our franchise agreements, we have the right to review the financial information of our Franchise Restaurants upon request.

We have implemented reporting procedures and IT systems that enable us to monitor the sales, labor and food costs for each of our Company Restaurants and Franchise Restaurants on a daily basis. See "*—Information Systems*". We actively manage underperforming Company Restaurants and Franchise Restaurants by making operational changes (such as deploying new managers), and in the case of our Company Restaurants, increasing local advertising to improve visibility of the location and occasionally, incurring additional capital expenditures, such as refurbishment costs. Since our inception, we have not closed a single Burger King Company Restaurant or Franchise Restaurant. One Burger King was closed for relocation in the same commercial center.

Group Operations

Marketing, advertising and promotions

We believe that an effective marketing and advertising strategy is essential for the success of our brands in France as marketing and advertising programs are a key traffic driver and enable us to attract new customers to our restaurants and retain existing customers' loyalty. In order to reinforce awareness of the Burger King brand, build on our image and generate footfall, we invest annually in innovative and creative multimedia advertising campaigns at the national level, essentially promoting our new products. Our SWS and results of operations can be significantly affected by the frequency and effectiveness of our advertising and promotional programs.

On September 23, 2021, Grand Prix Stratégies awarded us, along with our advertising agency Buzzman, number one in most of the key categories of communication during the COVID-19 crisis, including the Grand Prix Advertising and Special Grand Prix of the Jury awards for the "Burger King and Friends" communication, the Grand Prix Media Strategy award for communication during the pandemic and the Grand Prix Digital Communication award for our "Lockdown Burgers" program. Burger King is the first brand to receive all of these awards simultaneously.

The terms of our franchise agreements require our Burger King franchisees to contribute 3.5% of sales to our national advertising fund, which finances our marketing, advertising and promotions initiatives and programs. In addition, franchisees must spend at least 1.5% of sales on advertising at the local level in their respective markets. See "*—Our Business—Restaurant operations*".

We use three levels of advertising: (i) system-wide advertising, which is coordinated and centralized in our headquarters outside of Paris; (ii) digital and social media advertising; and (iii) local advertising, which franchisees handle with materials we create or approve. Franchisees may not use their own advertising materials without our prior consent. We must obtain BKC's prior approval for all of our marketing, advertising and promotional programs and initiatives.

System-wide advertising programs

Our Burger King Company Restaurants and Franchise Restaurants must contribute 3.5% of sales to our coordinated and centralized system-wide advertising programs. We employ all manner of media to reach our target audience, including families and young adults. We direct and retain sole control over all advertising and promotions financed through contributions made by Company Restaurants and Franchise Restaurants. We use a national advertising agency to create our advertising and promotional materials.

Digital and social media advertising

We currently use an extensive range of social media, television and digital marketing tools, which we have prioritized and significantly developed in recent years. We create videos for sharing on social media outlets such as YouTube, Instagram, Twitter and Facebook, which we believe are the most effective ways to reach our customers. In addition, we manage the development and maintenance of the mobile Burger King app, which we have expanded to include additional features, including Click & Collect in-app ordering and our customer loyalty program. We market Burger King products, services, Company Restaurants and Franchise Restaurants through our website, www.burgerking.fr. Our website features a site locator page showing the addresses and telephone numbers for each Company Restaurant and Franchise Restaurant. We also advertise through search engine advertising in Google, Yahoo and Bing.

Burger King enjoys a strong brand image and presence in social media platforms, such as Facebook, Twitter, Instagram, TikTok, YouTube and Snapchat. In a recent market study by IFOP, Burger King had 91% total awareness and 83% spontaneous awareness among customers. We regularly post information regarding new openings, promotions and new products, interact with customers and answer queries from users.

We also focus our marketing efforts on digital multimedia advertising programs and outdoor advertising displays, which we believe are the most effective way to reach our customers.

Procurement and logistics

Raw materials supply

All Burger King restaurants independently purchase supplies for their needs from approved suppliers through our approved logistic partner(s). These purchases include food products and the paper and packaging materials for the sale of our products as well as cleaning supplies and other products for the maintenance of equipment.

Pursuant to our franchise agreements, Burger King operations are required to source raw materials from BKC-approved suppliers. We are able to tap into the network of BKC-approved suppliers both in France and in additional European markets, in particular Germany, the United Kingdom and Austria, where approved suppliers in those countries have in the past, and are able to provide us with approved raw materials on a regular basis, subject to their capacities. As we have expanded our network of Burger King Company Restaurants and Franchise Restaurants, we have developed a significant French network of approved suppliers, securing access to supplies while reducing transport costs. The development of our network is beneficial to the overall success of the Burger King brand as our suppliers will be able to source other Burger King markets in the event of a shortage or other interruption in the supply chain. We anticipate that the locally sourced component of our raw materials from French suppliers will continue to increase along with the growth of the Burger King network.

In order to improve and optimize our supply chain and achieve lower prices, we focus particularly on implementing an efficient sourcing and food management policy through optimization of the procurement process and product development at both the recipe level and overall product offer level. We have developed relationships with a number of high-quality suppliers to source the ingredients we need. We use a limited number of suppliers for each ingredient to obtain high volume discounts and maximize the service level the business receives (backed up by contingency solutions) and only use a small number of suppliers in order to control and guarantee quality. We also optimize food costs by reducing waste and by focusing on food losses (for example, through our “Have it Your Way” model and “made to order” model, through which customers can customize their menu items and food is prepared only after a customer places an order, providing customers with fresh foods and limiting waste).

We have implemented a purchasing strategy for raw materials which allows us to obtain price commitments from suppliers by giving them mid- to long-term visibility on volumes and growth in France. Moreover, we have entered into forward buying contracts with our suppliers, except for beef, which limit our exposure to any short-term fluctuations in food prices. A typical forward buying contract provides for fixed prices for at least six months. In addition, we entered into mid- to long-term contracts with our strategic suppliers for beef, French fries, buns, chicken and beverages. This strategy allows us to have pricing visibility and minimize the impact of fluctuations in food and supply prices on our operations for the duration of these contracts.

Beef is a key ingredient in our product offerings. We have developed a dedicated strategy for beef supply management optimization in order to mitigate the effect of the global upward pricing trend on the beef market. The purchase of beef accounted from approximately 20 to 25% of our raw material costs for the year ended December 31, 2020. In addition, we have a limited number of beef suppliers (eight approved suppliers as of 2020) which are strictly required to purchase beef only from EU approved establishments and a limited number of countries of origin (France, Germany and Austria). Our beef is exclusively sourced from Europe, more than 50% of which comes from France.

We intend to continue to select our suppliers and track our raw material sourcing using very strict processes, which include supplier selection criteria based on quality control, financial situation, production capacity (ability to handle both large volumes and flexible production), emergency back-up capabilities, as well as strength in research and development.

Logistics

For the Burger King brand, procurement and logistics activities are outsourced and handled by QSL-STEF, a joint venture of QSL and STEF dedicated to the QSR sector. QSL-STEF purchases our food supplies and other raw materials from various suppliers. We contractually set certain targets and goals with QSL-STEF, which monitors our inventories and packaging in addition to ensuring that goods and materials reach our restaurants from their point of origin at an optimal cost and service level. Franchisees order their raw materials and supplies directly from QSL-STEF as an approved vendor.

QSL-STEF serves as a third-party and fourth-party logistics provider for us, coordinating the logistics of our third-party providers and is also responsible for the warehousing and related storage from the suppliers. Under the terms of agreements with the suppliers, QSL-STEF becomes the owner of these products once they reach third-party warehouses with whom it has contracted to provide such warehousing services. Storage and distribution of food items and operational supplies to all restaurants (Company Restaurants and Franchise Restaurants) is subcontracted to a third-party logistics provider (STEF).

As we rely on QSL-STEF for coordinating logistics for all of our restaurants, we are able to negotiate favorable terms as a block and provide our Franchise Restaurants with the ability to achieve preferential price points, improving their overall results of operations. Our team in our headquarters located at Clichy, France monitors the logistics and distribution to our Company Restaurants.

Product Offering

Our Company Restaurants and Franchise Restaurants offer extensive menus specializing in hamburger and cheeseburger sandwiches primarily made with beef (including the signature WHOPPER® sandwich) or featuring chicken breast or fish sandwiches, most of which are made to order. We also offer a limited range of chicken nuggets and chicken wings. Our menu includes French fries, onion rings, freshly prepared salads, breakfast options, soft drinks, milk shakes, ice cream and other desserts, coffee, tea and kids' meals. In recent years, we have further developed and improved our product range to better respond to changing consumer preferences through the launch of gourmet burgers with premium ingredients, plant-based burger options and additional healthy menu items such as fresh bowls.

Our price positioning seeks to be competitive with our main competitor, McDonald's, but adds more extensive "premiumization" options through high quality ingredients or additional toppings. Our product offering and price point is comparable to those of our main competitor, McDonald's. While we have a more expansive premium offering than our main competitor, we pride ourselves on offering a wide range of products comparable to our competitors' offering.

We also test new products on an ongoing basis and develop geographical variations and specific sandwiches for the French market. In addition, our restaurants sell a variety of promotional products for a limited time only. When we decide to add a new product to our menu, we must use BKC approved suppliers for the ingredients. If we decide to permanently add a new product to our menu, we are required to obtain BKC's authorization. For limited time offerings, however, we are not required to obtain such authorization.

Innovation and Product Development

Innovation is at the core of our strategy and directly affects the products and services we offer our customers in order to meet their expectations. Quality, choice and nutrition are increasingly important to our customers and we are continuously evaluating and evolving our menu to meet our customers' needs. Our "Have it Your Way" model allows customers the ability to customize our menu items to order only the ingredients they want to eat. Beyond the menu we offer our customers, we also innovate on production processes and methods in our kitchens, invest in new equipment and optimize work organization in order to deliver the best dining experience to our customers. For example, our broiler system provides our hamburgers with a unique flavor that promotes our products and differentiates us from our main competitor.

We are also focused on accelerating our innovation in terms of digital convenience options for our customers. For example, in 2020 we launched a new Burger King app with the ability to order Click & Collect directly through the app, as well as improved the drive-through digital experience by accelerating the order process through the use of digital tablets in our drive-through sites. In the same year, we also launched Kingdom, a new digital loyalty program, allowing customers to earn rewards through their purchases, which they are able to accumulate through scanner capabilities for easy customer identification. In 2019 and 2020, we have also expanded food delivery options through our partnerships for delivery services with Uber Eats, Just Eat and Deliveroo. We are also in the process of rolling out geolocalized table service in our restaurants, allowing dine-in customers to receive their meals directly at their table.

Support to our Franchisees

As franchisor, we aim to support, promote and encourage our franchisees both before the opening of their restaurants and throughout the course of their operations and provide them with numerous support services. As franchisor, the relationships formed with franchisees and the interaction between us, our franchisees and end-customers throughout the course of the value chain, are intended to increase franchisees' sales. We believe that our model helps our franchisees to realize positive net returns.

Service, delivery and pricing

Franchisees are provided with extensive materials and training on how to organize, manage and monitor service delivery in their restaurants, including best practices that have been developed by BKC for worldwide use. For example, our manuals assist franchisees in organizing the taking and dispatch of orders, for in-restaurant dining, take-away and drive-through, and work force scheduling management during peak hours. Additionally, we recommend prices using a tiered approach for all products, though franchisees are independent entrepreneurs and are free to adjust their pricing as local conditions or their own business reasons may dictate.

Training, pre-opening assistance and ongoing support

Franchisees (along with their manager(s)) must attend and successfully complete a training program before we will issue an opening date for a Franchise Restaurant. Our training program covers various topics, including: Burger King culture, food preparation and storage, food safety, specific position training, uniforms, cleaning and sanitation, marketing and advertising, point-of-sale systems, accounting and hospitality, among others. We require our franchisees to live within one hour of their respective restaurant(s) and require them to hire a restaurant manager who either resides in the area where the restaurant is located or is willing to move to this area.

When a franchisee opens his or her first Franchise Restaurant, we provide the franchisee with certain operational support during the initial operating days including training employees and providing guidance and tips for operating a restaurant in compliance with our standards. We also provide lists of approved inventory, suppliers and small-wares that are needed to stock and operate each restaurant and help franchisees locate qualified suppliers of raw materials and other supplies and ingredients that meet our specifications.

We maintain programs to monitor and evaluate the adherence of Franchise Restaurants to our quality, service and cleanliness standards. We also closely monitor financial data of each Franchise Restaurant, including revenue, sales and profits. In addition, we are responsible for communicating and conveying certain initiatives and process enhancements to our franchisees and conducting business reviews in order to assist franchisees to operate more efficiently, increase the Franchise Restaurant's performance, sales and profits and stimulate Franchise Restaurant's footfall and visibility. See "*—Our Network—Restaurant monitoring and reporting*".

In addition to our hands-on training and assistance, we provide an operations manual to each restaurant location that addresses business operations, food safety, crew, hospitality, quality products, guest services, packaging and presentation, restaurant cleaning, restaurant and equipment maintenance, point-of-sale systems, quality control, advertising and marketing and emergency management. See "*—Quality Assurance and Food Safety*".

Point-of-sale system

We require our franchisees to use a unique proprietary third-party restaurant software developed exclusively for Burger King and that allows us to track sales at each Franchise Restaurant location. Furthermore, a point-of-sale system provides our franchisees with additional back office tools that we believe assist in cost control, create operational efficiencies and drive sales.

Supply chain assistance

We and our franchisees rely on QSL-STEF to manage our supply chain and provide us with the necessary raw materials, commodities and other items needed to develop and operate our restaurants. We coordinate directly with QSL-STEF to manage the supply chain as it relates to our Company Restaurants and our franchisees work directly with QSL-STEF to manage their own supply chain. See "*Business—Group Operations—Procurement and Logistics*".

Research and development

We benefit from and rely on the product development capabilities of our Burger King network to drive sales. While we may test certain limited time offers in our own market to gauge consumer interest and reaction, we are able to benefit from the strong global product development that Burger King generates for the benefit of its restaurant network. See "*—Innovation and Product Development*".

Quality Assurance and Food Safety

We have implemented detailed quality assurance, food safety and sanitary procedures at all stages within our supply chain and in our restaurants to ensure the quality and consistency of the products sold at our Company Restaurants and Franchise Restaurants and to protect and enhance the Burger King brand image. We benefit from BKC's strong experience and knowledge of quality assurance and food safety standards and procedures.

In order to ensure that high quality standards are maintained and to adhere to BKC's standards and procedures on quality assurance and food safety, we have developed a strong hygiene culture and have established a reliable control track record, with stringent standards which can even go beyond the requirements under French legal regulations. Such standards apply to all our Burger King restaurants. See "*Regulation*" for a description of the laws and regulations that govern food safety and hygiene in our operations. No food contamination incident has been attributed to our restaurants since Groupe Bertrand (through Burger King France) entered into the Master Franchise Agreement or acquired the Quick brand. Our quality control department is fully dedicated to monitoring and enforcing quality assurance and food safety standards and procedures and managing any quality or food safety issue across our entire supply chain from production, to transportation and storage to end-delivery.

We have implemented a detailed food safety manual that covers all aspects of cleaning, food handling and storage, pest control, stock control and waste disposal. We also have rigorous food safety procedures based on a hazard analysis and critical control points plan, which includes controls and monitoring for key processes such as receiving food deliveries, defrosting, cooking, cooling and storage. This includes stringent guidelines on date labelling, allergen labelling, refrigerator plans and temperature checks. In addition, we use specific cleaning products to maintain hygiene and food safety and we communicate an allergen list through leaflets, posters in restaurants and on our website. Any breach of our quality assurance and food safety rules by a restaurant is sanctioned and is factored into the restaurant manager's compensation. For Franchise Restaurants, non-compliance with our quality assurance and food safety rules is grounds for termination under our franchise agreements. We review our safety governance policy on an ongoing basis at the restaurant, area and group level.

All restaurant employees receive training on critical aspects of food safety as part of their hiring process and also complete a food safety course. Company Restaurants and Franchise Restaurants team members receive ongoing training regarding sanitary procedures, and all senior personnel and managers are required to complete food safety qualifications administered by us. Senior operations management may also seek to attain further food safety qualifications.

We inspect both our Company Restaurants and our Franchise Restaurants on a quarterly basis. We perform audits on the procedures in place in Company Restaurants and Franchise Restaurants to ensure that food is being correctly handled. In addition, we have a contract with an independent lab to perform bacteriological tests in our restaurants. BKC also conducts inspections on a quarterly basis in order to verify that its requirements are being respected. We consider adherence to our food safety policy to be one of our top priorities and may terminate our relationships with franchisees who fail to respect these standards. Further, failure to comply with food safety requirements may be grounds for termination of the Master Franchise Agreement.

Real Estate

Under our historic Pure Franchise agreements, we did not systematically directly lease the real estate underlying Franchise Restaurants. In connection with the continued development of the Burger King brand in France, we have decided to enter into Franchise with Lease Management agreements with our franchisees going forward to streamline our operating structure by using one contractual arrangement with all of our franchisees that provides us with greater control over our network.

As of June 30, 2021, 277 of our Burger King Franchise Restaurants were operated under lease management arrangements. Under this scheme, we remain the owner of the business assets rights (*fonds de commerce*) and leasehold rights, while the franchisee is the owner of all equipment and signage that they purchase in connection with operating the restaurant. As we are the tenant of record with respect to the restaurant real estate, this arrangement allows us to limit the possibility of losing a location within our network to a competitor without our consent. We then enter into an agreement with the franchisee to sign a lease management agreement, who in turn pays us a percentage of sales in rent payments while we directly pay the landlord. These locations are leased under commercial lease agreements (*baux commerciaux*) that we enter into with the landlords. For a brief description of the principal terms of our commercial lease agreements, see "*—Restaurant operations—Franchise Restaurants—Franchise with Lease Management*".

We lease the real estate of our Company Restaurants from third parties. All Company Restaurants are subject to commercial leases or ground leases. The following provides a brief description of these arrangements.

Commercial leases have a minimum initial duration of nine years to twelve years. The lessee has the right to terminate a commercial lease at the end of each three-year period. The lessor may only terminate the lease at the conclusion of each three-year period in certain limited circumstances. At the end of the contractual term of the lease, the lessee is entitled to a renewal. If the lessor refuses such renewal, the lessor will be required to compensate the lessee, unless the lessor can show good cause. Upon expiration of the lease agreement, if the lessor and lessee take no action to renew or to terminate the lease, the original lease will be automatically renewed until either the lessor or the lessee serves a notice of termination. An automatically renewed lease may be terminated at any time by either the lessor or the lessee provided that six months' prior notice is given. In addition to our commercial leases, we maintain certain ground leases for some of our older properties which have a typical duration of 30 years.

The parties to a commercial lease are free to determine the initial rent, generally according to the current market value of the property at the signing of the contract. The rent may be fixed, variable or composed of a fixed portion and a variable portion. Generally, the lease contains an annual rent indexation clause. The agreed index must have some connection with the activity carried out by one of the parties or to the purpose of the lease. The majority of our leases are based on the Commercial Rent Index (ILC) (*indice des loyers commerciaux*) published by *l'Institut national de la statistique et des études économiques* (INSEE), the French public statistics institute.

Our Employees

As of June 30, 2021, we directly employed 2,695 full-time equivalent employees (excluding Quick's operations and excluding franchisees employees). As franchisees are independent business owners, they and their employees are not included in our employee count. We believe that we provide working conditions and compensation that compare favorably with those of our major competitors. We consider our relationship with our employees to be strong.

In France, a collective bargaining framework agreement is in place for the QSR sector that sets, among other things, annual working times, employee holiday time and overtime pay and employee leaving conditions. In addition, there is a limited number of trade unions that are recognized as representatives and given the legal authority to appoint trade union delegates, and to negotiate additional company-specific collective bargaining agreements. Some of our employees are members of these trade unions.

We place significant emphasis on staff training, which we believe is key to maintaining high standards of quality across our business. We provide comprehensive in-house training to all employees, which we extend to Franchise Restaurant staff through a number of training initiatives to actively support and foster employee development and retention at Franchise Restaurants. Our training focuses on health and safety issues for restaurant-based employees, and we also provide food-hygiene training and food retail management to managers of both Company Restaurants and Franchise Restaurants.

In addition, we regularly encourage our franchisees and their employees to visit our Company Restaurants in order to demonstrate new equipment, menu items, workflow practices and ensure that all franchisees and their employees are trained to a consistent standard. We also encourage in-house promotion of employees through training and development where possible.

ESG & Sustainability

Our corporate, social and environmental responsibility is a top priority for our management. We have established a number of goals and initiatives to ensure responsible operations and to create a healthy and safe future for people and the environment. Our ESG initiatives are built on three key pillars: (i) the quality and safety of our products, (ii) our strong and committed teams and (iii) the protection of our planet through the reduction of our environmental impacts.

Quality and safety of Our Products

Our customers demand high-quality food products, and we intend to provide best-in-class products and services to our customers by continuing to focus on quality, both through quality control and production of ingredients that promote a clean environment. We therefore source a wide range of ingredients locally from France. As of June 30, 2021, 75% of the food products we purchase come from French agri-food companies, as compared to 10% five years ago. Further, our beef is exclusively sourced from Europe, more than 50% of which comes from France, and our nuggets are exclusively sourced in France, from poultry born and raised in compliance with programs that promote the environment and respect for animal welfare. In addition, 100% of our potatoes for fries, flour for buns and fresh onions are sourced from France, as well as the raw vegetables and fruits included in our children’s menus, which are 100% organic and sourced from France.

We further aim to minimize the footprint of our products with a focus on our ingredients and product offerings. Through our ingredients, we are committed to providing seasonal fruits, MSC-certified fish, and organic ingredients in kid meals. We believe driving the adoption of meatless proteins is one of the most impactful ways that we can contribute to the reduction in the carbon footprint of our industry. As a result, we started developing and marketing plant-based offerings and currently offer 7 meatless protein products.

Providing our customers with healthy dining options is at the heart of our food innovation philosophy. We have focused on implementing policies to protect consumer health, including through improving the nutritional profile and ingredients of our products and developing product ranges for specific nutritional requirements. We have achieved significant results in recent years by implementing improvements across many of our ingredients and dishes. For example, we are committed to sugar and salt reduction. In 2019, we reduced the level of sugar in our drinks by 6%, and in 2020, we reduced the level of salt in our potatoes by 50%. Further, we have been palm oil free since 2019. We have also eliminated artificial colors, flavors and preservatives throughout all our menus and meal options. Moreover, we also continue to invest in customer choice, by proposing new products in order to satisfy most of our clients’ tastes such as low calorie salads, wraps, vegan and vegetarians options. Since our products are developed in France, we have guaranteed our customers access to nutritional information, as well as information on product allergens on our site, our application and in restaurants to allow customers to make an informed choice within our offer.

Food safety is a top priority, and we dedicate substantial resources to help ensure that our customers enjoy safe, quality food products by conducting strict internal control over food safety across our network. We maintain strict controls over the food supply chain to guarantee product safety, regulatory compliance and to assure the quality standards of our restaurants. For these purposes, we have implemented supplier controls, production controls and a system of food safety verification. For example, raw materials are controlled by an external laboratory to ensure proper compliance with all food safety criteria. We are also able to trace the distribution of raw materials from our production facilities or suppliers. We have implemented rigorous control protocols over all our restaurants, which are subject to bi-monthly hygiene audits performed by an external independent accredited laboratory. We provide continuous food handling and safety training to our employees in order to ensure the consistency and safety of product offerings in our network.

Strong and committed teams

We have a longstanding commitment in favor of gender equality and diversity. In 2020, 51% of our employees were women. Since 2019, the *Penicaud* index, a gender equality index introduced under the French law no. 2019-15 of January 8, 2019, has applied to all companies in France with more than 50 employees. The index provides an optimal score of 100, calculated on the basis of five indicators, including, for example, the gender pay gap and differences in distribution of individual salary increases. In 2020, our Burger King France operations achieved a *Penicaud* index score greater than 85, above the compliance threshold of 75. We aim to maintain this equality in the future and to prioritize gender equality in our management teams in our branch restaurants. We have also adopted a policy for harassment and bullying at work in our restaurants, as well as an incident reporting platform to address such occurrences.

We recognize the importance of inclusion and consider the diversity of our team as one of our greatest strengths. Therefore, we focus on growing employment for individuals with disabilities to promote inclusion. As a result of changing French regulations, we now use a new calculation method for our employment rate of workers with disabilities. In 2019, we had an employment rate ratio of 5.2%. Using the new calculation, in 2020, our percentage decreased to 3.2% which is compared to 2.6% on average for the restaurant sector in France. This has been a driving force in our decision to redeploy a more ambitious inclusion policy.

Training is the cornerstone of our operational excellence. We provide continuous investment in our training teams. For example, we require a minimum of 50 hours of training per employee, 9 weeks for managers and 18 weeks for directors to offer career growth, retain talent and maintain high service quality. We also invest in the future by targeting 80% of our managers through internal promotions.

Reduction of environmental impacts

We strive to minimize our impact on the environment. Our environmental initiatives are built on three key pillars: the reduction of the impact of (i) our real estate footprint, (ii) our waste and (iii) our logistics. To mitigate our real estate footprint we have used PEFC-certified wooden frames for all new buildings since 2019. Furthermore, we participate in trial initiatives, for example, rooftop energy collection, CO2 cooling, optimized lighting and car charging points.

We are committed to reducing waste and implementing eco-friendly packaging. Our environmentally-friendly packaging has helped us avoid approximately 700 tons per year of plastic waste. To this end, we have banned our usage of single-use plastic from our service packaging in favor of paper solutions. Our kids cups are now plastic-free and compostable. In addition, since 2020, toys are no longer systematically distributed with kids menus, leading to 10% of such menus being sold without any toys. Since 2021, we have gradually removed plastic from our toys, and we aim to become full plastic free in 2022.

In addition, we have deployed a plan to massively reduce waste with the objective of avoiding 1,700 tons of waste per year. For example, we have replaced the boxes of our kids menus and delivery boxes with bags that represented half their weight. We have introduced packaging systems that do not require a lid and we have also reduced the size of our cashier’s receipts. Furthermore, we began waste sorting in 2020, and selective waste collection initiatives in 2021.

Moreover, we are committed to reduce our greenhouse gas emissions in the fight against climate change. For example, in 2019 we optimized our truck load by improving the filling rate of our trucks for a 15% reduction in route mileage. This allows our truck fleet to meet a strict criteria in terms of polluting gas emissions (in line with the Euro 6 European emissions standards). Our target is to reduce vehicle-related CO2 emissions by 30% by 2030.

Insurance

We maintain insurance coverage under various liability and property insurance policies for, among other things, damages in the areas of operations, environmental liabilities and business interruption. Our fixed assets, such as technical equipment used in distribution, stocking, information technology and office equipment, are covered by a bundled industrial insurance policy (damages from fire, catastrophes, theft, flood and severe weather) that includes business interruption insurance when business interruption is caused by an insured property damage. We also maintain various insurance policies covering legal services, transportation, accidents and motor vehicles, as well as a directors' and officers' liability insurance. We believe that the level of insurance we maintain is appropriate for the risks of our business and is comparable to that maintained by other companies in our markets operating in the same business lines. See "*Risk Factors—Risks Related to Our Business—Our current insurance may not provide adequate levels of coverage against claims that may be filed*".

Information Systems

We rely on a number of information systems to provide management, analytical and performance evaluation tools that assist management at all levels to undertake critical business processes. Our information systems are highly integrated, covering most of our fundamental business service areas, including point-of-sale terminals, purchases and logistics, finance, quality control, marketing and human resources, and providing us with sufficiently robust data processing ability to efficiently manage our Company Restaurants and Franchise Restaurants. In addition, these capabilities allow us to integrate new and converted Company Restaurants and Franchise Restaurants to our network in order to achieve greater economies of scale and operating efficiencies. One of our most important and widely used tools is our point-of-sale systems, which is installed at all of our Company Restaurants and Franchise Restaurants.

We believe that our information system is robust, adequate to support our activities and insured to standards that are comparable to other operators in our industry.

Legal Proceedings

We are party to various legal proceedings involving routine claims that are incidental to our business. Although our legal and financial liabilities with respect to such proceedings cannot be estimated with certainty, we do not believe that the outcome of these legal proceedings, individually or in the aggregate, will be materially adverse to our business, financial position or results of operations. See "*Risk factors—Risks Related to Our Business—We face risks of litigation and negative publicity from customers, franchisees, suppliers and employees*".

REGULATION

We are subject to various laws and regulations administered by local, national and other government entities in France, as well as at the European Union level. Our business is particularly affected by laws and regulations regarding food safety and hygiene and food labeling requirements. Additionally, we are subject to labor and employment laws as well as franchise regulations.

Food and Beverage Regulations

Food safety is an integral part of our business as a food services provider. Serving food that is safe and that has been prepared and distributed in accordance with applicable regulations is an underlying prerequisite for our customers, and is the fundamental basis for the trust that they place in us. Our business is subject to extensive local, regional and national laws and other requirements relating to food safety, hygiene and nutrition standards in each of the countries in which we operate, as well as at the EU level for our operations in Europe. We have implemented several measures which we believe ensure compliance with applicable food and beverage regulations, including providing training to employees in food safety, contamination prevention, food preparation and storage, facilities maintenance and pest control.

Food safety and hygiene

European Union

The reform of the EU regulations on food hygiene, which came into force on January 1, 2006, simplified and harmonized the previously existing food hygiene legislation applicable in the European Union. The reformed set of regulations, known as the "**Hygiene Package**", concerns the entire food chain, from primary production (both animal and plant) to the consumer, and includes the food industry, transport and distribution ("from farm to fork"). Its aim is to standardize the level of food safety by involving all stakeholders in the food chain and subjecting them to uniform requirements, by formalizing the requirements of food-industry professionals and optimizing enforcement by the health authorities. Food safety and hygiene regulations and directives promulgated by the EU have an impact on our business because we conduct substantially all of our activities in France, which is a member state of the EU. The main food safety regulator at the EU level is the European Food Safety Authority (the "**EFSA**"), which was established in 2002 by Regulation (EC) No. 178/2002, as amended and supplemented (the "**General Food Law Regulation**"), which is the key text of the Hygiene Package. The EFSA assesses and communicates risks associated with the food chain in order to inform the policies and decisions of food safety risk managers.

The General Food Law Regulation lays down the general principles and requirements of food safety legislation to be implemented into national law by all member states of the EU. In particular, the General Food Law Regulation requires food business operators to ensure that businesses under their control satisfy relevant requirements and to verify that such requirements are met at all stages of production, processing and distribution. It also imposes a mandatory traceability requirement along the entire food chain that applies to all food and all types of operators in the processing, transportation, storage, distribution and retail stages, among others. Each food operator is required to register and keep for a reasonable period of time (the guidance of the Standing Committee states that five years is a reasonable time) detailed product information (including the name and address of the producer, the nature of the product and the transaction date) and make such records immediately available to competent authorities upon request.

As part of the Hygiene Package, we are also subject to other specific European food hygiene legislation under Regulation (EC) No. 852/2004 of April 29, 2004 on the hygiene of foodstuffs, which applies to all food businesses, and defines general hygiene rules applicable to all foodstuffs, and to Regulation (EC) No. 853/2004 of April 29, 2004 laying down specific hygiene rules for the hygiene of foodstuffs of animal origin (together, the “**EU Hygiene Regulations**”). The EU Hygiene Regulations require that we obtain and maintain hazard analysis and critical control point (“**HACCP**”) certification, including instructing employees in this regard and conducting appropriate record-keeping. HACCP is a systematic preventive approach used in the food industry to identify potential food safety hazards, so that key actions (known as critical control points) may be taken to reduce or eliminate risks, while considering all key aspects of product manufacturing, from the safety of the raw materials, to process validation (for example, cooking and washing), to shelf life and finally end-consumer usage. In addition, the EU Hygiene Regulations include more stringent requirements for food products of animal origin, such as meat, fish and dairy products, and food containing such products. European legislation regulates the temperature settings at which these products must be kept as well as the length of time for which they can be displayed. A number of subsequent regulations that serve as implementing texts of the Hygiene Package have also been enacted, certain of which are applicable in our operations. These regulations lay out specific criteria and requirements for compliance with the Hygiene Package, as well as consequences for non-compliance.

France

In France, the principal food safety regulator is the Agency for Food, Environment and Occupational Health and Safety (*Agence nationale de sécurité sanitaire de l’alimentation, de l’environnement et du travail*, or the “**ANSES**”). The ANSES provides the relevant authorities with the necessary expertise in order to set national-level regulations concerning, among other subjects: hygiene rules applicable to the retailing, storage and transport of products of animal origin and food containing such products; technical and hygiene conditions applicable to the transport of foodstuffs; and licensing of establishments that bring to market products of animal origin or food containing such products. In addition, French food safety regulation requires each establishment that brings to market products of animal origin or food containing such products to obtain an official authorization. Further, we are subject to several provisions of the French Rural and Maritime Fishing Code (*Code rural et de la pêche maritime*), as amended, dealing, among others, with food safety epidemiology concerns related to products of animal origin and animal feed, and animal health.

Food Labelling and Nutrition

Food labelling, particularly as it relates to nutritional content, involves the accurate and precise labelling of the energy and nutritional content of a food product on its product packaging. It is an increasingly regulated tool that is intended to help customers in their food choices and to support public health policy measures.

Our products are subject to Regulation (EU) No. 1169/2011 of October 25, 2011 on the provision of information to customers (the “**Food Labelling Regulation**”), which replaced and consolidated into one piece of legislation previous labelling rules deriving from Directive 2000/13/EC regarding labelling, presentation and advertising of foodstuffs, Directive 90/496/EEC on nutrition labelling of foodstuffs, and other legislative acts for specific categories of foods.

The Food Labelling Regulation, which introduced key changes such as mandatory nutrition disclosure on processed foods and amendments to nutrition labelling format, entered into force on December 13, 2014 (save for the obligation to provide nutrition information applicable from December 13, 2016). Successive amendments to the Food Labelling Regulations, including various EU and French implementation regulations, have since been adopted on various subjects, including the indication of the country of origin for certain types of meat and other ingredients, nutritional and health claims made with respect to food products and the labeling of additional vitamins, minerals and other substances in food ingredients. For example, Regulation (EU) 2018/775 lays down rules for the application of Article 26(3) of the Food Labelling Regulation. It sets out guidelines for indicating the country of origin or place of provenance of the primary ingredient of a food product, providing that if the origin or provenance of a product’s primary ingredient is different to the origin or provenance currently indicated on the label of a food, food services providers will have to provide additional information on packaging regarding the origin of the primary ingredient or ingredients. The purpose of this regulation is to ensure that customers are not misled about the origin of a product's ingredients.

In recent years, national and local authorities have begun reinforcing such food labelling regulations and requirements motivated by concerns regarding nutrition and environmental sustainability. These measures have included, among others, greater emphasis on food labelling and disclosure of nutritional content, requirements to utilize recyclable packaging materials, and additional taxes on food and beverage items with high sugar content. For example, specific French legislation regulates the labelling of beef in restaurant establishments (Decree no. 2002-1465 of December 17, 2002). In addition, there has been increasing regulatory scrutiny over the disclosure of allergens present in prepared food products. For example, French legislation (Decree No. 2015-447 of April 17, 2015) regulates consumer information on allergens. Pursuant to such regulation, allergenic substances present in both prepackaged and non-prepackaged products must be pointed out in the list of ingredients.

In the coming years, we expect additional regulations pertaining to food labelling to be enacted. For example, the European Commission is contemplating the introduction of uniform mandatory nutrition labelling laws for the front of food packaging by the end of 2022, in addition to the mandatory labelling already imposed on the back of food packaging. The proposed labelling could take a form analogous to the Nutri-Score used today in France. Under the current timetable for the European Commission's "Green Deal", regulations are expected to set maximum levels of certain nutrients in food products and to establish uniform nutritional profiles by the end of 2021, as well as to limit certain communication around products rich in sugar, salt and fat by 2022.

Beverage Tax

In France, the draft budget law for 2012 dated December 28, 2011 introduced a tax (the "**Beverage Tax**") on all beverages containing added-sugar substances or one or more artificial sweeteners (articles 1613 *ter* and 1613 *quater* of the French tax code). The law enacting the Beverage Tax came into force on January 1, 2012. The Beverage Tax, initially set at €7.16 per hundred liters, is reassessed annually based on the consumer price index (excluding tobacco) and must be paid by any person or entity located in France that makes the first delivery of such beverages in France, either because it produces the beverages, or because it imports or purchases them from any person or entity located outside of France, whether or not for consideration. The Beverage Tax was amended by the draft social security financing law for 2018, which was adopted on October 27, 2017, in order to link the amount of Beverage Tax to be paid to the quantity of added-sugar substances contained in such beverages. Since then, the amounts have been reassessed each year. As of June 12, 2021, the rate of tax on beverages containing added-sugar is determined according to a progressive scale which ranges from €3.11 per hundred liters for one kilogram or less of added-sugar per hundred liters, to €24.34 for a beverage containing 15 kilograms of added-sugar per hundred liters. For beverages containing over 15 kilograms of added-sugar per hundred liters, the tax is increased by €2.07 per additional kilogram of added-sugar. In addition, as of June 12, 2021, all beverages containing one or more artificial sweeteners are subject to a tax of €3.11 per hundred liters. Certain of our products are subject to the Beverage Tax.

Other food service-felated regulations

Restaurant facilities are also subject to regulations promulgated by national, regional and local authorities covering a range of matters such as the utilization and maintenance of restaurant sites and equipment and waste storage and disposal. We are also required to enforce anti-smoking laws for dining establishments.

Regulations against waste and the circular economy

In July 2014, the European Commission published the so-called "waste package", aimed at amending several EU directives (i.e., four directives amended on May 30, 2018) and at introducing new waste targets, with the focus on resource efficiency and a circular economy. To transpose this directive, France passed Law no. 2020-105 on February 10, 2020. This new law, which fights against waste and the circular economy, introduced new measures aiming to encourage reuse and recycling and improve consumer information on environmental attributes of products and their packaging (the "**AGEC Law**"). Furthermore, the AGEC law confirms and extends the role of extended producer responsibility ("**EPR**"). The EPR requires producers, importers and distributors of products to either provide or financially contribute to the management of the waste generated by their products.

Regulation for the reduction of the use of certain single-use plastic products

The European Parliament and the Council of June 5, 2019 published Directive 2019/904 (the "**Single-Use Plastics Directive**"). The Single-Use Plastics Directive promotes approaches that favor sustainable and non-toxic re-usable products and re-use systems instead of single-use products. Furthermore, the European Commission has published guidance on single-use plastics products to ensure uniformity in implementing the Single-Use Plastics Directive across the European Union.

In France, the AGEC law aims to end the use of single-use plastic packaging by 2040. Plastic cups and plates were banned beginning on January 1, 2020. Plastic straws, confetti, cutlery and polystyrene take-away boxes were banned beginning on January 1, 2021. In addition, as of January 1, 2023, fast-food restaurants will be obliged to use reusable tableware for the meals and drinks consumed on site by their customers. The AGEC extended the EPR sector to cover toys in France. Plastic toys are often offered in the catering sector with some of their menus. However, the plastic toys are not recyclable and often end up in the waste bin. Therefore, as of January 1, 2022, the law provides for the prohibition of plastic toys supplied with some kids menus. As a result, plastic toys are expected to be made optional in kids menus.

Selective sorting regulation

In addition, in France, Decree no. 2016-288 of March 10, 2016, governs waste management in the workplace. This requires selective sorting according to the five streams identified in the regulation. The five streams include types of recyclable waste (paper, metal, plastic, glass and wood) that must be sorted by all companies that generate and hold such waste in France. In particular, the fast-food sector is subject to the regulation of all five streams. This requires the fast-food establishment to sort the waste according to its nature. To this end, establishments will have to equip their French sites with selective sorting stations.

Franchise Regulation

In France, the franchisor is legally obligated to provide prospective franchisees, or current franchisees contemplating the opening of a new restaurants, with information regarding the franchise under a "pre-contractual information document" ("**PID**") pursuant to Article L. 330-3 of the French Commercial Code (*Code de commerce*) (formerly Article 1 of the Law no. 89-1008 of December 31, 1989 called "*Loi Doubin*") as supplemented by Article R. 330-1 of the French Commercial Code (*Code de commerce*) (formerly Article 1 of the implementing Decree no. 91-337 of April 4, 1991) (collectively, the "**Franchise Law**").

The franchisor must provide full and accurate information regarding the franchise to allow the prospective franchisee to make an informed decision with respect to the franchise. Under the Franchise Law, the PID must contain certain prescribed information, including the history of the company, the state and prospects of development of the relevant market, the importance of network operators, the duration of the franchise contract, conditions for renewal and termination, franchise assignability and any exclusivity requirements. Non-compliance with the Franchise Law is punishable through fines set under Article L. 131-13 5° of the French Criminal Code (*Code pénal*). Civil penalties may include the annulment of the franchise contract and/or the franchisor's liability.

Ordinance no. 2016-131 dated February 10, 2016 reforming contract general law and proof of obligations which came into force on October 1, 2016, and ratified by Law no. 2018-287 of April 20, 2018 introduced new provisions to French law certain of which are likely to have an impact on the franchise contracts and the precontractual information documents entered into with the franchisees. The implementation of these new provisions may result in amendments to certain provisions of the franchise contracts and/or the precontractual information document entered into or renewed with our franchisees.

Data Protection

European Union

As part of our regular operations, we process customers' personal data, through our mobile Burger King app, but also as part of our loyalty program. Therefore, as a data controller, we have implemented privacy policies and IT solutions to ensure compliant processing of personal data.

The GDPR sets out the general framework for the European data privacy regime. Under the GDPR, the definition of personal data includes information such as name, identification number, e-mail address, location data, online identifiers such as Internet protocol addresses and cookie identifiers, or any other type of information that can identify a natural person.

The GDPR sets out, among others, the following key principles and obligations that apply to the Group and its operations:

- Lawfulness: any use/processing of personal data requires a specific legal basis. Use of personal data is permissible, for example: to the extent this is required to perform a contract; if the individual has given its consent; or if the organization has a legitimate interest.

- Fairness and proportionality: processing of personal data must be fair, proportionate and compatible with the purpose for which the data were collected.

- Transparency: individuals must be informed about the processing of their personal data.

- Security: adequate technical and organizational measures need to be implemented to ensure the security of personal data.

- Storage limitation: personal data may not be retained for longer than necessary and should be deleted after such period.

- Data subject rights: individuals have several rights under the GDPR such as a:

    - right to access (obtain a copy of their personal data);

    - right to rectify any incorrect personal data;

    - right to request erasure of any personal data when no longer needed;

    - right to data portability (receive the personal data in a structured format so it can be used by another service provider); and

    - right to object to the use of personal data on in particular situations.

- Use of third-party service providers: in the event the personal data is processed by a service provider (data processor) on behalf of a data controller, this processing needs to be governed by a contract between the data controller and the data processor. Such contract must include certain mandatory clauses, such as for example on the subject-matter and duration of the processing; the right to audit, not engaging other third-party providers without consent, etc. Personal data breaches: depending on the breach, the competent supervisory authority and/or the data subject may need to be informed of a personal data breach within 72 hours after becoming aware of such breach.

- Record keeping: Controllers and processors are required to be able to demonstrate compliance with the rules imposed by the GDPR at all times and on an ongoing basis. To that end, organizations must maintain a record containing a description of all their data processing activities.

- Data controllers and processors may be required to appoint a Data Protection Officer ("**DPO**") in certain situations.

- The transfer of personal data to entities outside the EEA is subject to specific requirements.

Fines for breach of the GDPR may be significant, depending on circumstances of an individual breach. In the worst-case scenario, they can go as high as 20 million euros or 4% of our total annual revenue. Moreover, the supervisory authority may restrict further use of data in question, which could potentially impact our operations.

France

In France, the French law No. 78-17 of January 6, 1978, as amended ("**FDPA**") has been amended to take into account the requirements of the GDPR and supplement them with additional provisions, for example concerning minor's consent or the right for data subjects to decide on the use of their personal data after their death. The FDPA also empowers the French Data Protection Authority (*Commission nationale de l'informatique et des libertés* ("**CNIL**")) to ensure compliance with the French data protection legal framework, and notably the requirements set out in the GDPR and the FDPA.

MANAGEMENT

The following is a summary of certain information concerning the Group's management, certain provisions of each of the Issuer's respective bylaws (*statuts*) and French law regarding corporate governance. This summary is qualified in its entirety by reference to the bylaws of each of the Issuers and/or French law, as the case may be, and it does not purport to be complete.

The Issuers

The PIK Issuer

The PIK Issuer is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 59, rue de Tocqueville, 75017 Paris, France. It is registered under number 838 636 306 R.C.S. Paris.

The PIK Issuer's issued share capital of €70,712,385.00 amounts to 70,712,385 ordinary shares with a par value of €1.0 each, fully paid-up. The PIK Issuer's corporate purpose is described in article 3 of its bylaws and includes, among other things, holding interests in any company, the acquisition, subscription or management and disposal, in any form, of all shares and securities in all companies or legal entities, created or to be created, French or foreign. The PIK Issuer was incorporated on April 13, 2018 for a period of 99 years. The bylaws of the PIK Issuer as currently in force were adopted on June 18, 2019. The PIK Issuer's fiscal year begins on January 1 and ends on December 31 of each year.

The PIK Issuer is managed and represented by a sole chairman, Topco GB, a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France (represented by its chairman (*president*), Bertrand Corp., itself represented by its chairman, BH, which in turn is represented by its chairman, Olivier Bertrand).

The SSN Issuer

The SSN Issuer is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 34, rue Mozart - Immeuble Le Cassiopée, 92110 Clichy, France. It is registered under number 797 882 867 R.C.S. Nanterre.

The SSN Issuer's issued share capital of €39,161,544.00 amounts to 1,155,183 shares, including 587,700 ordinary shares and 566,700 Class A shares with a par value of €0.01 each, and 783 Class B shares with a par value of €50,000 each, fully paid-up. The SSN Issuer's corporate purpose is described in article 2 of its bylaws and includes, among other things, providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or related connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment. The SSN Issuer was incorporated on October 13, 2013 for a period of 99 years. The bylaws of the SSN Issuer as currently in force were adopted on January 22, 2021. The SSN Issuer's fiscal year begins on January 1 and ends on December 31 of each year.

The SSN Issuer is managed and represented by a president, Topco GB, a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France (represented by its chairman (*president*), Bertrand Corp., itself represented by its chairman, BH, which in turn is represented by its chairman, Olivier Bertrand), with the assistance of a Chief Executive Officer (*directeur général*), Jérôme Tafani. The SSN Issuer is also managed through a supervisory committee (*comité de surveillance*).

The business address of each member of the Supervisory Committee, the President and the Chief Executive Officer is 34, rue de Mozart - Immeuble Le Cassiopée, 92110 Clichy, France.

Supervisory Committee

Composition of the Supervisory Committee

The Supervisory Committee is composed of seven members appointed by the shareholders of the SSN Issuer for a renewable three-year term. The members of the Supervisory Committee elect the Chairman of the Supervisory Committee.

The following table sets forth the names, ages and titles of the current members of the Supervisory Committee:

Name	Age	Position
Olivier Bertrand	53	Chairman of the Supervisory Committee
Michel Razou	65	Member of the Supervisory Committee
Olivier Grumbach	42	Member of the Supervisory Committee
Christophe Gaschin	48	Member of the Supervisory Committee
David Chan Shear	37	Member of the Supervisory Committee
Vigny Participations, represented by Antoine Froger	N/A	Member of the Supervisory Committee
Joshua Arthur Kobza	35	Member of the Supervisory Committee

The following paragraphs set forth biographical information regarding the members of the Supervisory Committee.

Olivier Bertrand, **53**, is a member and Chairman of the Supervisory Committee of the SSN Issuer. Olivier Bertrand is the founder and President of Bertrand Corp., the holding company of "Groupe Bertrand" which specializes in the restaurant industry in France and is active across several segments including large breweries (such as L'Alsace, Au Pied de Cochon, le Bar André à La Rochelle, Bofinger, la Brasserie Lipp, La Coupole, Grand Café Capucines, La Lorraine, Le Procope, Terminus Nord, Vaudeville); Parisian restaurants (such as Auteuil Brasserie, L'Île, Copenhague, Flora Danica, Polpo, Quai Ouest, Les Deux Stations, Le Sir Winston); tea rooms (such as Angelina); concessions and events (such as Château de Versailles, Jardin des Plantes, Jardin des Tuileries, Jardin du Luxembourg, Giverny, Cité des Sciences, Printemps Haussmann, Musée des Armées); chains (such as Au Bureau, Hippopotamus, Café Leffe, Bert's, Volfoni, Léon); and fast food restaurants such as Burger King France. It is also active in the leisure and hotels industry. He was appointed to the Supervisory Committee of the SSN Issuer on November 25, 2013.

Michel Razou, **65**, is a member of the Supervisory Committee of the SSN Issuer. Mr. Razou is the co-founder of Century 21 commerce. He was appointed to the Supervisory Committee of the SSN Issuer on November 25, 2013.

Olivier Grumbach, **42**, is a member of the Supervisory Committee of the SSN Issuer. Olivier Grumbach joined Groupe Bertrand in 2008 and was appointed to the Supervisory Committee of the SSN Issuer in 2013. Prior to joining Groupe Bertrand, Olivier Grumbach worked successively at BNP Paribas in London and MBO Partenaires, before joining Capzanine in 2004 and being appointed the Executive Director of Groupe Bertrand in 2008. Olivier Grumbach graduated from the *École supérieure de commerce de Paris* (ESCP-EAP). He was appointed to the Supervisory Committee of the SSN Issuer on November 25, 2013.

Christophe Gaschin, **48**, is a member of the Supervisory Committee of the SSN Issuer. Christophe Gaschin joined Groupe Bertrand in 2016. Prior to joining Groupe Bertrand, Christophe Gaschin worked as a business lawyer with the Paris Bar for almost 17 years and successively in international law firms, including as partner (Weil, Gotshal & Manges, Brandford Griffith & Associés, Shearman & Sterling, Kramer Levin Naftalis & Frankel LLP, Olswang LLP). Christophe Gaschin graduated from the *Université de Tours* (Master degree in private law) and *University of Poitiers* (*DESS Droit des Affaires – DJCE*). He has been appointed COO of Groupe Bertrand and he holds several corporate positions in other entities of Groupe Bertrand, notably as Chairman of Bertrand Restauration and Groupe Flo. He was appointed to the Supervisory Committee of the SSN Issuer on July 12, 2018.

David Chan Shear, **37**, is a member of the Supervisory Committee of the SSN Issuer. David C. Shear is President of International at Restaurant Brands International, Inc. and Restaurant Brands International LP. David C. Shear was previously employed as President Asia Pacific – Executive VP at Burger King Corp. He was appointed to the Supervisory Committee of the SSN Issuer on February 22, 2021.

Joshua Arthur Kobza, **35**, is a member of the Supervisory Committee of the SSN Issuer. Joshua A. Kobza was appointed Chief Operating Officer of Restaurant Brands International Inc. in January 2019. Prior to this appointment, Joshua A. Kobza was Chief Technology and Development Officer throughout 2018 and served as our Chief Financial Officer from April 2013 to December 2017. He joined Burger King in July 2012 in the company's finance department. Prior to his quick service restaurant experience, Joshua A. Kobza worked at SIP Capital, a Sao Paulo-based private investment firm from January 2011 to June 2012. From July 2008 until December 2010, Joshua A. Kobza was an analyst in the corporate private equity area of the Blackstone Group. He was appointed to the Supervisory Committee of the SSN Issuer on November 25, 2013. Joshua A. Kobza holds a degree from Harvard University.

Vigny Participations, represented by Antoine Froger, is a member of the Supervisory Committee of the SSN Issuer. Vigny Participations is a *société à responsabilité limitée unipersonnelle* organized under the laws of France. Its registered office is located at 21 rue de la Perouse, 75116, France. It is registered under number 750 531 303 R.C.S. Paris. Vigny Participations was appointed to the Supervisory Committee of the SSN Issuer on July 12, 2018, and Antoine Froger was designated as representative on January 8, 2020. Antoine Froger is a Partner at Bridgepoint and leads Bridgepoint's Consumer investment team. He is based in Paris and joined Bridgepoint in 2009. Prior to Bridgepoint, Antoine Froger worked at Merrill Lynch. He is a graduate of HEC in Paris.

Role of the Supervisory Committee

In accordance with the provisions of the articles of association of the SSN Issuer, the Supervisory Committee is responsible for controlling and supervising the management of the SSN Issuer by the President, the Chief Executive Officer(s) and the Deputy Executive Officer(s). It performs the controls and verifications that it deems appropriate and has the right to request any document it deems necessary for carrying out its duties. In particular, the Supervisory Committee has the following specific duties:

- to elect the Chairman of the Supervisory Committee, whose term may not exceed his or her term as a member of the Supervisory Committee;

- to dismiss the Chairman of the Supervisory Committee;

- to appoint the President and, upon the President's proposal, the Chief Executive Officer or Deputy Executive Officer(s), if any;

- to dismiss the President, the Chief Executive Officer and the Deputy Executive Officer(s); and

- to determine the compensation of the President, the Chief Executive Officer or Deputy Executive Officer(s), if any, (including benefits in kind and special pension arrangements).

Meetings of the Supervisory Committee

The Supervisory Committee must meet whenever the SSN Issuer's best interests so require, and no less than four times per year. Meetings of the Supervisory Committee are convened by the Chairman of the Supervisory Committee or one of the members of the Supervisory Committee. The Chairman presides over the meetings which are held at the SSN Issuer's registered office or at any other location in France. Meetings may also be held by videoconference or through any other form of telecommunication.

Subject to certain exceptions, the Supervisory Committee shall be comprised of seven members of which two members shall be designated by BK (UK) Company Ltd. and five members shall be designated by NewCo GB, so long as BK (UK) Company Ltd.'s equity proportion is greater than or equal to 10%.

In order for a meeting to be duly convened and held, there must be a quorum of at least three members of the Supervisory Committee present or represented, including two members of the Supervisory Committee representing NewCo GB as the majority shareholder and one member of the Supervisory Committee representing BK (UK) Company Ltd. as the minority shareholder.

Certain important decisions must be approved by the Supervisory Committee before the President, Chief Executive Officer(s) or Deputy Executive Officer(s), if any, may adopt them. Ordinary resolutions are adopted by a simple majority of the members present or represented. Each member of the Supervisory Committee has one vote and may not represent more than one other member of the Supervisory Committee. In the event of a tie, the Chairman of the Supervisory Committee does not have the deciding vote.

For each meeting, an attendance record must be signed by the members of the Supervisory Committee who participate in the meeting. The deliberations of the Supervisory Committee are recorded in the SSN Issuer's minutes, which are prepared in accordance with applicable law and signed by the chairman of the meeting and at least two members of the Supervisory Committee. The minutes are maintained at the registered office of the SSN Issuer.

Executive Officers and Senior Management

The following table sets forth the names, ages and titles of the current executive officers and members of the senior management of the SSN Issuer:

Name	Age	Position
Topco, represented by Bertrand Corp., represented by BH, itself represented by Olivier Bertrand	N/A	President
Jérôme Tafani	63	Chief Executive Officer
Xavier Cottineau	49	Chief Financial Officer
Alexandre Simon	46	Chief Marketing Officer

President

The President (*Président*) of the SSN Issuer, who legally represents the SSN Issuer in its dealings with third parties, is appointed by the Supervisory Committee with or without a set term limit or and with no restriction on the number of renewals for the term. The current president, Topco GB, a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France (represented by its chairman (*president*), Bertrand Corp., itself represented by its chairman, BH, which in turn is represented by its chairman, Olivier Bertrand), was appointed on July 12, 2018.

The President is responsible for managing and carrying out the business of the SSN Issuer in accordance with applicable laws, its bylaws and the resolutions of the Supervisory Committee.

The President may be revoked *ad nutum* by the Supervisory Committee.

The following paragraph sets forth certain information regarding our CEO.

Topco GB, was appointed President of the SSN Issuer on July 12, 2018. Topco GB is a simplified stock company (*société par actions simplifiée*) organized under the laws of France. It is an affiliate of Groupe Bertrand, the SSN Issuer's principal shareholder.

Chief Executive Officer and/or Deputy Executive Officer

A Chief Executive Officer (*Directeur Général*) and/or Deputy Executive Officer (*Directeur Général Adjoint*) may be appointed by the Supervisory Committee, upon the President's proposal, to assist the President in carrying out some or all of his duties.

The Supervisory Committee supervises the Chief Executive Officer and/or Deputy Executive Officer, who have broad responsibility for the SSN Issuer's day-to-day management.

The Chief Executive Officer and/or Deputy Executive Officer may be revoked *ad nutum* by the Supervisory Committee.

The following paragraph sets forth biographical information regarding our Chief Executive Officer. The SSN Issuer does not currently have a Deputy Executive Officer.

Jérôme Tafani, **63**, is the Chief Executive Officer of the SSN Issuer, a role he has assumed since he joined the SSN Issuer on February 1, 2016. Prior to joining the SSN Issuer, Jérôme Tafani was the executive director for Europe of Chipotle Mexican Grill Inc. He has more than 25 years of experience in the fast food industry in France. He joined McDonald's France in 1996 as Chief Financial Officer and then served as Deputy Executive Officer of McDonald's France, before being appointed Chief Financial Officer, and Franchise and Development Officer of McDonald's Europe in 2009. In addition to his role with the SSN Issuer, Jérôme Tafani is Vice President of the board of the French QSR Association. He is a CPA and holds an MBA from the *École supérieure des sciences économiques et commerciales* (ESSEC Business School).

Senior management

The following paragraphs set forth biographical information regarding the other members of our senior management.

Xavier Cottineau, **49**, is the Chief Financial Officer of the SSN Issuer. Prior to joining the SSN Issuer in 2016, Xavier Cottineau served as Chief Financial Officer of Potel & Chabot from 2011 to 2016. He began his career as a financial auditor at PricewaterhouseCoopers in 1995, before joining Disneyland Resort Paris as financial controller where he remained from 1998 to 2001 and returning as Vice President of Finance from 2003 to 2011. Xavier. Cottineau also worked at Eutelsat as a financial analyst from 2011 to 2012. He holds a Master degree in Finance from IEP Paris. He also holds a position as General Secretary in Topco GB.

Alexandre Simon, 46, is the Chief Marketing Officer of the SSN Issuer. Prior to joining the SSN Issuer in 2018, Alexandre Simon developed experience as a marketing consultant at IRI, before joining McDonalds's in 2000, where he held several positions within the marketing team in France and then in Madrid beginning in 2006, when he was appointed Vice-President of Marketing, Digital and Purchasing. Alexandre Simon is graduated from ESLSCA Paris.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

As of the date of the Offering Memorandum, the SSN Issuer is directly owned by BK (UK) Company Ltd. (a subsidiary of Restaurant Brands International, Inc., the parent of BKC) (approximately 8.5%) and NewCo GB (approximately 91%), which is 100% held directly by Midco GB, which in turn is held indirectly by Olivier Bertrand as majority shareholder and by funds managed and advised by Bridgepoint as significant minority shareholder. The SSN Issuer is also directly held by certain members of the senior management of the SSN Issuer (approximately 0.5%) and the PIK Issuer (one share). In connection with the Post-Closing Merger, NewCo GB will merge into the SSN Issuer in order to simplify the overall corporate structure of the Group, pursuant to which the SSN Issuer will be the surviving company and will acquire all of the rights and assets of NewCo GB. As a result of the Post-Closing Merger, the SSN Issuer will become approximately 91% directly owned by the PIK Issuer.

As of the date of the Offering Memorandum, the PIK Issuer is directly owned by Topco GB (100%), which in turn is indirectly held by Olivier Bertrand as majority shareholder and funds managed and advised by Bridgepoint as significant minority shareholder.

Ordinary shares

New ordinary shares of NewCo GB

On the Issue Date, the PIK Issuer will use a portion of the proceeds of the PIK Notes to subscribe to new ordinary shares of NewCo GB for approximately €40.0 million pursuant to the Midco-NewCo Equity Injection.

New BKF Preferred Shares

In connection with the Post-Closing Merger, the SSN Issuer will issue new preferred shares to the PIK Issuer (the "**New BKF Preferred Shares**") in exchange for the new ordinary shares of NewCo GB received by the PIK Issuer pursuant to the Midco-NewCo Equity Injection .

Each New BKF Preferred Share will entitle the holder to one vote in matters submitted to the shareholders of the SSN Issuer. The New BKF Preferred Shares will give the PIK Issuer the right to receive, in priority to the other holders of capital stock of the SSN Issuer, any distribution (whether in the form of a dividend or any other distribution) made by the SSN Issuer up to an annual amount representing a percentage of the principal amount of the New BKF Preferred Shares equal to the cash interest of the PIK Notes (the "**Priority Distribution Amount**"). Any distribution made by the SSN Issuer in excess of such Priority Distribution Amount will benefit all the holders of ordinary shares of the SSN Issuer, including the PIK Issuer, pro rata for their respective ordinary share holdings.

Any unpaid Priority Distribution Amount for any financial year shall be carried forward to subsequent financial years. The portion of the unpaid Priority Distribution Amount will be added to the principal amount of the New BKF Preferred Shares and will be used as a basis for calculating the Priority Distribution Amount due to the relevant holders for the subsequent financial year.

Any dividend, distribution or other payment made pursuant to the terms of the New BKF Preferred Shares shall be subject to the terms of the SSN Indenture, in particular with respect to limitations on restricted payments.

Related Party Transactions

Cash management agreement

On June 21, 2016, a cash management agreement was entered into by and between the SSN Issuer and BH, a *société par actions simplifiée* organized under the laws of France and registered under the number 421 982 240 R.C.S. Paris ("**BH**"), the holding company of Olivier Bertrand, our majority shareholder (such agreement as amended, the "**BH Cash Management Agreement**").

Under the BH Cash Management Agreement, SSN Issuer advances to BH a portion of its cash on balance sheet to facilitate the deposit of such cash with certain financial institutions on behalf of the SSN Issuer and its subsidiaries in order to optimize cash management for the SSN Issuer, reduce the SSN Issuer's net financing costs and obtain improved remuneration for the SSN Issuer's cash investments. BH can only invest this cash in liquid and risk-free financial instruments. The SSN Issuer's consolidated free cash is subject to this arrangement.

All funds the SSN Issuer advances to BH, and all securities purchased with such funds, and proceeds of all of the foregoing, are deposited in segregated accounts in the name of BH, and these accounts were previously pledged to the SSN Issuer in connection with the issuance of the Existing SSNs to secure BH's obligations under the BH Cash Management Agreement. The SSN Issuer's rights under the BH Cash Management Agreement will be pledged to secure the SSN Issuer's obligations under the Senior Secured Notes offered hereby and the New Revolving Credit Facility.

Among other provisions, the BH Cash Management Agreement provides that:

- BH has an obligation to immediately return upon the SSN Issuer's request any cash amounts previously deposited in the dedicated pledged account;

- BH has an obligation to apply the cash solely on behalf of, and for the benefit of, the SSN Issuer;

- BH is prohibited from pledging the dedicated pledged account to any person other than the SSN Issuer, including on a subordinated or junior basis; and

- BH is prohibited from transferring any cash deposited in the dedicated pledged account to any person other than the SSN Issuer.

On April 21, 2017, the BH Cash Management Agreement was amended, such that the SSN Issuer and BH agreed to transfer all the funds owned by the SSN Issuer and managed by BH pursuant to the cash management agreement to a dedicated bank account (the "**Dedicated Bank Account**"). BH granted a first-ranking pledge on the Dedicated Bank Account to the SSN Issuer and agreed not to grant any other security on the Dedicated Bank Account. The net proceeds of the funds owned by the SSN Issuer and managed by BH pursuant to the BH Cash Management Agreement, less a management fee amounting to 25% of the net proceeds, shall be returned by BH to the SSN Issuer each year.

Real estate site selection and development services

BH provides real estate site selection and development services to assist the SSN Issuer in originating and securing new locations for restaurants pursuant to the terms and conditions set forth in a development agreement (*convention de développement*). See "*Business—Site Selection*".

Leases

Affiliates of Groupe Bertrand are the landlords under certain of the SSN Issuer's restaurant leases, pursuant to commercial leases negotiated on arm's-length terms.

Construction

BK Construction, an indirect subsidiary of the SSN Issuer, acts as real estate developer (*promoteur immoblier*) for affiliates of Groupe Bertrand for the construction of certain of the SSN Issuer's restaurants, pursuant to the terms and conditions of real estate promotion contracts (*contrats de promotion imobilière*) negotiated on arm's-length terms.

Services agreement

Topco provides services to assist the SSN Issuer in specific strategic matters, pursuant to a services agreement (*convention de prestations de services*) entered into on July 12, 2018.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of certain provisions of the documents listed below governing certain of the SSN Issuer's and the Group's financing arrangements does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

New Revolving Credit Facility

On or about the Issue Date, the SSN Issuer will enter into the New Revolving Credit Facility Agreement among certain lenders thereto, BNP Paribas as Agent and U.S. Bank Trustees Limited as Security Agent. Unless stated otherwise, capitalized terms set forth and used in the remainder of this section entitled "*New Revolving Credit Facility*" have the same meanings as set forth in the New Revolving Credit Facility Agreement, which may have different meanings from the meanings given to such terms used elsewhere in this Listing Prospectus.

The New Revolving Credit Facility Agreement provides for a Facility of up to €80.0 million, which may be used for Permitted Acquisitions and Permitted Joint Ventures and for the general corporate and working capital purposes of the Restricted Group, but may not be used for: (i) any Restricted Debt Purchase (as to which, see the section below entitled "*—Notes Purchase Condition*"); (ii) the payment of any dividend or any other distribution or amount in respect of the share capital of any member of the Restricted Group or any Investor Liabilities; (iii) any acquisition of a company, business or undertaking other than a Permitted Acquisition; or (iv) any investment in a joint venture other than a Permitted Joint Venture.

In addition, the New Revolving Credit Facility Agreement also permits the commitments to be increased up to an amount which does not result in the Total Commitments exceeding €105.0 million, provided that, among other things: (i) no event of default is continuing or would occur as a result of establishing the Permitted Additional Commitment; and (ii) subject to certain limited exceptions, each Permitted Additional Commitment is made available on the same terms as the Facility.

Under the New Revolving Credit Facility Agreement, the SSN Issuer is a Borrower and Guarantor and certain of its Subsidiaries are or may accede thereto as Borrowers and Guarantors (as applicable).

Repayments and Prepayments

The Facility will mature on the earliest of the date falling four years and six months after the Closing Date.

Subject to certain conditions, the SSN Issuer may voluntarily prepay our utilizations and/or permanently cancel all or part of the Available Commitments under the Facility by giving three business days' (or such shorter period as the Majority Lenders agree) prior notice to the Agent. The SSN Issuer may reborrow amounts repaid, subject to certain conditions, until one month prior to maturity.

In addition to voluntary prepayments, the New Revolving Credit Facility Agreement requires mandatory prepayment in full or in part in certain circumstances, including, subject to certain conditions:

(a) upon a sale of all or substantially all of the assets of the Restricted Group;

(b) upon a Listing of a subsidiary of the SSN Issuer; or

(c) upon, in certain circumstances, a Restricted Debt Purchase by a member of the Group (as to which, see the section below entitled "*—Notes Purchase Condition*").

In addition, upon a Change of Control (which shall include, in addition to a "Change of Control" under and as defined in the section entitled "*Description of the Senior Secured Notes—Purchase of Notes upon a Change of Control*" and among other things (i) at any time prior to a Qualifying IPO, Olivier Bertrand and his Related Parties collectively cease to own directly or indirectly more than 50% of the share capital and voting rights in the SSN Issuer or cease to own and control the right to appoint (x) at least a majority of the directors of the board or equivalent officers of the SSN Issuer or (y) the legal representatives of the SSN Issuer, and (ii) at any time following a Qualifying IPO (x) Olivier Bertrand and his Related Parties collectively cease to own directly or indirectly more than 35% of the share capital and voting rights of the SSN Issuer or (y) any person or group of persons acting in concert acquires (directly or indirectly) more of the voting share capital of the SSN Issuer than is held by Olivier Bertrand and his Related Parties collectively), the SSN Issuer shall promptly notify the Agent of that event (and, in any event, within five days of such event having occurred), a Lender will not be obliged to fund a Utilization (unless that Lender consents so to fund) and if a Lender so requires and informs the Agent within 60 days of that Lender having been notified of the occurrence of the Change of Control, the Agent will promptly notify the SSN Issuer and at the end of such 60 day period, the New Revolving Credit Facility will be immediately cancelled insofar as it is made available by that Lender and that Lender's participation in all outstanding Utilizations will, together with accrued interest and all other amounts accrued to that Lender under the Finance Documents shall become immediately due and payable.

Interest and Fees

The Facility bears interest at a rate per annum equal to EURIBOR plus a margin that may range from 2.75% per annum to 2.25% per annum. The margin is adjusted by reference to a Consolidated Net Leverage Ratio save that, for purposes of determining the margin, no account will be taken of any *pro forma* adjustments in respect of cost savings and/or revenue synergies with respect to asset sales, investments or acquisitions. Furthermore, the applicable margin shall be subject to further adjustment upwards or downwards depending on the Group's satisfaction of certain sustainability KPIs.

The SSN Issuer is also required to pay a commitment fee, quarterly in arrears, on available but unused commitments under the New Revolving Credit Facility Agreement at a rate of 30% of the applicable margin. The SSN Issuer is also required to pay an arrangement fee and certain fees to the Arrangers, the Agent and the Security Agent in connection with the Facility.

Security and Guarantees

The Facility will be guaranteed by the Guarantors and (subject to certain agreed security principles set out in the New Revolving Credit Facility Agreement) will be secured by security over the shares in the Guarantors held by members of the Restricted Group and over certain assets of the Guarantors as further described in the section entitled "*Description of the Senior Secured Notes—Security*".

Covenants

The New Revolving Credit Facility Agreement contains customary positive and negative covenants (including restrictive covenants that will largely replicate those which apply to the Senior Secured Notes), subject to certain agreed exceptions. Certain of these covenants are summarized below.

Affirmative Covenants

The affirmative covenants include obligations with respect to, among other things: (i) providing certain financial information, including annual, quarterly and monthly financial statements and an annual budget; (ii) compliance with laws and regulations; (iii) maintaining in full force and effect certain authorizations and consents; (iv) safeguarding intellectual property; (v) maintaining certain insurances; (vi) the payment of taxes; (vii) the maintenance of *pari passu* ranking; (viii) further assurance provisions; (ix) Guarantor coverage (as to which see the section below entitled "*—Guarantor Coverage*").

Negative Covenants

The negative covenants include restrictions with respect to, among other things: (i) the activities of the SSN Issuer; (iii) changing the center of main interests of Obligors; (iv) entering into mergers, acquisitions and joint ventures; (v) the incurrence of certain indebtedness; (vi) the issuance, repayment and purchase of certain notes and other indebtedness (as to which see the sections below entitled

"—*Notes Purchase Condition*" and"—*Notes and Pari Passu Debt*"); (vii) modifying the Franchise Agreements and (viii) compliance with certain anti-corruption and sanction laws.

Guarantor Coverage

The SSN Issuer must ensure that the aggregate (without double counting) earnings before interest, tax, depreciation (calculated on a LTM basis on the same basis as Consolidated EBITDA, taking each entity on an unconsolidated basis and excluding all intra-group items) of the Guarantors exceeds 75% of the Consolidated EBITDA of the Restricted Group (i) within 120 days of the Closing Date and (ii) thereafter, within 120 days of the date on which the Annual Financial Statements are required to be delivered to the Agent, in each case by reference to most recent Annual Financial Statements delivered to the Agent.

For the purpose of calculating the Guarantors' contribution to the Guarantor coverage test: (i) any entity having negative EBITDA shall be deemed to have zero EBITDA in the numerator for the purposes of determining its contribution to the Consolidated EBITDA of the Group; (ii) any member of the Group that is not required to become a Guarantor as a result of the application of the Agreed Security Principles will not be required to become a Guarantor and shall not be taken into account in the denominator for the purposes of determining the Consolidated EBITDA of the Group; (iii) the EBITDA of any joint venture shall not be taken into account in the denominator for the purposes of determining the Consolidated EBITDA of the Group; and (iv) a member of the Group shall be deemed to be a Guarantor provided that it has acceded to the New Revolving Credit Facility Agreement in such capacity, notwithstanding the fact that it may only guarantee part of the facility and that, due to the guarantee limitations, the amount so guaranteed is equal to zero

Notes Purchase Condition

The Restricted Group is prohibited from prepaying, purchasing, defeasing, redeeming, retiring or acquiring (for the purpose of this paragraph only, collectively "purchasing") any Relevant Debt (being any Pari Passu Notes or Debt with a scheduled maturity date 12 months or more from the date on which it was incurred (but excluding the facility) (or any Permitted Refinancing Debt in relation thereto)) if: (i) an Event of Default is continuing or would result from such purchase; or (ii) the aggregate principal face amount of all Relevant Debt that is, or has been, purchased exceeds the Restricted Debt Purchase Basket (being 50 per cent. of the original aggregate principal face amount of the Senior Secured Notes as at the Closing Date), unless commitments and/or utilizations under the New Revolving Credit Facility Agreement are cancelled and/or prepaid (as applicable) in the same proportion by which the Relevant Debt that is purchased exceeds the Restricted Debt Purchase Basket until the Total Commitments (as so reduced) are equal to €25 million, provided that the notes purchase condition shall be deactivated for so long as the Restricted Group's Consolidated Net Leverage Ratio is equal to or below 2.50:1.0 (*pro forma* any such payment or cancellation).

These restrictions do not apply where the Relevant Debt purchase is funded with the proceeds of New Shareholder Injections or is undertaken following a Change of Control (provided the SSN Issuer has complied with its notification and mandatory prepayment obligations).

Notes and Pari Passu Debt

The SSN Issuer must ensure that, among other things:

(a) the only issuer of the Subordinated Notes is the SSN Issuer (or a Holding Company of the SSN Issuer) and that no other member of the Group may be a co-issuer of the Subordinated Notes; and

(b) the Subordinated Note Liabilities do not benefit from any Security, save for Security which ranks junior to the Security granted in respect of the Finance Documents and Pari Passu Debt Documents).

Financial Covenant

The New Revolving Credit Facility Agreement also requires the Group to observe a financial covenant which requires us to ensure that the Restricted Group's Consolidated Net Leverage Ratio does not exceed the level set forth under the "Covenant" column of the table below opposite the period during which such Testing Date occurs. At any time that there are total cash advances under all outstanding Loans (excluding any Utilizations of the Facility by way of Letters of Credit (or bank guarantees) and any Utilization of an Ancillary Facility other than, in each case, by way of cash drawing) in an aggregate amount equal to or greater than 40% of the Total Commitments on the last day of the Relevant Period ending on a Quarter Date on or after December 31, 2021.

Testing Date	Covenant
From December 31, 2021 to September 30, 2022	10.0:1.0
From December 31, 2022 to September 30, 2023	9.5:1.0
From December 31, 2023 to September 30, 2024	8.5:1.0
From December 31, 2024 and thereafter	8.0:1.0

The definition of Consolidated Net Leverage Ratio follows the definition of "Consolidated Net Leverage Ratio" in the section entitled "*Description of the Senior Secured Notes—Certain Definitions*," save that, for the purpose of determining compliance with the financial covenant, only certain specified cost saving and/or revenue synergies in respect of permitted acquisitions may be taken into account.

Events of Default

The New Revolving Credit Facility Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), the occurrence of which would allow the Majority Lenders to accelerate all or part of the outstanding utilizations and/or terminate their commitments and/or declare all or part of their utilizations payable on demand and/or declare that cash cover in respect of ancillary facilities and outstanding letters of credit is immediately due and payable or is payable on demand and/or instruct the Security Agent to exercise its rights and powers under the Finance Documents.

Governing Law

The New Revolving Credit Facility Agreement is governed by English law although certain of the restrictive covenants and certain events of default, which are included in the New Revolving Credit Facility Agreement and largely replicate those which apply to the Senior Secured Notes, are construed in accordance with New York law (without prejudice to the fact that the New Revolving Credit Facility Agreement is governed by English law).

Intercreditor Agreement

To establish the relative rights of certain creditors under the financing arrangements, the Issuer (together, along with any other members of the Group (including the SSN guarantors within 120 days from the Issue Date) that accede to the Intercreditor Agreement from time to time, the "**Debtors**"), on or about the Issue Date will enter into an intercreditor agreement with, among others, BNP Paribas as Revolving Agent, BNP Paribas as Security Agent, the lenders under the New Revolving Credit Facility and U.S. Bank Trustees Limited as trustee for the Senior Secured Notes. Unless stated otherwise, capitalized terms set forth and used in the remainder of this section entitled "*Intercreditor Agreement*" have the same meaning as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms used elsewhere in this Listing Prospectus.

The Intercreditor Agreement sets forth, among other things:

- the relative ranking of certain indebtedness of, and security interests over certain assets and property granted by, the Debtors (such security, the "**Transaction Security**");
- when payments can be made in respect of certain indebtedness of the Debtors;
- the terms pursuant to which certain indebtedness will be subordinated;
- when enforcement action can be taken in respect of that indebtedness;
- when Transaction Security and guarantees may be released to permit a sale or disposal of any assets subject to Transaction Security;
- turnover provisions; and
- the order for applying proceeds from enforcement action and other amounts received by the Security Agent.

The Intercreditor Agreement contains provisions relating to certain other and future permitted indebtedness, including:

- obligations to counterparties to certain hedging agreements permitted under the terms of the Credit Facility Documents, Pari Passu Debt Documents and Subordinated Note Documents (each as defined below) and entered into by the Issuer for the purpose of hedging interest rate risk ("**Hedge Counterparties**," and such obligations, the "**Hedging Liabilities**" and each finance document relating thereto, a "**Hedging Agreement**");
- indebtedness entitled to be treated *pari passu* with the New Revolving Credit Facility (excluding Hedging Liabilities) in respect of the Transaction Security and under the terms of the Intercreditor Agreement (such indebtedness, together with the New Revolving Credit Facility, the "**Credit Facility Liabilities**," and the holders of such indebtedness, the "**Credit Facility Lenders**," and each finance document relating thereto, a "**Credit Facility Document**" and each such financing a "**Credit Facility**");
- indebtedness entitled to be treated pari passu with the Notes (excluding Hedging Liabilities) in respect of the Transaction Security and under the terms of the Intercreditor Agreement (such indebtedness, together with the Notes, the "**Pari Passu Debt Liabilities**," and the holders of such indebtedness, the "**Pari Passu Debt Creditors**" and each finance document relating thereto, a "**Pari Passu Debt Document**"); and
- indebtedness arising from the issuance of subordinated notes by the Issuer or any holding company of the Issuer and subordinated to the *Pari Passu* Liabilities (as defined below), the Credit Facility Liabilities and the Hedging Liabilities in respect of the Transaction Security under the terms of the Intercreditor Agreement (such indebtedness, the "**Subordinated Notes**").

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines your rights as holders of the Notes. For the avoidance of doubt, 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.

Ranking and Priority

Ranking and Priority of Liabilities

The Intercreditor Agreement provides that the liabilities shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior-ranking liabilities as follows:

- *first*, the "Super Senior Liabilities," consisting of the Credit Facility Liabilities and any Hedging Liabilities solely in respect of the Credit Facility Liabilities and Pari Passu Debt Liabilities (the "Super Senior Hedging Liabilities," and the holders of such Super Senior Liabilities, the "Super Senior Creditors"), the "Pari Passu Liabilities," consisting of the Pari Passu Debt Liabilities and the Hedging Liabilities to the extent they are not Super Senior Hedging Liabilities (the "Pari Passu Hedging Liabilities," and the holders of such Pari Passu Liabilities, the "Pari Passu Creditors") and the "Subordinated Note Trustee Amounts," consisting of certain fees, costs and expenses payable to the trustee for the any Subordinated Notes (the "Subordinated Note Trustee") for its own account and certain Liabilities payable to the Security Agent *pari passu* and without any preference between them; and

- *second*, the liabilities in respect of the Subordinated Notes (the "Subordinated Note Liabilities," and the holders of such Subordinated Note Liabilities, the "Subordinated Note Creditors" and each finance document relating thereto, a "Subordinated Note Document") (excluding any Subordinated Note Trustee Amounts).

The Intercreditor Agreement provides that certain intercompany obligations of the Issuer and certain of its subsidiaries to other members of the Group (the "**Intra-Group Liabilities**") and investor debt consisting of liabilities owed by the Issuer to certain shareholders of the Issuer ("Investor Liabilities") are postponed and subordinated to the liabilities owed by the Debtors to the Super Senior Creditors, the Pari Passu Creditors and the Subordinated Note Creditors (such creditors together, the "**Primary Creditors**"). The Intercreditor Agreement does not purport to rank any of the Investor Liabilities or the Intra-Group Liabilities as between themselves.

Subject to the section below entitled "*—Application of Proceeds*," the Intercreditor Agreement will not prevent payment by the Debtors of certain fees, costs and expenses (as set out in further detail in the Intercreditor Agreement) owing to the representatives of the creditors in relation to the Credit Facility Liabilities, the Pari Passu Debt Liabilities and the Subordinated Note Liabilities (each such representative, a "**Creditor Representative**").

Ranking and Priority of Security

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the following liabilities (but only to the extent such Transaction Security is expressed to secure those liabilities) as follows:

- first, the Super Senior Liabilities, the Pari Passu Liabilities and the Subordinated Note Trustee Amounts and certain liabilities of the Security Agent pari passu and without any preference between them; and

- second, the Subordinated Note Liabilities (excluding any Subordinated Note Trustee Amounts).

Under the Intercreditor Agreement, the proceeds from an enforcement of Transaction Security are required to be applied as provided under the section below entitled "*—Application of Proceeds*").

Restrictions on Credit Facility Liabilities, Pari Passu Debt Liabilities and Subordinated Note Liabilities

Permitted Payments: Credit Facility Liabilities and Pari Passu Debt Liabilities

Prior to the occurrence of an Acceleration Event in respect of the Credit Facility Liabilities or the Pari Passu Debt Liabilities (a "**Senior Secured Acceleration Event**"), the Intercreditor Agreement imposes no restrictions on payments to be made in respect of the Credit Facility Liabilities pursuant to the Credit Facility Documents or the Pari Passu Debt Liabilities pursuant to the Pari Passu Debt Documents. Following a Senior Secured Acceleration Event, no member of the Group may make (and no Super Senior Creditor or Pari Passu Creditor (such creditors together, the "**Senior Secured Creditors**") may receive) payments of the Super Senior Liabilities or Pari Passu Liabilities (as applicable) except from, subject to certain exceptions, enforcement proceeds distributed in accordance with the section below entitled "*—Application of Proceeds*".

Permitted Payments: Subordinated Note Liabilities

The Intercreditor Agreement restricts any member of the Group from making payments in respect of the Subordinated Note Liabilities, except in certain circumstances as summarized below.

Prior to the later of the date on which all the Super Senior Liabilities are discharged in full (the "**Super Senior Discharge Date**") and the date on which all the Pari Passu Liabilities are discharged in full (the "**Pari Passu Discharge Date**") (the latter to occur of the Super Senior Discharge Date and the Pari Passu Discharge Date, the "**Senior Secured Discharge Date**"), certain payments may be made in respect of the Subordinated Note Liabilities in accordance with the Subordinated Note Documents if:

(a) (i) the payment is of any of the principal amount (including capitalized interest) of the Subordinated Note Liabilities or any other amount which is not an amount of principal or capitalized interest, in each case, which is not prohibited from being made by any Credit Facility Document, Pari Passu Debt Document or Hedging Agreement (together, the "**Senior Secured Finance Documents**"); (ii) no Subordinated Note Payment Stop Notice (as defined below) is outstanding; and (iii) no default arising by reason of non-payment under any Senior Secured Finance Document has occurred and is continuing (a "**Senior Secured Payment Default**"); or

(b) the requisite majority of Credit Facility Lenders (the "**Majority Credit Facility Lenders**") and each Creditor Representative acting on behalf of any Pari Passu Lenders or Pari Passu Noteholders (as each term is defined in the Intercreditor Agreement) (the "**Required Pari Passu Creditors**") give prior consent to that payment being made; or

(c) the payment is of any Subordinated Note Trustee Amount; or

(d) the payment is of costs, commissions, taxes and expenses reasonably incurred (with documented evidence thereof) in respect of the Subordinated Note Documents up to an aggregate amount not exceeding €2,000,000.

The Intercreditor Agreement provides that, on or after the Senior Secured Discharge Date, payments may be made to the Subordinated Note Creditors in respect of the Subordinated Note Liabilities in accordance with the Subordinated Note Documents.

Permitted Payments: Subordinated Note Liabilities—Issue of Subordinated Note Payment Stop Notice

The Intercreditor Agreement provides that until the Senior Secured Discharge Date, except with the prior consent of the Instructing Group (as defined below), the Debtors will not be entitled to make, and no Subordinated Note Creditor will be entitled to receive from the Debtors or any of their subsidiaries, any payment in respect of the Subordinated Note Liabilities (other than such payments permitted under the Intercreditor Agreement) if a Subordinated Note Payment Stop Notice is outstanding.

The Intercreditor Agreement provides that a Subordinated Note Payment Stop Notice is "outstanding" during the period from the date on which, following the occurrence of an event of default arising under any Senior Secured Finance Document (other than a Senior Secured Payment Default) (a "**Subordinated Note Payment Stop Event**"), any Creditor Representative (other than the Subordinated Note Trustee) (acting on the instructions of the Majority Credit Facility Lenders or the Required Pari Passu Creditors) (a "**Relevant Representative**") issues a notice (a "**Subordinated Note Payment Stop Notice**") to the Subordinated Note Trustee and the Security Agent (with a copy to the Issuer) advising that that Subordinated Note Payment Stop Event has occurred and is continuing until the first to occur of: (i) the date which is 179 days after the date of issue of the Subordinated Note Payment Stop Notice; (ii) if a Subordinated Note Standstill Period (as defined below) commences after the issue of a Subordinated Note Payment Stop Notice, the date on which that Subordinated Note Standstill Period expires; (iii) the date on which the Subordinated Note Payment Stop Event in respect of which that Subordinated Note Payment Stop Notice was issued is no longer continuing provided that, at such time no other event of default is continuing under any Senior Secured Finance Document; (iv) the date on which the Relevant Representative cancels that Subordinated Note Payment Stop Notice by notice to the Subordinated Note Trustee and the Security Agent (with a copy to the Issuer); (v) the Senior Secured Discharge Date; and (vi) the date on which any Subordinated Note Creditor takes any enforcement action that it is permitted to take under the Intercreditor Agreement.

The Intercreditor Agreement provides that the ability of a Relevant Representative to deliver a Subordinated Note Payment Stop Notice is subject to certain conditions, including that: (i) a new Subordinated Note Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Subordinated Note Payment Stop Notice; and (ii) no Subordinated Note Payment Stop Notice may be delivered in reliance on a Subordinated Note Payment Stop Event more than 60 days after the date each Relevant Representative received notice of that Subordinated Note Payment Stop Event.

Permitted Enforcement: Subordinated Note Creditors

The Intercreditor Agreement restricts the Subordinated Note Creditors from taking any enforcement action in respect of the Subordinated Note Liabilities prior to the Senior Secured Discharge Date, except in certain circumstances as summarized below.

The Intercreditor Agreement provides that the Subordinated Note Creditors may take enforcement action in respect of the Subordinated Note Liabilities if, at the same time as, or prior to, that action (and subject to certain other conditions): (i) the Subordinated Note Trustee has given notice (a "**Subordinated Note Enforcement Notice**") to each Relevant Representative and the Security Agent specifying that an event of default under the Subordinated Note Documents has occurred and is continuing; (ii) a period (a "**Subordinated Note Standstill Peri**od") of not less than 179 days has elapsed from the date on which that Subordinated Note Enforcement Notice becomes effective; and (iii) the relevant event of default is continuing at the end of the Subordinated Note Standstill Period.

The Intercreditor Agreement provides that the Subordinated Note Creditors may also take certain limited enforcement action: (i) in circumstances where the Senior Secured Creditors taken enforcement action in relation to the Issuer (provided that the Subordinated Note Creditors may only take the same enforcement action in relation to the Issuer as the enforcement action taken by the Senior Secured Creditors against the Issuer (but not against any other Debtor or any other member of the Group)); and (ii) in certain circumstances, following the occurrence of an insolvency event in relation to the Issuer (but only to the extent that such insolvency event did not arise as a result of any action taken by, or at the request of, a Subordinated Note Creditor).

Restrictions on Investor Liabilities and Intra-Group Liabilities

Restriction on Payment: Investor Liabilities

The Intercreditor Agreement provides that, prior to the Final Discharge Date, neither the Issuer nor any other Debtors shall, and the SSN Issuer shall procure that no other member of the Group will, make any payment of the Investor Liabilities at any time unless such payment is a permitted payment or the taking or receipt of such payment is a permitted enforcement under the Intercreditor Agreement.

Permitted Payments: Investor Liabilities

The Intercreditor Agreement provides that the Issuer may make payments in respect of the Investor Liabilities then due if:

(a) the payment is not prohibited by the Credit Facility Agreement(s), the Pari Passu Facility Agreement(s), the Pari Passu Note Indenture(s) and the Subordinated Note Indenture(s); or

(b) the Majority Credit Facility Lenders and the Required Pari Passu Creditors or, after the Senior Discharge Date, the Majority Subordinated Note Creditors, each consent to such payment being made.

Restriction on Payment: Intra-Group Liabilities

The Intercreditor Agreement provides that, prior to the Final Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will, make any payments of the Intra-Group Liabilities at any time unless such payment is a permitted payment or the taking or receipt of such payment is a permitted enforcement under the Intercreditor Agreement.

Permitted Payments: Intra-Group Liabilities

The Intercreditor Agreement provides that the Debtors and other members of the Group may make payment in respect of Intra-Group Liabilities when due, subject to the circumstances as summarized below.

The Intercreditor Agreement provides that payments in respect of Intra-Group Liabilities may not be made if, at the time of payment, an Acceleration Event has occurred unless:

(a) the Majority Credit Facility Lenders and the Required Pari Passu Creditors, or (after the Senior Secured Discharged Date) the Majority Subordinated Note Creditors, consent to such payment being made; or

(b) the payment is made to facilitate the making of a Permitted Credit Facility Payment, Permitted hedge payment, a Permitted Pari Passu Debt Payment or a Permitted Subordinated Payment.

Enforcement of Transaction Security

The Intercreditor Agreement provides that Security Agent may refrain from enforcing the Transaction Security unless otherwise instructed by the relevant Instructing Group (as defined below).

Enforcement of Transaction Security: Majority Pari Passu Creditors

The Intercreditor Agreement provides that, subject to the certain exceptions including those summarized in the sections below entitled "*Enforcement of Transaction Security: Majority Super Senior Creditors*" and "*Enforcement of Transaction Security: Majority Subordinated Note Creditors*," the Security Agent will act in accordance with the enforcement instructions provided by the requisite majority of Pari Passu Creditors (the "**Majority Pari Passu Creditors**").

Enforcement of Transaction Security: Majority Super Senior Creditors

The Intercreditor Agreement provides that the Security Agent will act in accordance with the enforcement instructions received from the requisite majority of Super Senior Creditors (the "**Majority Super Senior Creditors**") until the Super Senior Discharge Date has occurred if:

(a) the Majority Pari Passu Creditors have neither made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) nor appointed a financial adviser to assist them in making such a determination, in each case, within three months of the date of delivery of the initial enforcement notice;

(b) the Super Senior Discharge Date has not occurred within six months of the date of the initial enforcement notice; or

(c) an Insolvency Event is continuing with respect to a member of the Group (to the extent the Majority Super Senior Creditors elect to provide enforcement instructions); or

(d) the Majority Pari Passu Creditors have neither made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) nor appointed a financial adviser to assist them in making such a determination and the Majority Super Senior Creditors: (i) determine in good faith (and notify the other Creditor Representatives, the Hedge Counterparties and the Security Agent) that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the ability to effect a Distressed Disposal (as defined below) or on the expected realization proceeds of any enforcement; and (ii) deliver enforcement instructions which they reasonably believe to be consistent with the enforcement principles (as to which, see the section below entitled "*—Enforcement Principles*") before the Security Agent has received any enforcement instructions from the Majority Pari Passu Creditors.

Enforcement of Transaction Security: Majority Subordinated Note Creditors

The Intercreditor Agreement provides that, prior to the Senior Secured Discharge Date, the Security Agent shall give effect to any instructions to enforce the Transaction Security (but only to the extent such security is expressed to secure the Subordinated Note Liabilities) which the requisite majority of Subordinated Note Creditors (the "**Majority Subordinated Note Creditors**") are then entitled to give in accordance with the section above entitled "*—Permitted Enforcement: Subordinated Note Creditors*" if:

(a) (i) the Majority Super Senior Creditors or the Majority Pari Passu Creditors (as the case may be) have instructed the Security Agent to cease or not to proceed with enforcement; or (ii) in the absence of such instructions; and

(b) in each case, the Majority Super Senior Creditors and the Majority Pari Passu Creditors have not required any Debtor to make a Distressed Disposal (as defined below).

The Intercreditor Agreement also provides that, notwithstanding the above paragraph, if at any time the Majority Subordinated Note Creditors are entitled to give the Security Agent instructions as to enforcement of the Transaction Security pursuant to the above paragraph and give such instructions, the Majority Super Senior Creditors or the Majority Pari Passu Creditors (as the case may be) shall remain entitled to give instructions to the Security Agent as to enforcement in lieu of any instructions given by the Majority Subordinated Note Creditors and the Security Agent shall act on the first instructions received from the Majority Super Senior Creditors or the Majority Pari Passu Creditors (as the case may be).

Exercise of Voting Rights and Power of Attorney

Each creditor in respect of the Intra-Group Liabilities and the Investor Liabilities and each Subordinated Note Creditor is required to cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency, rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent (acting in accordance with the terms of the Intercreditor Agreement), and each such creditor, together with the Debtors, irrevocably appoints the Security Agent to be its attorney to (with respect to any Investor, following the occurrence of any Event of Default) do anything which that creditor, or Debtor (as the case may be), has authorized the Security Agent to do under the Intercreditor Agreement or is itself required to do under the Intercreditor Agreement but has failed to do (including casting any vote as described above) (but not to waive or amend Debt Documents in relation to the Investor Liabilities to reduce the amount of or discharge or extend the date for payment of, or reschedule Investor Liabilities).

Payment of the "soulte"

(a) If, following an Appropriation (as defined below), a "*soulte*" is owed by the Secured Parties to any Debtor or Investor, as the case may be, such "*soulte*" shall not be immediately payable but shall be payable only on the earlier of (i) the date following 12 months after the date of the enforcement of the Transaction Security pursuant to which such obligation arose and (ii) the Final Discharge Date.

(b) The payment of any "*soulte*" payable by the Secured Parties to any Debtor or Investor, as the case may be, is a several obligation (*conjointe et non solidaire*) of each Secured Party. The amount payable in this respect by each Secured Party shall be equal to a percentage of the appropriate amount of "*soulte*" to be paid equal to the percentage reported by (i) the amount of Secured Obligations owed to that Secured Party extinguished through the enforcement of the Transaction Security pursuant to which such "*soulte*" obligation arose to (ii) the total amount of Secured Obligations extinguished through such enforcement.

(c) Each Secured Party shall pay to the Security Agent the amount it owes pursuant to the previous paragraphs promptly upon first demand of the Security Agent.

(d) Any payment of the "*soulte*" to any Debtor or Investor, as the case may be, which shall occur prior to the Final Discharge Date shall be made by the Security Agent to a bank account of such Debtor or Investor, as the case may be, held with the Security Agent and pledged pursuant to a pledge agreement (a "**Pledge Agreement**") in a manner satisfactory to the Security Agent (acting reasonably) acting on behalf of the Secured Parties, in favor of the Secured Parties, as security for any obligation of the Debtors or Investors under any of the Debt Documents to which they are party including any obligation under this Agreement to pay back any Recoveries by each Debtor or Investor prior to the Final Discharge Date. The Pledge Agreement shall include an irrevocable instruction from each of the relevant Debtors and Investors to make from such pledged bank accounts any payment required to be fulfilled under this Agreement or any other Debt Document.

Enforcement Principles

The Intercreditor Agreement provides that the Security Agent shall enforce the Transaction Security or take other action as to enforcement in such manner as the relevant group of Primary Creditors entitled to give instructions as summarized in the section above entitled "*Enforcement of Transaction Security*" (the "**Instructing Group**") shall instruct (provided that such instructions are consistent with the enforcement principles) or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate and consistent with the enforcement principles.

The enforcement principles are set out in a schedule to the Intercreditor Agreement and provide, among other things, that:

(a) it shall be the primary and over-riding aim of any enforcement to maximize, to the extent consistent with a prompt and expeditious realization of value, the value realized from enforcement, provided that the Security Agent shall have no obligation to postpone (or request the postponement of) any Distressed Disposal (as defined below) or liabilities sale in order to achieve a higher price;

(b) to the extent the Instructing Group is the Majority Super Senior Creditors, all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the section below entitled "*—Application of Proceeds*";

(c) to the extent the Instructing Group is the Majority Pari Passu Creditors: (i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the section below entitled "*—Application of Proceeds*"; or (ii) sufficient proceeds from enforcement will be received by the Security Agent to ensure that, when the proceeds are applied in accordance with the section below entitled "*—Application of Proceeds*," the Super Senior Discharge Date would occur; and

(d) on: (i) a proposed enforcement in relation to assets other than shares in a member of the Group over which Transaction Security exists, where the book value of the assets exceeds €5,000,000.00; or (ii) a proposed enforcement in relation to the shares in a member of the Group over which Transaction Security exists, which, in each case, is not being effected through a public auction, the Security Agent shall, if requested by the Majority Super Senior Creditors or the Majority Pari Passu Creditors (and subject to certain exceptions), appoint a financial adviser to provide a fairness opinion in relation that enforcement.

Release of the Guarantees and Transaction Security

Non-distressed Disposal

The Intercreditor Agreement provides that, in circumstances in which a disposal to a person outside the Group is permitted under the relevant financing documents and is not being effected: (i) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable; (ii) by enforcement of the Transaction Security; or (iii) after a Senior Secured Acceleration Event or an Acceleration Event in respect of the Subordinated Note Liabilities has occurred ((ii) and (iii), a "**Distress Event**" and a disposal in the circumstances of (i), (ii) or (iii), a "Distressed Disposal"), the Intercreditor Agreement will provide that the Security Agent is irrevocably authorized to, among other things, release the Transaction Security or any other claim (relating to a Debt Document (as defined in the Intercreditor Agreement)) over that asset and, where the relevant asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document (as defined in the Intercreditor Agreement)) over that member of the Group's property, provided that, in each case, the release of Transaction Security or such claims will only be effective upon the making of the disposal.

The Intercreditor Agreement provides that the Security Agent is also authorized to release Transaction Security or any other claim (relating to a Debt Document) where such release is necessary to implement a merger or a reorganization permitted under the Credit Facility Documents, the Pari Passu Documents, the Subordinated Note Documents and the Hedging Agreements or where a member of the Group is designated as Unrestricted Subsidiary in accordance with the terms of each of the Credit Facility Documents, the Pari Passu Debt Documents and the Subordinated Note Documents, in each case, subject to the conditions mentioned therein.

Distressed Disposal

The Intercreditor Agreement provides that where a Distressed Disposal is being effected, the Intercreditor Agreement will provide that the Security Agent is irrevocably authorized, among other things: (i) to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal; (ii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, to release that Debtor or holding company and any subsidiary of that Debtor or holding company from all or any part of its liabilities under the Debt Documents (as defined in the Intercreditor Agreement) and Transaction Security granted by that Debtor or holding company or any subsidiary of that Debtor or holding company or any claims in respect of Intra-Group Liabilities or Investor Liabilities; (iii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, the disposal of all, or any part, of certain liabilities under the Debt Documents (as defined in the Intercreditor Agreement) and certain other liabilities, provided that, if it is intended that the transferee will not be treated as a Primary Creditor or secured party, the transferee will not be treated as a Primary Creditor or secured party, and, if it is intended that the transferee should be a Primary Creditor or secured party, then all, and not party only, of the liabilities owed to the Primary Creditors (other than to any Creditor Representative or arranger) and certain other liabilities shall be disposed of; and (iv) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or holding company of a Debtor, the transfer to another Debtor of all or any part of the disposed entity's obligations under Intra-Group Liabilities or other liabilities owed to a Debtor.

The Intercreditor Agreement provides that the net proceeds from each Distressed Disposal and each debt disposal shall be paid to the Security Agent for application in accordance with the section below entitled "—*Application of Proceeds*" below.

Certain Limitations

The Intercreditor Agreement will also include limitations on the ability to release the Subordinated Note Liabilities and Transaction Security pledged in favor of the Subordinated Note Creditors as part of a Distressed Disposal, including: (i) that the proceeds of such sale or disposal must be in cash (or substantially in cash) and applied in accordance with the section below entitled "—*Application of Proceeds*"; and (ii) the sale or disposal must be made pursuant to a competitive sales process or where a financial adviser has delivered an independent opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and the circumstances giving rise to such sale.

The Intercreditor Agreement provides that, if a Distressed Disposal is being effected at a time when the Majority Subordinated Note Creditors are entitled to give, and have given, enforcement instructions in accordance with the section above entitled "*Enforcement of Transaction Security: Majority Subordinated Note Creditors*," the Security Agent is not authorized to release any Debtor or any subsidiary or holding company of a Debtor from certain liabilities under the Debt Documents (as defined in the Intercreditor Agreement) owed to any Senior Secured Creditor unless those liabilities (together with any other amounts owing to the Senior Secured Creditors) will be paid (or repaid) in full in cash, upon that release.

Effect of Insolvency Event

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event in relation to any member of the Group, any party entitled to receive a payment or distribution out of the assets of that member of the Group (in the case of the Senior Secured Creditors, only to the extent that such amount constitutes enforcement proceeds) in respect of liabilities owed to that party 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 make that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full and the Security Agent shall apply such distributions in accordance with the section below entitled "—*Application of Proceeds*".

Turnover

Turnover by the Senior Secured Creditors

The Intercreditor Agreement provides that if any of the Senior Secured Creditors receives or recovers any enforcement proceeds except in accordance with the section below entitled "—*Application of Proceeds*" that Senior Secured Creditor shall, subject to certain exceptions:

(a) in relation to receipts or recoveries not received or recovered by way of set-off: (i) hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities 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 an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Turnover by creditors (other than the Senior Secured Creditors)

The Intercreditor Agreement provides that if any of the creditors (other than a Senior Secured Creditor) receives or recovers:

(a) any payment or distribution in relation to any liability which is neither a permitted payment under the Intercreditor Agreement nor made in accordance with the order of application summarized under the section below entitled "—*Application of Proceeds*;"

(b) except with respect to certain set-off rights, any amount by way of set-off in respect of any liability owed to it which does not give effect to a permitted payment under the Intercreditor Agreement;

(c) except with respect to certain set-off rights, (i) any amount in relation to any liabilities after the occurrence of a Distress Event or as a result of litigation or proceedings against a member of the Group (other than after the occurrence of an insolvency event in respect of that member of the Group); or (ii) any amount by way of set-off in respect of any liabilities owed to it after the occurrence of a Distress Event, other than, in each case, except in accordance with the order of application summarized under "*—Application of Proceeds*" below;

(d) the proceeds of any enforcement of any Transaction Security, except in accordance with the order of application summarized under "*—Application of Proceeds*" below; or

(e) except with respect to certain set-off rights, any distribution in relation to any liability owed by any member of the Group which is not in accordance with the order of application summarized in "*—Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of the Group.

then that creditor will, subject to certain exceptions:

(a) in relation to receipts or recoveries not received or recovered by way of set-off: (i) hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities 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 an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of Proceeds

The Intercreditor Agreement provides that all amounts received or recovered by the Security Agent pursuant to the sections above entitled "*—Effect of Insolvency Event*" and "*—Turnover*" or in connection with the realization or enforcement of all or any part of the Transaction Security or any other Distressed Disposal or otherwise paid to the Security Agent for application as summarized in this section shall be held by the Security Agent on trust and applied in the following order of priority:

(a) in discharging any sums owing to the Security Agent (other than pursuant to the parallel debt provisions), any receiver or any delegate and in payment to the Creditor Representatives of certain fees, costs and expenses payable to the Creditor Representatives for their own account pursuant to terms of the Intercreditor Agreement;

(b) in discharging all costs and expenses incurred by any Primary Creditor in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or certain action taken at the request of the Security Agent (including any "*soulte*" effectively paid in cash pursuant to the terms of the Intercreditor Agreement to the relevant Debtors and Investors in connection with the enforcement of any Transaction Security;

(c) in payment to the Secured Parties of any "*soulte*" owed but not yet paid by the Secured Parties pursuant to the terms of the Intercreditor Agreement (for the avoidance of doubt without double-counting for any payment made (if any) pursuant to paragraph (b) above with respect to any "soulte" effectively paid in cash pursuant to the terms of the Intercreditor Agreement to the relevant Debtors and Investors in connection with the enforcement of any Transaction Security;

(d) in payment or distribution to: (i) each Creditor Representative in respect of a Credit Facility on its own behalf and on behalf of the Credit Facility Creditors for which it is the Creditor Representative; and (ii) the "Super Senior Hedge Counterparties" (being each Hedge Counterparty to the extent it is owed Super Senior Hedging Liabilities), for application towards the discharge of: (A) the Credit Facility Liabilities (in accordance with the terms of the Credit Facility Documents) on a *pro rata* basis between Credit Facility Liabilities incurred under separate Credit Facility Agreements (as defined in the Intercreditor Agreement); and (B) the Super Senior Hedging Liabilities (on a *pro rata* basis between the Super Senior Hedging Liabilities of each Super Senior Hedge Counterparty), on a *pro rata* basis between sub-paragraph (A) and sub-paragraph (B);

(e) in payment or distribution to: (i) the Creditor Representatives in respect of any Pari Passu Debt Liabilities on its own behalf and on behalf of the Pari Passu Debt Creditors for which it is the Creditor Representative; and (ii) the "Pari Passu Hedge Counterparties" (being each Hedge Counterparty to the extent it is owed Pari Passu Hedging Liabilities), for application towards the discharge of: (A) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a *pro rata* basis between Pari Passu Debt Liabilities under separate Pari Passu Facility Agreements (as defined in the Intercreditor Agreement); and (B) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a *pro rata* basis between Pari Passu Debt Liabilities under separate Pari Passu Note Indentures (as defined in the Intercreditor Agreement); and (C) the Pari Passu Hedging Liabilities on a *pro rata* basis between the Pari Passu Hedging Liabilities of each Pari Passu Hedge Counterparty, on a *pro rata* basis between sub-paragraph (A), sub-paragraph (B) and sub-paragraph (C);

(f) in payment or distribution to the Subordinated Note Trustee in respect of any Subordinated Note Liabilities on its own behalf and on behalf of the Subordinated Noteholders for which it is the Creditor Representative for application towards the discharge of the Subordinated Note Liabilities (in accordance with the terms of the relevant Subordinated Note Documents) on a *pro rata* basis;

(g) once the Final Discharge Date has occurred, in payment to the relevant Debtors or Investor to which a "*soulte*", if any, is payable or has been paid and returned to the Security Agent by the relevant Debtors and/or Investors pursuant to the terms of the Intercreditor Agreement;

(h) if none of the Debtors is under any further actual or contingent liability under any Credit Facility Document, Hedging Agreement, Pari Passu Debt Document or Subordinated Note Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor; and

(i) the balance, if any, in payment or distribution to the relevant Debtor.

Equalization

The Intercreditor Agreement provides that if, for any reason, any Super Senior Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Credit Facility Lenders and Hedge Counterparties in the proportions their respective exposures at the enforcement date bore to the aggregate exposures of all the Credit Facility Lenders and Hedge Counterparties at the exposure date, the Credit Facility Lenders and Hedge Counterparties will make such payments from such payments among themselves as the Security Agent shall require to put the Credit Facility Lenders and Hedge Counterparties in such a position that (after taking into account such payments) their losses are borne in those proportions.

The Intercreditor Agreement provides that if, for any reason, following an appropriation (or similar process) 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 Security Document and applicable law) by enforcement of the Transaction Security (the "Appropriation") of Transaction Security over shares, certain Secured Parties have not paid their share of the corresponding resulting "*soulte*" (if any), such Secured Parties will make such payments among themselves as the Security Agent shall require to put the Secured Parties in such a position that (after taking into account such payments) the amount paid or payable in respect of such corresponding "*soulte*" is borne by all the Secured Parties having participated in such Appropriation in the proportions which their respective Exposures at the date of the Appropriation bore to the aggregate Exposures of all such Secured Parties at the date of the Appropriation.

Option to Purchase

The Intercreditor provides that, following a Distress Event, some or all of the Pari Passu Noteholders and Pari Passu Lenders (as each term is defined in the Intercreditor Agreement) shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities.

The Intercreditor provides also that, following a Distress Event, some or all of the Subordinated Noteholders shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities and the Pari Passu Debt Liabilities.

Consents, Amendments and Override

The Intercreditor provides that, subject to certain exceptions, the Intercreditor Agreement will provide that it may be amended only with the consent of each Creditor Representative, the Majority Credit Facility Lenders, the Required Pari Passu Creditors, the Majority Subordinated Note Creditors and the Security Agent unless it is an amendment or waiver that has the effect of changing or that relates to, among other things: (i) the order of application or subordination under the Intercreditor Agreement; or (ii) the provisions in respect of redistribution, the enforcement of Transaction Security, the application of proceeds, amendments and waivers, the effect of an insolvency event and turnover, which shall not be made without the consent of:

- the Creditor Representatives (save that the consent of any Creditor shall not be required for any amendment or waiver in relation to the enforcement provisions, except for an amendment or waiver to the rights of the Subordinated Note Creditors to take enforcement action as summarized in the section above entitled "*Enforcement of Transaction Security: Majority Subordinated Note Creditors*");

- the Credit Facility Lenders;

- each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders (as each term is defined in the Intercreditor Agreement) in respect of which it is the Creditor Representative;

- the Pari Passu Lenders (as defined in the Intercreditor Agreement);

- the Subordinated Note Creditors (save that the consent of the Subordinated Note Trustee shall not be required for any amendment or waiver in relation to the enforcement provisions, except for an amendment or waiver to the rights of the Subordinated Note Creditors to take enforcement action as summarized in the section above entitled "*Enforcement of Transaction Security: Majority Subordinated Note Creditors*");

- each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty); and

- the Security Agent.

The Intercreditor Agreement provides that, subject to the above and certain other exceptions, no amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without the prior written consent of that party.

The Intercreditor Agreement also provides that, unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the Debt Documents (as defined in the Intercreditor Agreement) to the contrary.

Governing Law

The Intercreditor Agreement is governed by English law.

Bilateral Indebtedness and Finance Leases

The Group, its subsidiaries and joint ventures are also party to a number of bilateral lines and other financial indebtedness. These lines principally include (i) a €4.5 million bilateral loan granted by Banque Européenne du Crédit Mutuel to Agaquick (our joint venture with Auchan Group) maturing in January 2022; (ii) a €4.5 million bilateral loan granted by Société Générale to Agaquick maturing in November 2021; and (iii) €3.4 million in financial leases (*crédit-baux*) related to equipment and fixtures held by the Group.

In addition Burger King Restauration SAS and its subsidiaries are party to a number of outstanding bilateral bank loans comprising:

- a €0.9 million bilateral loan granted by Crédit Agricole Franche-Comte to BK Expansion SAS maturing in January 2025;

- a €1.4 million bilateral loan granted by Crédit Agricole Franche-Comte to BK Expansion SAS maturing in December 2023;

- a €0.6 million bilateral loan granted by BNP Paribas to BK Exploitation SAS maturing in September 2024;

- a €1.9 million bilateral loan granted by BNP Paribas to BK Exploitation SAS maturing in May 2027;

- a €1.2 million bilateral loan granted by BNP Paribas to BK Developpement maturing in July 2024;

- a €0.7 million bilateral loan granted by BNP Paribas to BK Developpement maturing in December 2024;

- a €1.0 million bilateral loan granted by BNP Paribas to BK Developpement maturing in July 2026;

- two bilateral loans in the amounts of €1.0 million and €1.0 million, respectively, granted by BNP Paribas to BK Developpement, both maturing in December 2026;

- a €1.3 million bilateral loan granted by BNP Paribas to BK Croissance maturing in August 2024;

- two bilateral loans in the amounts of €1.2 million and €1.0 million, respectively, granted by BNP Paribas to Flagship Restauration SAS, both maturing in September 2026;

- a €0.5 million bilateral loan granted by BNP Paribas to Flagship Restauration SAS maturing in August 2024;

- a €0.7 million bilateral loan granted by Credit Lyonnais to Houdemont (now merged into SNRR SAS) maturing in May 2025;

- a €1.3 million bilateral loan granted by Société Générale to Société Lorraine de Restauration Rapide SAS maturing in August 2023;

- a €0.3 million bilateral loan granted by Société Générale to Société Lorraine de Restauration Rapide SAS maturing in August 2024;

- a €0.3 million bilateral loan granted by Société Générale to Société Lorraine de Restauration Rapide SAS maturing in September 2024;

- a €0.5 million bilateral loan granted by Société Générale to ADFR maturing in October 2024; and

- a €0.6 million bilateral loan granted by Le Crédit Lyonnais to Varennes (now merged into Burger King Restauration SAS) maturing in April 2022.

In addition to the foregoing, France BKR SAS (a subsidiary of the SSN Issuer and formerly France Quick SAS) is party to a number of outstanding bilateral bank loans, including a €5.0 million bilateral loan granted by BPI France to France BKR SAS (formerly France Quick SAS) maturing in April 2023 and a €10.6 million bilateral loan granted by BNP PARIBAS to France BKR SAS (formerly France Quick SAS) maturing in June 2023.

Proceeds Loans

The SSN Issuer, as lender, and each of the following subsidiaries of the SSN Issuer, as borrower (each, a "**Proceeds Loan Borrower**"), will enter into, on or about the Issue Date, proceeds loan agreements pursuant to which the SSN Issuer shall loan to each such Proceeds Loan Borrower the following respective amounts from the gross proceeds from the issuance of the Senior Secured Notes (each a "**Proceeds Loan**" and collectively the "**Proceeds Loans**"):

Proceeds Loan Borrower	**Amount of Proceeds Loan from Senior Secured Notes Proceeds (€ in millions)**
Financière BKF SAS	€260.0
France BKR SAS	€205.0
Burger King Restauration SAS	€133.0

Each Proceeds Loan shall be denominated in euro. Each Proceeds Loan bears interest at a rate at least equal to the interest rate of the Senior Secured Notes. Interest on each Proceeds Loan will be payable quarterly in arrears, with sufficient time in advance to permit the SSN Issuer to make payments of interest on the Senior Secured Notes. The maturity date of each Proceeds Loan shall be the same maturity date as the maturity date of the Senior Secured Notes. Each Proceeds Loan is an unsecured obligation of the relevant Proceeds Loan Borrower.

Except as otherwise required by law, all payments under each Proceeds Loan will be made without deductions or withholding for, or on account of, any applicable tax. In the event that the relevant Proceeds Loan Borrower is required to make any such deduction or withholding, it shall gross-up each payment to the SSN Issuer to ensure that the SSN Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

DESCRIPTION OF THE SENIOR SECURED NOTES

Burger King France S.A.S., a *société par actions simplifiée* organized under the laws of France (the "*SSN Issuer*"), will issue €620.0 million in aggregate principal amount of senior secured floating rate notes due 2026 (the "*Senior Secured Notes*") under an indenture dated on or about November 2, 2021, 2021(the "*SSN Indenture*"), among, *inter alios*, the SSN Issuer, BK (UK) Company Ltd., NewCo GB, Midco GB, certain subsidiaries of the SSN Issuer that will guarantee the Senior Secured Notes (the "*Guarantors*") and, U.S. Bank Trustees Limited, as trustee (the "*Trustee*") and as security agent (the "*Security Agent*"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended. The term "*Senior Secured Notes*" refers also to Book-Entry Interests (as defined below) in the Senior Secured Notes. Except as set forth herein, the terms of the Senior Secured Notes include those set forth in the SSN Indenture.

The definitions of certain terms used in this description are set forth under the subheading "—*Certain Definitions*". Certain defined terms used in this description but not defined below under "—*Certain Definitions*" have the meanings assigned to them in the SSN Indenture. In this "*Description of the Senior Secured Notes*," references to (i) the "SSN Issuer" refer only to Burger King France S.A.S. and not to any of its Subsidiaries; and (ii) "we," "our," "us" refer to the SSN Issuer and its Restricted Subsidiaries.

The terms of the Senior Secured Notes include those set forth in the SSN Indenture. The SSN Indenture will not be qualified under, and will not be subject to, the U.S. Trust Indenture Act of 1939, as amended (the "*TIA*"). Consequently, the holders of the Senior Secured Notes generally will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the holders of the Senior Secured Notes of certain relationships between it and the SSN Issuer or the Guarantors. The Security Documents referred to below under the caption "—*Security*" define the terms of the security that will secure the Senior Secured Notes.

The following description is a summary of the material terms of the SSN Indenture and the Senior Secured Notes and refers to the Intercreditor Agreement, the Security Documents and certain other agreements relating to the Senior Secured Notes. It does not, however, restate any of those agreements in their entirety. You should read the SSN Indenture, the Senior Secured Notes, the Intercreditor Agreement and the Security Documents because they, and not this description, define your rights as a holder of the Senior Secured Notes. Copies of the SSN Indenture, the form of the Global Senior Secured Notes (as defined below), the Intercreditor Agreement and the Security Documents may be obtained upon request from the SSN Issuer as set forth below under "*Listing and General Information*".

The SSN Issuer has made an application for the Senior Secured Notes to be admitted to the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "*Euro MTF Market*"). Please see "*—Payments on the Senior Secured Notes; Paying Agent, Registrar and Transfer Agent for the Senior Secured Notes*".

The registered holder of a Senior Secured Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the SSN Indenture.

Principal, Maturity and Interest

The SSN Issuer will issue €620.0 million in an aggregate principal amount of Senior Secured Notes in this Offering. The Senior Secured Notes will mature on November 1, 2026, at which time 100% of the principal amount of Senior Secured Notes shall be payable, unless redeemed prior thereto as described herein. The SSN Indenture will be unlimited in aggregate principal amount, of which €620.0 million aggregate principal amount of Senior Secured Notes will be issued in this Offering. The SSN

Issuer may, subject to applicable law and the SSN Indenture, issue an unlimited principal amount of additional Senior Secured Notes (the "*Additional Senior Secured Notes*"). The SSN Issuer will only be permitted to issue Additional Senior Secured Notes in compliance with the covenants contained in the SSN Indenture, including the covenants restricting the incurrence of Debt and the incurrence of Liens (as described below under "*—Certain Covenants—Limitation on Debt*" and "*—Certain Covenants—Limitation on Liens*").

Any series of Additional Senior Secured Notes shall have terms substantially identical to the Senior Secured Notes, as applicable, except in respect of any of the following terms which shall be set forth in an Officer's Certificate delivered to the Trustee:

(1) the title of such Additional Senior Secured Notes;

(2) the aggregate principal amount of such Additional Senior Secured Notes;

(3) the date or dates on which such Additional Senior Secured Notes will be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Senior Secured 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 Senior Secured Notes shall be denominated and the currency in which cash in connection with such series of Additional Senior Secured 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 Senior Secured 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 Senior Secured Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Senior Secured Notes.

Except as otherwise provided for in the SSN Indenture, the Senior Secured Notes issued in this Offering and, if issued, any Additional Senior Secured Notes will be treated as a single class for all purposes under the SSN Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase; provided, however, that a series of Additional Senior Secured Notes that is not, in the reasonable judgment of the SSN Issuer, fungible with the Senior Secured Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the Senior Secured Notes of such series. Unless the context otherwise requires, for all purposes of the SSN Indenture and this "Description of the Senior Secured Notes," references to "Senior Secured Notes" shall be deemed to include the Senior Secured Notes initially issued on the Issue Date as well as any Additional Senior Secured Notes

Interest on the Senior Secured Notes

Interest on the Senior Secured Notes will accrue at a rate per annum (the "*Applicable Rate*"), reset quarterly, equal to three-month EURIBOR (subject to a 0% floor) plus 475 basis points, as determined by the calculation agent (the "*Calculation Agent*"), which shall initially be Elavon Financial Services DAC. Interest on the Senior Secured Notes will:

- accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash quarterly in arrears on each February 1, May 1, August 1 and November 1, commencing on February 1, 2022; and
- be payable to the holder of record of such Senior Secured Note on January 15, April 15, July 15 and October 15 immediately preceding the related interest payment date.

Set forth below is a summary of certain of the provisions from the SSN Indenture relating to the calculation of interest on the Senior Secured Notes.

"*Determination Date*," with respect to an Interest Period means the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

"*EURIBOR*," with respect to an Interest Period, means the rate (expressed as a percentage per annum) for deposits in euros for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m. Brussels time, on the Determination Date. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the SSN Issuer will request the principal London office of each of four major banks in the Euro-zone inter-bank market, as selected by the the SSN Issuer, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the Euro-zone inter-bank market for deposits in a Representative Amount in euros for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the SSN Issuer will request each of three major banks in London, as selected by the SSN Issuer, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a Representative Amount in euros to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period. Notwithstanding the foregoing, if for any Interest Period the rate determined based on the procedure specified in this paragraph is less than 0.0%, EURIBOR shall mean 0.0% for purposes of determining the Applicable Rate for such Interest Period.

In the event that EURIBOR is no longer being calculated or administered or is otherwise no longer generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities hereunder, the alternative basis for determining the rate of interest on the Senior Secured Notes will be any successor rate generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities, as identified by the SSN Issuer in good faith; provided that, in the event that there is no generally accepted successor rate to EURIBOR in the good faith judgment of the SSN Issuer, the SSN Issuer shall determine a reasonably appropriate alternative basis for determining the rate of interest on the Senior Secured Notes; provided further that any such alternative basis adopted pursuant to this paragraph shall in all cases never be less than 0%. Following the adoption of an alternative basis pursuant to this paragraph, all references to "EURIBOR" in the Indenture shall be deemed to refer to such alternative basis.

"*Euro-zone*" means the region comprised of member states of the European Union that have adopted the euro.

"*Interest Period*" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and exclude February 1, 2022.

"*Representative Amount*" means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"*Reuters Page 248*" means the display page so designated by Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"*TARGET Settlement Day*" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. Brussels time on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the "Interest Amount"). The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of each outstanding Senior Secured Note, multiplying each such amount by the actual amounts of days in the Interest Period concerned divided by 360. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (*e.g.*, 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one-half euro cent being rounded upwards). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, fraud or manifest error, be final and binding on all parties. In no event will the rate of interest on the Senior Secured Notes be higher than the maximum rate permitted by applicable law; provided, however, that the Calculation Agent shall not be responsible for verifying the rate of interest on the Senior Secured Notes is permitted by any applicable law. The Trustee and the Paying Agent shall not be responsible for, nor incur any liability in connection with, any loss resulting from any calculation made or intended to be made by the Calculation Agent.

The Proceeds Loans

Upon the issuance of the Senior Secured Notes, the SSN Issuer, as lender, and NewCo GB, as borrower, will enter into a proceeds loan agreement pursuant to which the SSN Issuer will loan to NewCo GB approximately €196 million (the "*Upstream Proceeds Loan*") from the gross proceeds from the issuance of the Senior Secured Notes as contemplated in the section entitled "*Use of Proceeds*" in this Listing Prospectus. As a result of the Post-Closing Merger, the Upstream Proceeds Loan will be cancelled.

On or about the Issue Date, the SSN Issuer, as lender, and each of the following Subsidiaries of the SSN Issuer, as borrower (each, a "*Proceeds Loan Borrower*"), will enter into proceeds loan agreements pursuant to which the SSN Issuer will loan to each such Proceeds Loan Borrower the following respective estimated amounts from the gross proceeds from the issuance of the Senior Secured Notes (each a "*Proceeds Loan*" and collectively the "*Proceeds Loans*", which does not include, for the avoidance of doubt, the Upstream Proceeds Loan):

Proceeds Loan Borrower	Amount of Proceeds Loan from Senior Secured Notes Proceeds (€ in millions)
Financière BKF SAS	€260.0
France BKR SAS	€205.0
Burger King Restauration SAS	€133.0

Each Proceeds Loan will be denominated in euro. Each Proceeds Loan will bear interest at a rate at least equal to the interest rate of the Senior Secured Notes. Interest on each Proceeds Loan will be payable quarterly in arrears with sufficient time in advance to permit the SSN Issuer to make payments of interest on the Senior Secured Notes. The maturity date of each Proceeds Loan will be the same maturity date as the maturity date of the Senior Secured Notes. Each Proceeds Loan will be an unsecured obligation of the relevant Proceeds Loan Borrower.

Except as otherwise required by law, all payments under each Proceeds Loan will be made without deductions or withholding for, or on account of, any applicable Tax. In the event that the relevant Proceeds Loan Borrower is required to make any such deduction or withholding, it shall gross-up each payment to the SSN Issuer to ensure that the SSN Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The SSN Issuer's rights under the Proceeds Loans will be pledged to the Security Agent for the benefit of the Trustee and the holders of the Senior Secured Notes, as described under the caption "—*Security*".

Brief Description of the Senior Secured Notes and the Note Guarantees

The Senior Secured Notes

The Senior Secured Notes:

- will be general obligations of the SSN Issuer;
- will be *pari passu* in right of payment with all existing and future Debt of the SSN Issuer that is not subordinated in right of payment to the Senior Secured Notes;
- will be senior in right of payment to all existing and future Debt of the SSN Issuer that is subordinated in right of payment to the Senior Secured Notes;
- will be guaranteed within 120 days of the Issue Date by the Post-Closing Guarantors (as defined below), which guarantees are subject to the guarantee limitations described herein;
- will be secured by senior Liens over the Collateral as described below under "*—Security*"; provided that the New Revolving Credit Facility and certain priority Hedging Obligations will be repaid with the proceeds from any enforcement of the Collateral in priority to the Senior Secured Notes;
- will be effectively subordinated to any existing and future Debt of the SSN Issuer that is secured by property or assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such Debt; and

- will be structurally subordinated to all obligations of the SSN Issuer’s Subsidiaries that are not Guarantors.

The Note Guarantees

The Senior Secured Notes will not be guaranteed on the Issue Date. The Senior Secured Notes will be guaranteed within 120 days of the Issue Date by Burger King Restauration SAS, France BKR SAS, BK Invest France SNC and Financière BKF SAS (together, the "*Post-Closing Guarantors*"), each of which will be an obligor under the New Revolving Credit Facility within the same timeframe as described. The Note Guarantee of each Guarantor:

- will be a general obligation of that Guarantor;

- will be *pari passu* in right of payment with all existing and future Debt of that Guarantor that is not subordinated in right of payment to such Note Guarantee;

- will be senior in right of payment to all existing and future Debt of that Guarantor that is subordinated in right of payment to such Note Guarantee;

- will be secured by senior Liens over the Collateral, as described below under “*—Security*;” provided that the New Revolving Credit Facility and certain priority Hedging Obligations will be repaid with the proceeds from any enforcement of the Collateral in priority to the Note Guarantee of that Guarantor;

- will be effectively subordinated to any existing and future Debt of that Guarantor that is secured by property or assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such Debt;

- will be structurally subordinated to all obligations of that Guarantor’s Subsidiaries that are not Guarantors; and

- will be contractually limited to reflect limitations under applicable law, including limitations under corporate benefit laws, limiting, with respect to Guarantors incorporated in France, the value of such guarantees to the amount of proceeds of the Senior Secured Notes on-lent and not repaid to such guarantors with the proceeds of the Offering.

Assuming we had completed the Offering and applied the proceeds therefrom as described under “*Use of Proceeds*,” of the Listing Prospectus, as of August 31, 2021, the SSN Issuer and its restricted subsidiaries would have had total debt of €1,135.4 million. In addition, we would have had €80.0 million available for drawing under the New Revolving Credit Facility. The SSN Indenture will permit the SSN Issuer and its Restricted Subsidiaries to Incur additional Debt in the future.

For the financial year ended December 31, 2020, the SSN Issuer and the Guarantors generated 94.1% of our EBITDA, and as at December 31, 2020 the SSN Issuer and the Guarantors held 88.1% of our consolidated total assets.

As of the Issue Date, all of the SSN Issuer’s Subsidiaries will be “Restricted Subsidiaries” for purposes of the SSN Indenture. However, under the circumstances described below under the caption “*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*,” the SSN Issuer will be permitted to designate certain of its Subsidiaries as “*Unrestricted Subsidiaries*”. Unrestricted

Subsidiaries of the SSN Issuer will not be subject to any of the restrictive covenants in the SSN Indenture and will not guarantee the Senior Secured Notes.

Payments on the Senior Secured Notes; Paying Agent, Registrar and Transfer Agent for the Senior Secured Notes

The SSN Issuer will maintain one or more paying agents (each, a "*Paying Agent*") for the Senior Secured Notes for so long as the Senior Secured Notes are held in registered form. The initial Paying Agent will be Elavon Financial Services DAC.

The SSN Issuer will also maintain one or more registrars (each, a "*Registrar*") and one or more transfer agents (each, a "*Transfer Agent*"). The initial Registrar will be Elavon Financial Services DAC. The initial transfer agent will be Elavon Financial Services DAC. The Registrar and the Transfer Agent, as applicable, will maintain a register reflecting ownership of Senior Secured Definitive Registered Notes (as defined herein) outstanding from time to time (the "*Register*") and will make payments on and facilitate transfer of Senior Secured Definitive Registered Notes on the behalf of the SSN Issuer.

The SSN Issuer may change the Paying Agent, the Registrar or the Transfer Agent without prior notice to the holders of Senior Secured Notes. For so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, the SSN Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

No service charge will be made for any registration of a transfer, exchange or redemption of the Senior Secured Notes, but the SSN Issuer may require payment of a sum sufficient to cover any transfer Tax or similar governmental charge payable in connection with any such registration of transfer or exchange (but not for a redemption).

Form of Senior Secured Notes

The Senior Secured Notes will be issued on the Issue Date only in fully registered form without coupons and only in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Senior Secured Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act ("*Rule 144A*") will initially be represented by a Global Senior Secured Note (as defined below) in registered form without interest coupons attached (the "*144A Senior Secured Global Note*"). The 144A Senior Secured Global Note will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Senior Secured Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by a Senior Secured Global Note in registered form without interest coupons attached (the "*Regulation S Senior Secured Global Note*" and, together with the 144A Senior Secured Global Note, the "*Global Senior Secured Notes*"). The Regulation S Senior Secured Global Note will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Please see "Book-Entry, Delivery and Form".

Transfer and Exchange

The Global Senior Secured Notes may be transferred only in accordance with the SSN Indenture. Ownership of interests in the Global Senior Secured Notes (the "*Book-Entry Interests*") will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. 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 "*Transfer Restrictions*". In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants. Book-Entry Interests in the 144A Senior Secured Global Note (the "*Restricted Book-Entry Interests*") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Senior Secured Global Note (the "*Regulation S Book-Entry Interests*") only upon delivery by the transferor to the Registrar of a written certification (in the form provided in the SSN Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

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 Senior Secured Global Note from which it was transferred and will become a Book-Entry Interest in the Senior Secured 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 Senior Secured Global Note to which it was transferred.

If definitive notes in registered form ("*Senior Secured Definitive Registered Notes*") are issued, they will be issued only in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates and other documentation required by the SSN Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Senior Secured Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the SSN Indenture or as otherwise determined by the SSN 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 "*Transfer Restrictions*".

Subject to the restrictions on transfer referred to above, Senior Secured Notes issued as Senior Secured Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, to persons who take delivery thereof in the form of Senior Secured Definitive Registered Notes. In connection with any such transfer or exchange, the SSN Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and 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 or exchange.

Notwithstanding the foregoing, the SSN Issuer is not required to register the transfer of any Senior Secured Definitive Registered Notes:

(a) for a period of 15 days prior to any date fixed for the redemption of the Senior Secured Notes;

(b) for a period of 15 days immediately prior to the date fixed for selection of Senior Secured Notes to be redeemed in part;

(c) for a period of 15 days prior to the record date with respect to any interest payment date; or

(d) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, Excess Proceeds Offer or Notes Offer.

The Senior Secured Notes will be subject to certain restrictions on transfer and certification requirements, as described under "*Transfer Restrictions*".

Additional Amounts

All payments made by or on behalf of the SSN Issuer on the Senior Secured Notes or any of the Guarantors with respect to any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future 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 in which the SSN Issuer or any Guarantor is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision or governmental authority thereof or therein having the power to tax or

(2) any jurisdiction from or through which payment is made by or on behalf of the SSN Issuer or any Guarantor (including the jurisdiction of any paying agent for the Senior Secured Notes) or any political subdivision or governmental authority thereof or therein having the power to tax,

(each of clause (1) and (2), a "*Tax Jurisdiction*")

will at any time be required by law to be made from any payments made by or on behalf of the SSN Issuer on the Senior Secured Notes or any of the Guarantors with respect to any Note Guarantee, including payments of principal, redemption price, interest or premium, the SSN Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by each holder of Senior Secured Notes after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts that would have been received by the holder in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

(a) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any actual or deemed present or former connection between the holder or the beneficial owner of the Senior Secured Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder or beneficial owner, if the relevant holder or beneficial owner is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including, without limitation, being or having been a resident, citizen or national of such jurisdiction or being or having been present or engaged in a trade or business there or having or having had a permanent establishment therein for Tax purposes), but excluding any connection arising solely from the holding of such Senior Secured Note, the enforcement of rights under such Senior Secured Note or under a Note Guarantee or the receipt of any payments in respect of such Senior Secured Note or a Note Guarantee;

(b) any Taxes to the extent such Taxes were imposed as a result of the presentation of a Senior Secured 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 Senior Secured Note been presented on the last day of such 30-day period);

(c) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes, or excise taxes imposed on the transfer of Senior Secured Notes;

(d) any Taxes imposed on or with respect to a payment made to a holder or beneficial owner of Senior Secured Notes who would have been able to avoid such withholding or deduction by presenting the relevant Senior Secured Notes to, or otherwise accepting payment from, another Paying Agent;

(e) any Taxes payable other than by deduction or withholding from payments on the Senior Secured Notes or with respect to any Note Guarantee;

(f) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Senior Secured Notes, to comply with a reasonable written request by the SSN Issuer (or any person acting on its behalf) addressed to the holder or beneficial owner (and made at least 30 days before any such withholding or deduction at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to provide information concerning the nationality, residency or identity of such holder or beneficial owner of the Senior Secured Notes or to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation;

(g) any Taxes imposed on or with respect to any payment by the SSN Issuer or Guarantor to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had the beneficial owner been the holder of such Senior Secured Note;

(h) any Taxes imposed or withheld pursuant to Sections 1471 through 1474 of the Code, as of the Issue Date (or any amended or successor version of such sections that are substantively comparable), any current or future regulations promulgated thereunder or official interpretations thereof and any agreements (including any law implementing any such agreement or any intergovernmental agreements 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) entered into pursuant thereto; or

(i) any combination of items (a) through (h) above.

In addition to the foregoing, the SSN Issuer and the Guarantors will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies (including penalties and interest) which are levied by any Tax Jurisdiction on the execution, delivery, issuance, initial resale, enforcement or registration of any of the Senior Secured Notes, the SSN Indenture, any Note Guarantee or any other document referred to therein (other than a transfer of Senior Secured Notes other than the initial resale by the initial purchasers), or the receipt of any payments with respect thereto (limited, solely in the case of Taxes attributable to the receipt of any payments with respect thereto, to any such Taxes imposed in a Tax Jurisdiction that are not excluded under clauses (a) through (d) or (f) through (h) above or any combination thereof), or any such Taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Senior Secured Notes or any Note Guarantee.

If the SSN Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment on the Senior Secured Notes or any Note Guarantee, each of the SSN Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee (copied to the Paying Agent) on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the SSN Issuer or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information reasonably necessary to enable the paying agents to pay such Additional Amounts to holders on the relevant payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The SSN Issuer or the relevant Guarantor will make or cause to be made all withholdings and deductions required by law and will timely remit or cause to be remitted the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The SSN Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The SSN Issuer or the relevant Guarantor will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the SSN Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. If reasonably requested by the Trustee or the Paying Agent, the SSN Issuer or the Guarantors will provide to the Trustee or the Paying Agent such information as may be in the possession of the SSN Issuer or the Guarantors (and not otherwise in the possession of the Trustee or the Paying Agent) to enable the Trustee or the Paying Agent to determine the amount of withholding Taxes attributable to any particular holder; *provided*, *however*, that in no event shall the SSN Issuer or the Guarantors be required to disclose any information that it reasonably deems to be confidential.

Whenever in the SSN Indenture or in this "*Description of the Senior Secured Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Senior Secured Notes, of principal, redemption or purchase prices in connection with a redemption or purchase of the Senior Secured Notes, of interest or of any other amount payable under, or with respect to, any of the Senior Secured Notes or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the SSN Indenture or any transfer by a holder or beneficial owner of its Senior Secured Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the SSN Issuer or any Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Senior Secured Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

The Note Guarantees

The Senior Secured Notes will not be guaranteed on the Issue Date. The Senior Secured Notes will be guaranteed within 120 days of the Issue Date by the Post-Closing Guarantors. The Note Guarantees will be joint and several obligations of the Guarantors.

As described below under "*—Certain Covenants—Additional Guarantees"* and subject to the Intercreditor Agreement, any Additional Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the SSN Issuer that guarantees the New Revolving Credit Facility or other indebtedness of the SSN Issuer shall also enter into a supplemental indenture as a Guarantor of the Senior Secured Notes and accede to the Intercreditor Agreement and/or any Additional Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the New Revolving Credit Facility Agreement and the Senior Secured Notes. The Agreed Security Principles include restrictions on the granting of guarantees or security where, among other things, such grant would be restricted by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar principles which limit the ability of the SSN Issuer, a Guarantor or any SSN Holdco Security Provider to provide a guarantee or security or may require that the guarantee or security interest granted be limited by an amount or otherwise, as described below under "*—Security—General".*

Each of the Note Guarantees and the amounts recoverable thereunder will be contractually limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance, corporate benefit and the liability of directors and officers. By virtue of these limitations, a Guarantor's obligations under its Note Guarantee or any security interest granted by such Guarantor, as applicable, could be significantly less than amounts payable in respect of the Senior Secured Notes. Other debt of such Guarantor may not be similarly limited. See "*Risk Factors—Risks Related to the Notes, the SSN Guarantees and the Collateral—Applicable laws may limit amounts recoverable under the SSN Guarantees and the security interests in the SSN Collateral" and "Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the SSN Guarantees and the Collateral*".

The operations of the SSN Issuer are conducted through its Subsidiaries, and therefore the SSN Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Senior Secured Notes. Not all of the SSN Issuer's Subsidiaries will guarantee the Senior Secured Notes. The Senior Secured Notes will be effectively subordinated in right of payment to all Debt and other liabilities and commitments (including trade payables and lease obligations) of the SSN Issuer's non-guarantor Subsidiaries. Any right of the SSN Issuer or any Guarantor to receive assets of any of its non-guarantor Subsidiaries upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Senior Secured Notes to participate in those assets) will be effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the SSN Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the SSN Issuer or such Guarantor, as the case may be, would still be subordinated in right of payment to any security in the assets of the non-guarantor Subsidiary. See "*Risk Factors—Risks related to the Notes, the SSN Guarantees and the Collateral—The Issuers and certain SSN Guarantors are holding companies dependent upon cash flows from the operating companies of the Group to meet their obligations on the Notes or the SSN Guarantees*".

Release of the Note Guarantees

The Note Guarantees will be released:

(a) in connection with any sale, transfer or other disposition of all or substantially all of the assets of that Guarantor, including by way of merger, consolidation, amalgamation or combination, to a Person that is not (either immediately before or immediately after giving effect to such transaction) the SSN Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "—Certain Covenants—Limitation on Sale of Certain Assets" below;

(b) in connection with any sale, transfer or other disposition of Capital Stock of that Guarantor or any parent of that Guarantor to a Person that is not (either immediately before or immediately after giving effect to such transaction) the SSN Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "—Certain Covenants—Limitation on Sale of Certain Assets" below and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale, transfer or other disposition;

(c) with respect to the Note Guarantee of any Guarantor that was required to provide such Note Guarantee pursuant to the covenant described under the caption "—Certain Covenants—Additional Guarantees," upon such Guarantor being unconditionally released and discharged from its liability with respect to the Debt giving rise to the requirement to provide such Note Guarantee so long as no other Debt guaranteed by the relevant Guarantor would result in the requirement that such Guarantor provide a Note Guarantee pursuant to the covenant described under the caption "—Certain Covenants—Additional Guarantees" immediately after the release of such Note Guarantee;

(d) upon the full and final payment and performance of all obligations of the SSN Issuer under the SSN Indenture and the Senior Secured Notes;

(e) in accordance with the caption entitled "—Amendments and Waivers";

(f) (i) as a result of a transaction permitted by the covenant described under the caption entitled "—Certain Covenants—Consolidation, Merger and Sale of Assets" or (ii) in connection with a Permitted Reorganization (other than the Post-Closing Merger);

(g) upon legal defeasance, covenant defeasance or satisfaction and discharge of the SSN Indenture as provided below under the captions "—Legal Defeasance or Covenant Defeasance of SSN Indenture" and "—Satisfaction and Discharge";

(h) upon the sale of all the Capital Stock of, or all or substantially all of the assets of, that Guarantor or any direct or indirect parent of that Guarantor pursuant to a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement;

(i) if the SSN Issuer designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the SSN Indenture; and

(j) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement.

Upon any occurrence giving rise to a release as specified above, the Trustee will, at the expense of the SSN Issuer, execute any documents reasonably requested in order to evidence or effect such release, discharge and termination in respect of such guarantee, subject to customary protections and indemnifications. Neither the SSN Issuer nor any Guarantor will be required to make a notation on the Senior Secured Notes to reflect any such release, termination or discharge. Each of the releases set forth above shall be effected by the Trustee without the consent of the holders or any other action or consent on the part of the Trustee. The Trustee shall be entitled to request and rely conclusively upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the Notes Guarantee has occurred and that such release complies with the SSN Indenture.

Security

General

The obligations of the SSN Issuer under the Senior Secured Notes will be secured by the Issue Date Collateral (as defined below) on a senior basis. Within 120 days from the Issue Date, the obligations of the Post-Closing Guarantors under their respective Note Guarantees will be secured by the Post-Closing Date Collateral (as defined below) on a senior basis.

As of the Issue Date, the Issue Date Collateral is expected to include the following properties and assets of the SSN Issuer and the SSN Holdco Security Providers:

- the financial securities accounts (*nantissements de compte-titres*) to which the shares of the SSN Issuer owned by each of the SSN Holdco Security Providers are credited, together constituting more than 99% of the outstanding shares of the SSN Issuer;

- the respective financial securities accounts (*nantissements de compte-titres*) to which the shares owned by the SSN Issuer in each of its direct subsidiaries Burger King Restauration SAS, Financière BKF SAS and Burger King Construction SAS are credited, in each case constituting all of the outstanding shares of each such subsidiary;

- all intragroup loan receivables owed to the SSN Issuer (including the Upstream Proceeds Loan and any other proceeds loans made available to NewCo GB);

- the bank accounts of the SSN Issuer located in France; and

- all receivables due to the SSN Issuer by BH pursuant to the BH Cash Management Agreement,

together, the "*Issue Date Collateral*". In addition, BH has granted for the benefit of the SSN Issuer only a bank account pledge over the dedicated accounts on which all funds advanced to BH by the SSN Issuer pursuant to the BH Cash Management Agreement (and all proceeds thereof) will be credited from time to time.

Within 120 days from the Issue Date, the Post-Closing Date Collateral is expected to include the following properties and assets of the Post-Closing Guarantors:

- the financial securities account (*nantissements de compte-titres*) to which the one share owned by Financière BKF in BK Invest France SNC is credited;

- the financial securities account (*nantissements de compte-titres*) to which the shares owned by Financière BKF in France BKR SAS are credited;

- the financial securities account to which the shares owned by France BKR SAS in BK Invest France SNC are credited;

- the bank accounts of each Post-Closing Guarantor located in France; and

- all intragroup loan receivables owed to each Post-Closing Guarantor,

together, the "Post-Closing Date Collateral".

The assets and property of the SSN Issuer, the Guarantors and the SSN Holdco Security Providers that are from time to time subject to, or required to be subject to, a Lien pursuant to the Security Documents are referred to as the “Collateral”. The security and other agreements in respect of the Collateral are referred to as the “Security Documents”.

The Collateral will be contractually limited to reflect limitations under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or other restrictions applicable to security providers, including laws relating to capital maintenance, corporate benefit and the liability of directors and officers.

The Liens securing the Senior Secured Notes and the Note Guarantees will also secure the obligations of the SSN Issuer and the Guarantors under the New Revolving Credit Facility Agreement and certain hedging obligations on a *pari passu* basis. Pursuant to the terms of the Intercreditor Agreement, the obligations of the SSN Issuer and the Guarantors under the New Revolving Credit Facility Agreement and certain hedging obligations will be entitled to receive payment from the proceeds of enforcement of the Security Documents prior to the Trustee for the benefit of the holders of the Senior Secured Notes. In addition, under the SSN Indenture, the SSN Issuer and its Restricted Subsidiaries will be permitted to Incur certain additional Debt in the future that may share in the Collateral, including Debt with priority rights to proceeds from the enforcement of the Collateral. The amount of such additional Debt will be limited by the covenants described under the captions “*—Certain Covenants—Limitation on Liens*” and “*—Certain Covenants—Limitation on Debt*”. Under certain circumstances, the amount of such additional Debt that may share in the Collateral could be significant.

Notwithstanding the foregoing, certain assets may not be secured or such security perfected in accordance with the Agreed Security Principles, including:

- if the cost of providing security or perfecting the same is not proportionate to the benefit accruing to the holders of Senior Secured Notes and the other secured parties;

- if providing such security requires consent of a third party and such consent cannot be obtained after the use of reasonable endeavors;

- if providing such security would be prohibited or to the extent it would be limited by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, retention of title claims and similar principles or if entering into the Security Documents would conflict with fiduciary duties of directors or officers, contravene any legal prohibition or result in a risk of personal or criminal liability on the part of directors or officers; and

- until an enforcement action is taken, if perfecting such security would have an unreasonable adverse effect on the ability of the SSN Issuer or the relevant Guarantor to conduct its operations and business in the ordinary course as permitted by the SSN Indenture.

Under the Security Documents, the Collateral will be pledged by the SSN Issuer, the Guarantors and the SSN Holdco Security Providers to secure the payment when due of the SSN Issuer’s and the Guarantors’, as applicable, payment obligations under the Senior Secured Notes, the Note Guarantees and the Indenture. The Security Documents will be entered into by, *inter alios*, the Security Agent or its nominee(s), who will act as Security Agent for the lenders under the New Revolving

Credit Facility Agreement, certain secured hedge counterparties, and for the Trustee and the holders of Senior Secured Notes.

Due to the laws and other jurisprudence governing the creation and perfection of security interests in France, the relevant Security Documents will provide for the creation of "parallel debt" obligations in favor of the Security Agent, and the security interests in such jurisdictions will secure the parallel debt (and not the Debt under the Senior Secured Notes, the Note Guarantees and the other secured obligations). The parallel debt construct has not been fully tested under law in France. See "*Risk Factors—Risks related to the Notes, the SSN Guarantees and the Collateral*".

Each holder of Senior Secured Notes, by accepting a Senior Secured Note, shall be deemed (i) to have authorized the Trustee to enter into the Intercreditor Agreement and, if applicable, the Security Documents, and the Security Agent to enter into the Security Documents and the Intercreditor Agreement and (ii) to be bound thereby. Each holder of Senior Secured Notes, by accepting a Senior Secured Note, appoints the Trustee or the Security Agent, as the case may be, as its agent under the Intercreditor Agreement and the Security Documents and authorizes it to act as such.

The holders of the Senior Secured Notes are not a party to the Security Documents, and therefore holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Trustee or the Security Agent (as creditor of the parallel debt, in respect of the Security Documents governed by French law), as applicable. The Security Agent will agree to any release of the security interest created by the Security Documents (the "*Security Interests*") that is in accordance with the SSN Indenture and the Intercreditor Agreement without requiring any consent of the holders. The Trustee will have the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the SSN Indenture and the terms of the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement—Enforcement of Transaction Security*".

Subject to the terms of the Security Documents and prior to enforcement of any such Collateral, the SSN Issuer, the Guarantors and the SSN Holdco Security Providers, as the case may be, will have the right to remain in possession and retain exclusive control of the Collateral securing the Senior Secured Notes and the Note Guarantees, to freely operate the Collateral and to collect, invest and dispose of any income therefrom and, in respect of the shares that are part of the Collateral, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing).

The value of the Collateral securing the Senior Secured Notes and the Note Guarantees may not be sufficient to satisfy the SSN Issuer's and the Guarantors' obligations under the Senior Secured Notes and the Note Guarantees, respectively, and the Collateral securing the Senior Secured Notes and the Note Guarantees may be reduced or diluted under certain circumstances, including the issuance of Additional Senior Secured Notes and the disposition of assets comprising the Collateral, subject to the terms of the SSN Indenture. Please see "*Risk Factors—Risks related to the Notes, the SSN Guarantees and the Collateral—The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations under the Notes*".

No appraisals of the Collateral have been prepared by or on behalf of the SSN Issuer or the Guarantors in connection with this Offering. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the SSN Indenture, the Intercreditor Agreement and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Senior Secured Notes or the Note Guarantees. By its nature, some or all the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

The Security Documents will be governed by the laws of France. The term “Security Interests” refers to the Liens on the Collateral.

Each of the SSN Issuer and the Guarantors shall, and shall procure that each of their respective Subsidiaries, if any, and the SSN Holdco Security Providers shall, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent or the Trustee, as applicable, may require (i) for registering any Security Document relating to the Collateral in any required register and for perfecting or protecting the security intended to be afforded by such Security Document relating to the Collateral; and (ii) if such Security Document is enforced in accordance with the terms of the SSN Indenture, the relevant Security Document and the Intercreditor Agreement, for facilitating the realization of all or any part of the assets which are subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of the Collateral. Each of the SSN Issuer, the Guarantors and the SSN Holdco Security Providers shall, and shall procure that each of their respective Subsidiaries, if any, shall, execute such transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give such notices, orders and directions which the Security Agent may request.

Release of the Security

The Collateral will be released from the Liens over the Collateral under any one or more of the following circumstances:

(a) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets constituting Collateral to a Person that is not (either immediately before or immediately after giving effect to such transaction) the SSN Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under “*—Certain Covenants—Limitation on Sale of Certain Assets*” below, *provided that*, in the event of the sale, assignment, transfer, conveyance or other disposition of any Capital Stock of the SSN Issuer (other than any sale, assignment, transfer, conveyance or other disposition of such Capital Stock in connection with an Initial Public Offering), the SSN Issuer will cause the Person to which such Capital Stock is sold, assigned, transferred, conveyed or otherwise disposed to enter, upon the closing of such transaction, into a pledge of such Capital Stock securing the obligations of the SSN Issuer under the Senior Secured Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Senior Secured Notes (which pledge shall be on substantially similar terms as the pledges entered into by the SSN Holdco Security Providers with respect to such Capital Stock on the Issue Date);

(b) in the case of a Guarantor that is released from its Note Guarantee pursuant to the terms of the SSN Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(c) upon a release of the Lien (the “*Initial Lien*”) that resulted in the creation of the Lien (the “*Notes Lien*”) under the covenant described below under the caption “*—Certain Covenants—Limitation on Liens*” so long as immediately after the release of the Notes Lien there is no other Debt secured by a Lien on the property and assets that were the subject of the Initial Lien and Notes Lien that would result in the requirement for the Senior Secured Notes and the Guarantees to be secured equally and ratably with, or prior to, such Lien;

(d) upon the full and final payment and performance of all obligations of the SSN Issuer under the SSN Indenture and the Senior Secured Notes;

(e) in accordance with the caption entitled "*—Amendments and Waivers*";

(f) (i) as a result of a transaction permitted by the covenant described under the caption entitled "*—Certain Covenants—Consolidation, Merger and Sale of Assets*", other than a transaction described in clause (ii) of this paragraph; (ii) with respect to the financial securities accounts to which the shares of the SSN Issuer owned by NewCo GB are credited, automatically and without any action by the Trustee, in connection with the Post-Closing Merger, *provided* that the financial securities accounts on which the shares of the SSN Issuer to be received by Midco GB as a result of the completion of the Post-Closing Merger are credited shall be immediately subject to a first-ranking Lien for the benefit of the holders of the Senior Secured Notes, or (iii) in connection with a Permitted Reorganization, other than a transaction described in clause (ii) of this paragraph;

(g) upon legal defeasance, covenant defeasance or satisfaction and discharge of the SSN Indenture as provided below under the captions "*—Legal Defeasance or Covenant Defeasance of SSN Indenture*" and "*—Satisfaction and Discharge*";

(h) in the case of a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement, the release of the property and assets subject to such enforcement sale;

(i) in respect of a release followed by an immediate retaking in accordance with the covenant described under "*—Certain Covenants—Impairment of Security Interest*";

(j) if the SSN Issuer designates any of its Restricted Subsidiaries to be an Unrestricted Subsidiary in accordance with the applicable provisions of the SSN Indenture, the release of the property and assets, and Capital Stock, of such Restricted Subsidiary;

(k) with respect to all of the shares of Capital Stock of the SSN Issuer (or any financial securities account on which such shares are credited), automatically in connection with an Initial Public Offering, not earlier than the date on which an underwriting, placement or similar agreement is signed by the SSN Issuer with respect to such Initial Public Offering, *provided* that if such Initial Public Offering is not completed as at the initially anticipated date (unless postponed to a subsequent date falling no later than ten (10) Business Days after such initially contemplated completion date), the SSN Issuer will cause the owner of such shares to enter into a pledge of such Capital Stock securing the obligations of the SSN Issuer under the Senior Secured Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Senior Secured Notes (which pledge shall be on substantially similar terms as the pledges entered into by the SSN Holdco Security Providers with respect to such Capital Stock on the Issue Date); and

(l) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement.

Following written request by the SSN Issuer, and at the expense of the SSN Issuer, the Security Agent and, if necessary, the Trustee will take all necessary action required to effect any release of Collateral securing the Senior Secured Notes and the Guarantees, in accordance with the provisions of the SSN Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the relevant Security Documents, 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. The Security Agent and the Trustee shall be entitled to request and rely conclusively upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the Security Interests has occurred and that such release complies with the SSN Indenture.

Optional Redemption

Optional Redemption of Senior Secured Notes

Except as described below and except as described under "*—Tax Redemption"*, the Senior Secured Notes are not redeemable until November 1, 2022. On and after November 1, 2022, the SSN Issuer may redeem all or, from time to time, part of the Senior Secured Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), 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 November 1 of the years indicated below:

Year	**Redemption Price**
2022	101.000%
2023 and thereafter	100.000%

In addition, prior to November 1, 2022, the SSN Issuer may redeem all or, from time to time, a part of the Senior Secured Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus the Senior Secured Applicable Redemption 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).

Optional Redemption General

Notice of redemption will be provided as set forth under "*—Selection and Notice*" below. If the SSN Issuer effects an optional redemption of Senior Secured Notes, it will, for so long as the Senior Secured Notes of such series are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Senior Secured Notes of such series that will remain outstanding immediately after such redemption.

Any redemption and notice of redemption may, at the SSN Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

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 Senior Secured Note is registered at the close of business on such record date, and no additional interest will be payable to holders whose Senior Secured Notes will be subject to redemption by the SSN Issuer.

Sinking Fund; Offers to Purchase; Open Market Purchases

The SSN Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Senior Secured Notes. However, under certain circumstances, the SSN Issuer may be required to offer to purchase the Senior Secured Notes as described under the captions "*—Purchase of Senior Secured Notes upon a Change of Control*" and "*—Certain Covenants—Limitation on Sale of*

Certain Assets". The SSN Issuer and any Restricted Subsidiary may at any time and from time to time purchase Senior Secured Notes in the open market or otherwise.

Tax Redemption

The SSN Issuer may redeem the Senior Secured Notes of any series, in whole but not in part, at the SSN Issuer's discretion at any time upon giving not less than 10 nor more than 60 days' prior written notice to the holders of such series of the Senior Secured Notes (which notice will be irrevocable), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the SSN Issuer for redemption (a "*Tax Redemption Date*") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Senior Secured Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Senior Secured Notes or any Note Guarantee, the SSN Issuer under or with respect to the Senior Secured Notes or any of the Guarantors with respect to any Note Guarantee, as the case may be, is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the SSN Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the SSN Issuer or Guarantor, as applicable, cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a paying agent located in another jurisdiction where that would be reasonable), and the requirement arises as a result of:

(a) any amendment to, or change in, the laws or treaties (or any regulations, protocols or rulings promulgated thereunder) of a relevant Tax Jurisdiction which change or amendment becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or

(b) any amendment to, or change in, any existing official written interpretation or application of such laws, treaties, regulations, protocols or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date)

(each of the foregoing clauses (a) and (b), a "*Change in Tax Law*").

The SSN Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the SSN Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of such series of the Senior Secured Notes was then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Senior Secured Notes pursuant to the foregoing, the SSN Issuer will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that the SSN Issuer or Guarantor, as the case may be, is required to pay such Additional Amounts as a result of a Change in Tax Law. In addition, before the SSN Issuer publishes or mails notice of redemption of the Senior Secured Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and that it is entitled to redeem such Senior Secured Notes pursuant to their terms.

The Trustee will accept and shall be entitled to conclusively rely on such Officer's Certificate and Opinion of Counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the Senior Secured Notes.

The foregoing provisions shall apply (a) to a Guarantor only after such Guarantor has become obligated to make at least one payment on the Senior Secured Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the SSN Indenture, with respect to a Change in Tax Law occurring on or after the date on which such successor Person becomes a party to the SSN Indenture.

Purchase of Senior Secured Notes upon a Change of Control

If a Change of Control (as defined below) occurs at any time, then the SSN Issuer must make an offer (a "*Change of Control Offer*") to each holder of Senior Secured Notes to repurchase all or any part (equal to €100,000 or in integral multiples of €1,000 in excess thereof) of such holder's Senior Secured Notes, at a purchase price (the "*Change of Control Purchase Price*") in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of purchase (the "*Change of Control Purchase Date*") (subject to the rights of holders of record on relevant regular record dates that are prior to the Change of Control Purchase Date to receive interest due on an interest payment date). Purchases made under a Change of Control Offer will also be subject to other procedures set forth in the SSN Indenture.

Unless the SSN Issuer has unconditionally exercised its right to redeem all the Senior Secured Notes in accordance with the SSN Indenture and all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the SSN Issuer will deliver a notice to each holder of the Senior Secured Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "*—Selection and Notice*," stating that a Change of Control Offer is being made and offering to repurchase Senior Secured Notes on the Change of Control Purchase Date, and the notice will state:

(a) that a Change of Control has occurred, and the date it occurred and offering to purchase the Senior Secured Notes on the date specified in the notice;

(b) the circumstances and relevant facts and financial information regarding the transaction or transactions that constitute a Change of Control;

(c) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;

(d) that any Senior Secured Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid;

(e) that any Senior Secured Note (or part thereof) not tendered will continue to accrue interest; and

(f) any other procedures that a holder of Senior Secured Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

An agent of the SSN Issuer (expected to be the Paying Agent) will at the written direction of the SSN Issuer promptly mail (or cause to be delivered) to each holder of Senior Secured Notes properly tendered the Change of Control Purchase Price for such Senior Secured Notes. The Trustee (or the authenticating agent appointed by it) will promptly authenticate and deliver (or cause to be transferred by book-entry) to each holder a new Senior Secured Note or Senior Secured Notes equal in principal amount to any unpurchased portion of Senior Secured Notes surrendered, if any, to the holder of Senior Secured Notes in global form or to each holder of certificated Senior Secured Notes; provided that each new Senior Secured Note will be in a principal amount of €100,000 or in integral multiples of €1,000 in excess thereof. The SSN Issuer will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The ability of the SSN Issuer to repurchase Senior Secured Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control could trigger a mandatory repayment and cancellation of the New Revolving Credit Facility Agreement. In addition, certain events that may constitute a change of control under the New Revolving Credit Facility Agreement may not constitute a Change of Control under the SSN Indenture. The SSN Issuer's future indebtedness and the future indebtedness of its Subsidiaries may also require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Senior Secured Notes of their right to require a repurchase of the Senior Secured Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on the SSN Issuer of such repurchase.

If a Change of Control Offer is made, the SSN Issuer cannot provide any assurance that it will have available funds sufficient to pay the Change of Control Purchase Price for all the Senior Secured Notes that might be delivered by holders of the Senior Secured Notes seeking to accept the Change of Control Offer. If the SSN Issuer fails to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Trustee and the holders of the Senior Secured Notes the rights described under "*—Events of Default*".

Even if sufficient funds were otherwise available, the terms of the other indebtedness of the SSN Issuer and its subsidiaries may prohibit the prepayment of the Senior Secured Notes prior to their scheduled maturity. The New Revolving Credit Facility includes a covenant restricting the SSN Issuer from offering to purchase the Senior Secured Notes, unless the SSN Issuer has complied with its mandatory prepayment obligations in respect of the New Revolving Credit Facility as a result of such Change of Control. If the SSN Issuer was so prohibited from conducting a Change of Control Offer and not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, the SSN Issuer would be unable to fulfill its repurchase obligations to holders of the Senior Secured Notes who exercise their right to have their Senior Secured Notes repurchased following a Change of Control, which would cause a Default or Event of Default under the SSN Indenture. A Default or Event of Default under the SSN Indenture, unless waived by holders of the Senior Secured Notes, could result in a cross-default under certain of the financing arrangements described under "*Description of Certain Financing Arrangements*".

The Change of Control purchase feature of the Senior Secured Notes may in certain circumstances make more difficult or discourage a sale or takeover of the SSN Issuer and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the SSN Issuer and the initial purchasers of the Senior Secured Notes. The SSN Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the SSN Issuer could decide to do so in the future. Subject to limitations discussed below, the SSN Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the SSN Indenture, but that could increase the amount of Debt outstanding at such time or otherwise affect the SSN Issuer's capital structure or credit ratings. Restrictions on the SSN Issuer's ability to Incur additional Debt are contained in the covenants described below under "*—Certain Covenants—Limitation on Debt*" and "*—Limitation on Liens*". Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Senior Secured Notes then outstanding (subject to the provisions described under "*—Amendments and Waivers*"). Except for the limitations contained in such covenants, however, the provisions of the SSN Indenture will not require the SSN Issuer to make a Change of Control Offer in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction that may adversely affect holders of the Senior Secured Notes, if such transaction is not a transaction defined as a Change of Control.

The SSN Issuer will not be required to make a Change of Control Offer if (1) 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 SSN Indenture applicable to a Change of Control Offer made by the SSN Issuer and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption has been given pursuant to the SSN Indenture as described above under the caption "*—Optional Redemption*," unless and until there is a default in payment of the applicable redemption price. The Change of Control provisions described above will be applicable whether or not any other provisions of the SSN Indenture are applicable. Any such transaction, however, would have to comply with the applicable provisions of the SSN Indenture, including the "*—Limitation on Debt*" covenant.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The SSN Issuer will comply with the requirements of applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the SSN Indenture, the SSN Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the SSN Indenture by virtue of such conflict.

If holders of not less than 90% in aggregate principal amount of the outstanding Senior Secured Notes of any series validly tender and do not withdraw such Senior Secured Notes in a Change of Control Offer and the SSN Issuer, or any third party making a Change of Control Offer in lieu of the SSN Issuer as described above, purchases all of the Senior Secured Notes of such series validly tendered and not withdrawn by such holders, the SSN Issuer or such third party will have the right, upon not less than 10 days nor more than 60 days' prior notice (*provided* that such notice is given not more than 30 days following such purchase pursuant to the Change of Control Offer described above), to redeem all Senior Secured Notes of such series that remain outstanding following such purchase at a redemption price in cash equal to the applicable Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, to, but not including, the date of the date of redemption.

"*Change of Control*" means the occurrence of any of the following events:

(a) the SSN Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, being or becoming the "beneficial owner" (as defined in 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 SSN Issuer (or any successor entity permitted by the covenant described under the caption "*—Certain Covenants—Consolidation, Merger and Sale of Assets*"); provided that, for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the SSN Issuer becoming a Subsidiary of a Successor Parent;

(b) the direct or indirect 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 SSN Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than or one or more Permitted Holders; or

(c) the SSN Issuer is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction that complies with the provisions described under the caption "*—Certain Covenants—Consolidation, Merger and Sale of Assets*."

The provisions under the SSN Indenture relating to the SSN Issuer's obligation to make an offer to repurchase the Senior Secured Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Senior Secured Notes if made prior to the occurrence of the Change of Control.

For so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the SSN Issuer will publish notices relating to a Change of Control Offer on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

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 "all or substantially all" of the property or assets of a Person.

Selection and Notice

If fewer than all the Senior Secured Notes of a series are to be redeemed at any time, the Trustee or the Registrar will select the Senior Secured Notes of such series for redemption by a method that complies with the requirements, as certified to the Trustee and the Registrar by the SSN Issuer, of the principal securities exchange, if any, on which the Senior Secured Notes of such series are listed at such time or, if the Senior Secured Notes of such series are not listed on a securities exchange, *pro rata*, by such method as the Trustee or the Registrar in its sole discretion shall deem fair and appropriate unless otherwise required by law; *provided*, *however*, that no such partial redemption shall reduce the portion of the principal amount of a Senior Secured Note not redeemed to less than €100,000. Neither the Trustee nor the Registrar shall be liable for any selections made by it in accordance with this paragraph.

No Senior Secured Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Senior Secured Notes to be redeemed at its registered address, 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 Senior Secured Notes or a satisfaction and discharge of the SSN Indenture.

If any Senior Secured Note is to be redeemed in part only, the notice of redemption that relates to that Senior Secured Note will state the portion of the principal amount of that Senior Secured Note that is to be redeemed. While the Senior Secured Notes are held in certificated form, a new Senior Secured Note in principal amount equal to the unredeemed portion of the original Senior Secured Note will be issued in the name of the holder of Senior Secured Notes upon cancellation of the original Senior Secured Note. Senior Secured Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior Secured Notes or portions of Senior Secured Notes redeemed.

For Senior Secured Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Senior Secured Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the SSN Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Senior Secured Notes outstanding.

Suspension of Certain Covenants when Senior Secured Notes Rated Investment Grade

If on any date following the Issue Date, the Senior Secured Notes attain an Investment Grade Rating from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing under the SSN Indenture (a "*Suspension Event*"), beginning on the day of the Suspension Event and continuing until such time (the "*Suspension Period*"), if any, at which the Senior Secured Notes cease to have an Investment Grade Rating from each Rating Agency (the "*Reversion Date*"), (whereupon the SSN Issuer shall promptly notify the Trustee in writing that the Senior Secured Notes no longer have an Investment Grade Rating), the covenants summarized under the following captions will not apply to the Senior Secured Notes and any related default provisions of the SSN Indenture will cease to be effective and will not be applicable to the SSN Issuer and its Restricted Subsidiaries:

(1) "*—Certain Covenants—Limitation on Debt*;"

(2) "*—Certain Covenants—Limitation on Restricted Payments*;"

(3) "*—Certain Covenants—Limitation on Transactions with Affiliates*;"

(4) "*—Certain Covenants—Limitation on Sale of Certain Assets*;"

(5) "*—Certain Covenants—Additional Guarantees*;"

(6) "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*;"

(7) "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*;"

(8) "*—Certain Covenants—Consolidation, Merger and Sale of Assets" (but only clause (c) of the first paragraph of such covenant*); and

(9) "*—Certain Covenants—Lines of Business*".

Such covenants and any related default provisions will again apply according to their terms on and after the Reversion Date. Such covenants will not, however, be of any effect with regard to actions of the SSN Issuer or the Restricted Subsidiaries properly taken during the Suspension Period, and the "*—Certain Covenants—Limitation on Restricted Payments*" covenant will be interpreted as if it had been in effect since the Issue Date, except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made during the Suspension Period. On the Reversion Date, all Debt Incurred during the continuance of the Suspension Period will be classified as having been Incurred pursuant to clause (2)(d) of the covenant described under "*—Certain Covenants—Limitation on Debt*". Any transactions prohibited by the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*" entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (c) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*". Any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (a) through (d) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (2)(c) of the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*". Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

Upon the occurrence of a Suspension Event, the SSN Issuer will promptly deliver to the Trustee an Officer's Certificate notifying it of each occurrence hereunder. The Trustee shall have no duty to monitor the ratings of the Senior Secured Notes, shall not be deemed to have any knowledge of the ratings of the Senior Secured Notes and shall have no duty to notify Holders if the Senior Secured Notes achieve an Investment Grade Rating or upon the occurrence of a Suspension Event or Reversion Date, as applicable.

Certain Covenants

Limitation on Debt

(1) The SSN Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually or collectively, to "Incur" or, as appropriate, an "Incurrence") any Debt (including Acquired Debt); provided, however, the SSN Issuer and any Restricted Subsidiary will be permitted to Incur Debt (including Acquired Debt) if:

(a) on the date of such Incurrence and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a *pro forma* basis, the Consolidated Fixed Charge Coverage Ratio of the SSN Issuer for the four full fiscal quarters for which internal consolidated financial statements of the SSN Issuer are available immediately preceding the Incurrence of such Debt, taken as one period, would have been at least 2.0 to 1.0; and

(b) in the case of Senior Secured Debt, on the date of such Incurrence and after giving effect to the Incurrence of such Senior Secured Debt and the application of the proceeds thereof, on a *pro forma* basis, the Consolidated Net Senior Secured Leverage Ratio of the SSN Issuer for the four full fiscal quarters for which internal consolidated financial statements of the SSN Issuer are available immediately preceding the Incurrence of such Debt, taken as one period, would have been no greater than 6.0 to 1.0;

provided, *however*, that the maximum aggregate principal amount of Debt that may be Incurred by Restricted Subsidiaries that are not Guarantors pursuant to this paragraph (1) shall not exceed the greater of €40.0 million and 23.0% of Consolidated EBITDA at any time outstanding.

(2) The first paragraph of this covenant will not, however, prohibit the following (collectively, "*Permitted Debt*"):

(a) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Debt under Credit Facilities (including in respect of letters of credit or banker's acceptances issued or created thereunder) in an aggregate principal amount at any time outstanding not to exceed the greater of (i) €110.0 million and (ii) 65.0% of Consolidated EBITDA, plus, in the case of any refinancing of any Debt permitted under this clause (a) or any portion thereof, the aggregate amount of fees, accrued and unpaid interest, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(b) the Incurrence by the SSN Issuer and the Guarantors of Debt represented by the Senior Secured Notes, the related Note Guarantees, the Upstream Proceeds Loan, the Proceeds Loans, in each case, issued or Incurred on the Issue Date and, in each case, any "*parallel debt*" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(c) the Incurrence by the SSN Issuer or any Restricted Subsidiary of intercompany Debt between the SSN Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; provided that:

(i) if the SSN Issuer or a Guarantor is the obligor on any such Debt and the payee is not the SSN Issuer or a Guarantor, such Debt is unsecured and expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Secured Notes, in the case of the SSN Issuer, or the Note Guarantee, in the case of a Guarantor (in each case, to the extent required by the Intercreditor Agreement) (A) except in respect of intercompany current liabilities Incurred in the ordinary course of business in connection with the cash management operations of the SSN Issuer and its Restricted Subsidiaries and (B) only to the extent legally permitted (the SSN Issuer 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 Debt); and

(ii) (A) any disposition, pledge or transfer of any such Debt to a Person (other than a disposition, pledge or transfer to the SSN Issuer or a Restricted Subsidiary) and (B) any transaction pursuant to which any Restricted Subsidiary that has Debt owing by the SSN Issuer or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt not permitted by this clause (c);

(d) any Debt of the SSN Issuer or any Restricted Subsidiary (other than Debt described in clauses (a) and (b) of this paragraph) outstanding on the Issue Date after giving effect to the Transactions on the Issue Date;

(e) (i) guarantees of the SSN Issuer's Debt or Debt of any Restricted Subsidiary by the SSN Issuer or any Restricted Subsidiary; provided that (x) the Incurrence of the Debt being guaranteed was permitted by another provision of this covenant and (y) if the Debt being guaranteed is subordinated to the Senior Secured Notes or to a Guarantee then such guarantee must be subordinated to the same extent as the Debt being guaranteed; or (ii) without limiting the covenant described under "—*Limitation on Liens*," Debt arising by reason of any Lien granted by or applicable to such Person securing Debt of the SSN Issuer or any Restricted Subsidiary so long as the Incurrence of such Debt and Lien is permitted under the terms of the SSN Indenture;

(f) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Debt arising from customary agreements providing for guarantees, indemnities or obligations in respect of earn-outs or other purchase price adjustments or, in each case, similar obligations, in connection with the acquisition or disposition of any business or assets or Person or any shares of Capital Stock of a Subsidiary, other than guarantees or similar credit support given by the SSN Issuer or any Restricted Subsidiary of Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (f) will at no time exceed the net proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received from such disposition;

(g) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Hedging Obligations, in each case, entered into not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer);

(h) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Debt represented by (i) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other Debt, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Permitted Business or (ii) Debt 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 Permitted Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Debt which refinances, replaces or refunds such Debt, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Debt Incurred pursuant to this clause (2)(h) and then outstanding, will not exceed at any time outstanding the greater of €37.5 million and 20.0% of Consolidated EBITDA; provided that the Debt exists on the date of such purchase, lease, rental or improvement or is created within 180 days thereafter;

(i) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Debt in respect of (i) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other Tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the SSN Issuer or a Restricted Subsidiary in the ordinary course of business or in respect of any governmental requirement, (ii) 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 similar instruments, the obligations are reimbursed within 30 days following such drawing, (iii) the financing of insurance premiums in the ordinary course of business and (iv) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(j) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Debt arising from (i) 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 Debt is extinguished within 30 days of Incurrence; (ii) take-or-pay obligations, customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business; and (iii) Debt 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 SSN Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the SSN Issuer and its Restricted Subsidiaries;

(k) Debt (i) of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the SSN Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the SSN Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by the SSN Issuer or a Restricted Subsidiary or that was otherwise Incurred in connection with or contemplation of such acquisition; *provided*, *however*, that, with respect to clauses (2)(k)(i) and (2)(k)(ii), at the time of such acquisition or other transaction pursuant to which such Debt is Incurred or deemed to be Incurred, (x) the SSN Issuer could incur at least €1.00 of additional Debt under clause (1)(a) of this covenant after giving *pro forma* effect to such acquisition or other transaction and the Incurrence of such Debt or (y) the Consolidated Fixed Charge Coverage Ratio of the SSN Issuer immediately after giving effect to the Incurrence of such Debt pursuant to this clause (2)(k) would not be less than it was immediately prior to giving effect to such acquisition or other transaction;

(l) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge Debt Incurred by it pursuant to, or described in, paragraph (1) or clause (2)(b), (2)(d) (including, in the case of (2)(d), any Debt that renews, refunds, replaces (whether upon or after termination or otherwise) or refinances any such Debt that has been repaid, prepaid, purchased, repurchased, redeemed, defeased or otherwise extinguished, in whole or in part), (2)(k) or (2)(m) or this (2)(l) of this covenant, as the case may be;

(m) Contribution Debt;

(n) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Debt represented by guarantees of any Management Advances;

(o) Debt under daylight borrowing facilities Incurred in connection with any refinancing of Debt (including by way of set-off or exchange) so long as any such Debt is repaid within three days of the date on which such Debt is Incurred;

(p) the Incurrence by the SSN Issuer or any Restricted Subsidiary of Debt (other than and in addition to Debt permitted under clauses (a) through (o) above) in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge any Debt Incurred pursuant to this clause (p), in an aggregate amount not to exceed the greater of €50.0 million and 20.0% of Consolidated EBITDA; provided that the aggregate principal amount of Debt that may be Incurred under this clause (p) by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of €25.0 million and 15.0% of Consolidated EBITDA; or

(q) the Incurrence of Debt under any Qualified Securitization Financing; and

(r) Debt of the SSN Issuer or any Restricted Subsidiary consisting of leases (including Capitalized Lease Obligations) or other obligations existing on the Issue Date or Incurred thereafter that would have been treated as operating leases under IAS 17 (Leases), as in effect on September 30, 2019, before the implementation of IFRS 16 (Leases).

(3) 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 Debt, the payment of dividends on Preferred Stock or Redeemable Capital Stock in the form of additional shares of Preferred Stock or Redeemable Capital Stock or the reclassification of commitments or obligations not treated as Debt due to a change in IFRS will not be deemed to be an Incurrence of Debt for purposes of this covenant. For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Debt, the euro equivalent of the aggregate principal amount of Debt denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred, in the case of term Debt, or, at the option of the SSN Issuer, first committed, in the case of Debt Incurred under a revolving credit facility; provided that (a) if such Debt is Incurred to refinance other Debt 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 aggregate principal amount of such refinancing Debt does not exceed the aggregate principal amount of such Debt being refinanced; (b) the euro equivalent of the aggregate principal amount of any such Debt outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Debt is subject to a Currency Agreement with respect to the currency in which such Debt is denominated covering principal and interest on such Debt, the amount of such Debt, if denominated in euro, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the euro equivalent of such amount plus the euro equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement. Notwithstanding any other provision of this covenant, for purposes of determining compliance with this "*—Limitation on Debt*" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies or currency values will not be deemed to exceed the maximum amount that the SSN Issuer or a Restricted Subsidiary may Incur under the "*—Limitation on Debt*" covenant.

(4) For purposes of determining any particular amount of Debt under this "*—Limitation on Debt*" covenant (a) obligations with respect to letters of credit, bankers' acceptances or similar instruments, guarantees or Liens or "parallel debt," in each case supporting Debt otherwise included in the determination of such particular amount will not be included and (b) any Liens granted pursuant to the equal and ratable provisions referred to in the "*—Certain Covenants—Limitation on Liens*" covenant will not be treated as Debt.

(5) The amount of any Debt outstanding as of any date will be:

(a) in the case of any Debt issued with original issue discount, the accreted value of such Debt and in the case of pay in kind Debt, the amount of such Debt shall include any interest paid in the form of additional Debt;

(b) the principal amount of the Debt or the liquidation preference thereof, as applicable, in the case of any other Debt determined in accordance with IFRS;

(c) in respect of Debt of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the Fair Market Value of such assets at the date of determination; and

(ii) the amount of the Debt of the other Person;

(d) in respect of any Redeemable Capital Stock of the SSN Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, 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; and

(e) for the avoidance of doubt and in accordance with IFRS, the principal amount of Debt shall be determined net of any unamortized portion of capitalized debt issuance costs.

(6) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Debt of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Debt is not permitted to be Incurred as of such date under this "—*Limitation on Debt*" covenant, the Restricted Subsidiary shall be in Default of this covenant).

(7) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in clauses (2)(a) through (r) of this covenant or is entitled to be Incurred pursuant to clause (1) of this "—*Limitation on Debt*" covenant, the SSN Issuer, in its sole discretion, will be permitted to classify items of Debt on the date of its Incurrence and will only be required to include the amount and type of such Debt in one of such clauses or paragraphs, and the SSN Issuer will be entitled to divide and classify an item of Debt in more than one of the types of Debt described in clauses (1) and (2) of this covenant, and may change the classification of an item of Debt (or any portion thereof) to any other type of Debt described in this "—*Limitation on Debt*" covenant at any time; provided that all Debt Incurred under any Credit Facility that is secured by Liens on the Collateral that are accorded super senior priority status with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement or any Additional Intercreditor Agreement will be deemed to have been Incurred in reliance on the exception provided in clause (2)(a) above and may not be reclassified.

(8) Debt permitted by this covenant need not be permitted solely by reference to one provision permitting such Debt but may be permitted in part by one such provision and in part by one or more provisions of this covenant permitting such Debt.

Financial Calculations for Limited Condition Acquisitions

Anything to the contrary herein notwithstanding, when calculating the availability under any basket or ratio under the "*—Limitation on Debt*" covenant or for the purposes of the definitions of Permitted Liens or Permitted Collateral Liens, in each case, in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the SSN Issuer, 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 Debt 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 EBITDA of the SSN Issuer 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 SSN Issuer 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 SSN Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition.

Limitation on Restricted Payments

(1) The SSN Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "*Restricted Payment*" and which are collectively referred to as "*Restricted Payments*"):

(a) declare or pay any dividend on or make any other payment or distribution (whether made in cash, securities or other property) with respect to any of the SSN Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the SSN Issuer or any Restricted Subsidiary) to the direct or indirect holders of the SSN Issuer's or any Restricted Subsidiary's Capital Stock (including any Parent Company) in their capacity as holders (other than (i) to the SSN Issuer or any Restricted Subsidiary, (ii) for dividends or distributions payable solely in Qualified Capital Stock of the SSN Issuer or in Deeply Subordinated Funding, or (iii) to all holders of Capital Stock of a Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by the SSN Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the SSN Issuer or such Restricted Subsidiary would have received on such *pro rata* basis);

(b) purchase, repurchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any Capital Stock of the SSN Issuer or of any Parent Company held by persons other than the SSN Issuer or a Restricted Subsidiary (other than in exchange for Qualified Capital Stock of the SSN Issuer);

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value any Debt of the SSN Issuer or any Guarantor that is Subordinated Debt (excluding any intercompany Debt between or among the

SSN Issuer and any Restricted Subsidiary), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Debt purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case, due within one year of the date of such purchase, repurchase or other acquisition;

(d) make any cash interest payment or principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, any Deeply Subordinated Funding; or

(e) make any Investment (other than any Permitted Investment) in any Person.

(2) Notwithstanding the foregoing, the SSN Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) the SSN Issuer could Incur at least €1.00 of additional Debt under clause (1)(a) of the "—*Certain Covenants—Limitation on Debt*" covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the Issue Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (3)(a) (unless already so included at the time of its declaration), (d)(ii), (h), (j), (k) and (q) below, but excluding all other Restricted Payments described in paragraph (3) below) does not exceed the sum of (without duplication):

(i) 50% of aggregate Consolidated Adjusted Net Income of the SSN Issuer on an accumulative basis during the period beginning on July 1, 2021, and ending on the last day of the SSN Issuer's most recently ended fiscal quarter for which internal consolidated financial statements of the SSN Issuer are available prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); plus

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received by the SSN Issuer after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary of the SSN Issuer) of shares of Qualified Capital Stock of the SSN Issuer or Deeply Subordinated Funding (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase, the shares of the SSN Issuer's Qualified Capital Stock or Deeply Subordinated Funding (except, in each case, for Excluded Contributions or Cash Contributions for Contribution Debt) (excluding the net cash proceeds from the issuance of the SSN Issuer's Qualified Capital Stock or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the SSN Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); plus

(iii) (x) the amount by which the SSN Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the SSN Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by the SSN Issuer or its Restricted Subsidiary) of such Debt into the Qualified Capital Stock of the SSN Issuer or Deeply Subordinated Funding and (y) the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received after the Issue Date by the SSN Issuer or any Restricted Subsidiary from the issuance or sale (other than to any Restricted Subsidiary) of Redeemable Capital Stock of the SSN Issuer or any Restricted Subsidiary that has been converted into or exchanged for the Qualified Capital Stock of the SSN Issuer or Deeply Subordinated Funding to the extent such Redeemable Capital Stock of the SSN Issuer was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate net cash proceeds and the Fair Market Value of property of assets or marketable securities received by the SSN Issuer or any Restricted Subsidiary at the time of such conversion or exchange (excluding Cash Contributions for Contribution Debt, Excluded Contributions and the net cash proceeds or property or assets or marketable securities from the issuance of the Qualified Capital Stock of the SSN Issuer or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the SSN Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); plus

(iv) (x) in the case of any Investment that is sold, disposed of or otherwise cancelled, liquidated or repaid, constituting a Restricted Payment made after the Issue Date, an amount equal to 100% of the aggregate amount received in cash and the Fair Market Value of property or assets or marketable securities received by the SSN Issuer or any Restricted Subsidiary and (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or if an Unrestricted Subsidiary is merged or consolidated into the SSN Issuer or a Restricted Subsidiary or the assets of an Unrestricted Subsidiary are transferred to the SSN Issuer or a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the SSN Issuer's interest in such Subsidiary as of the date of such designation or at the time of such merger, consolidation or transfer of assets; plus

(v) to the extent that any Investment constituting a Restricted Payment that was made after the Issue Date is made in an entity that subsequently becomes a Restricted Subsidiary, the Fair Market Value of such Investment of the SSN Issuer and the Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; plus

(vi) 100% of any dividends or distributions received by the SSN Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Adjusted Net Income of the SSN Issuer for such period.

(3) Clauses (1) and (2) above will not prohibit (so long as with respect to clauses (h) and (q) below no Default or Event of Default has occurred and is continuing) any of the following (collectively "*Permitted Payments*"):

(a) the payment of any dividend within 60 days after the date of its declaration if at such date of its declaration such payment would have been permitted by the provisions of this covenant;

(b) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary of the SSN Issuer) of, shares of the SSN Issuer's Qualified Capital Stock or Deeply Subordinated Funding, or from the substantially concurrent contribution of common equity capital to the SSN Issuer; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clauses (2)(c)(ii) and (2)(c)(iii) above and will not be considered Excluded Contribution or to be net cash proceeds from an Equity Offering for purposes of the "Optional Redemption" provisions of the Senior Secured Notes;

(c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt in exchange for, or out of the net cash proceeds of an Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(d) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt (other than any Subordinated Debt held by Affiliates of the SSN Issuer) (i) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Debt; provided that the SSN Issuer shall have complied with the "*—Purchase of Senior Secured Notes upon a Change of Control*" or "*—Limitation on Sale of Certain Assets*" covenant, as the case may be, and the SSN Issuer repurchased all Senior Secured Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Debt; provided further that the purchase price for such Subordinated Debt shall not be greater than 101% of the principal amount thereof in respect of a Change of Control or 100% of the principal amount thereof in respect of an Asset Sale, in each case plus accrued and unpaid interest and (ii) consisting of Acquired Debt (other than Debt 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 SSN Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and at a purchase price not greater than 100% of the principal amount of such Subordinated Debt plus accrued and unpaid interest and any premium required by the terms of such Acquired Debt;

(e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represents a portion of the exercise price of those stock options or warrants;

(f) payments of cash, dividends, distributions, advances or other Restricted Payments by the SSN Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of issuing fractional shares upon (i) exercise of options or warrants or (ii) the exchange or conversion of Capital Stock of any such Person;

(g) cash payments, dividends, distributions, advances, loans or expense reimbursements made to or on behalf of any Parent Company to permit any such company to pay (i) general operating expenses, customary directors' fees, accounting, legal, corporate reporting and administrative expenses

Incurred in the ordinary course of business to the extent such costs and expenses are attributable to the ownership or operation of the SSN Issuer and the Restricted Subsidiaries, (ii) any taxes, duties or similar governmental fees of any such Parent Company, to the extent such tax obligations are directly attributable to its ownership of the SSN Issuer and the Restricted Subsidiaries or its funding or holding Deeply Subordinated Funding, (iii) costs (including all professional fees and expenses) Incurred by any Parent Company 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 SSN Indenture or any other agreement or instrument relating to Debt of the SSN Issuer or any Restricted Subsidiary and (iv) fees and expenses of any Parent Company Incurred in relation to any public offering or other sale of Capital Stock or Debt (x) where the net proceeds of such offering or sale are received by or contributed to the SSN Issuer or any Restricted Subsidiary or (y) in a prorated amount of such expenses in proportion to the amount of such net proceeds received or contributed;

(h) following a Public Offering of the SSN Issuer or of a Parent Company, the declaration or payment of dividends or distributions, or the making of any cash payments, advances, loans or expense reimbursements on the Qualified Capital Stock of the SSN Issuer or Capital Stock of any Parent Company if the aggregate amount of all such dividends or distributions under this clause (h) do not exceed in any fiscal year the greater of (i) 6% of the net cash proceeds received by the SSN Issuer in connection with any such Public Offering or subsequent Equity Offering by the SSN Issuer or contributed in cash to the capital of the SSN Issuer (other than through the issuance of Redeemable Capital Stock or where such contribution is an Excluded Contribution) by a Parent Company from any such Public Offering or subsequent Equity Offering of a Parent Company and (ii) following the Initial Public Offering, an amount not to exceed (A) the greater of (x) 7% of the Market Capitalization and (y) 7% of the IPO Market Capitalization, provided that, in the case of (x) and (y), after giving *pro forma* effect to such dividends, distributions, payments, advances, loans or reimbursements, the Consolidated Net Leverage Ratio of the SSN Issuer would not exceed 4.75 to 1.0 or (B) the greater of (x) 5% of the Market Capitalization and (y) 5% of the IPO Market Capitalization, provided that after giving *pro forma* effect to such dividends, distributions, payments, advances, loans or reimbursements, the Consolidated Net Leverage Ratio of the SSN Issuer would not exceed 5.25 to 1.0; provided, further, that if such Public Offering was of Capital Stock of a Parent Company, the net proceeds of any such dividend are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Company;

(i) Restricted Payments that are made with Excluded Contributions;

(j) advances or loans to (i) either any future, present or former officer, director, employee, consultant or independent contractor of the SSN Issuer or a Restricted Subsidiary or any Management Investor or Management Investment Company to pay for the purchase or other acquisition for value of Capital Stock of the SSN Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company 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 (ii) 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 SSN Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company; provided that the total aggregate amount of Restricted Payments made under this clause (j), when aggregated with the total amount of Restricted Payments made under clause (k), does not exceed €3.0 million in any calendar year (with any unused amounts in any calendar year carried over to the next two succeeding calendar years);

(k) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Qualified Capital Stock of the SSN Issuer, Capital Stock of a Parent Company, a Management Investment Company or a Restricted Subsidiary held by either any current or former officer, director, employee, consultant or independent contractor of the SSN Issuer or any Restricted Subsidiary or any Management Investor or any Management Investment Company pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock, when aggregated with the total amount of Restricted Payments made under clause (j), does not exceed €3.0 million in any calendar year (with unused amounts in any calendar year being carried over to the next two succeeding calendar years); and provided further, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the SSN Issuer during such calendar year (including through receipt of proceeds from the issuance or sale of its Qualified Capital Stock to a Parent Company, a Management Investment Company or a Management Investor) from, or as a capital contribution from, the issuance or sale of Qualified Capital Stock of the SSN Issuer or Capital Stock of a Parent Company or Management Investment Company, in each case to Management Investors, other members of management, directors, consultants or independent contractors of the SSN Issuer or any of its Restricted Subsidiaries or any Parent Company to the extent the cash proceeds from the sale or issuance of such Capital Stock have not otherwise been designated as Excluded Contributions, applied to the making of Restricted Payments pursuant to clauses (2)(c)(ii) or (2)(c)(iii) or clause (b) of this paragraph or utilized for Contribution Debt and (B) the cash proceeds of key man life insurance policies;

(l) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Redeemable Capital Stock, or of any Preferred Stock of a Restricted Subsidiary, in each case Incurred in accordance with the terms of the "*Limitation on Debt*" covenant;

(m) without duplication of any payment made pursuant to clause (g) above, payments or other transactions pursuant to any tax sharing agreement or arrangement among the SSN Issuer or any Restricted Subsidiary and any other Person with which the SSN Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the SSN Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; provided, however, that such payments, and the value of such transactions, shall not exceed the amount of tax that the SSN Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(n) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(o) dividends, loans, advances or other distributions to any Parent Company used to, or the making of Investments in any Parent Company to, fund the payment of fees and expenses owed by the SSN Issuer or the Restricted Subsidiaries to Affiliates, to the extent permitted by clause (f), (h), (j), (k) or (l) of the second paragraph of the "—*Limitation on Transactions with Affiliates*" covenant;

(p) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;

(q) (i) Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €37.5 million and 20.0% of Consolidated EBITDA and (ii) Restricted Payments (including loans and advances) if the Consolidated Net Leverage Ratio if the SSN Issuer on a *pro forma* basis after giving effect to such Restricted Payment does not exceed 4.75 to 1.0; and

(r) any Restricted Payment made in connection with the Transactions, including the use of proceeds from the Offering as contemplated in the section entitled "*Use of Proceeds*" in this Listing Prospectus (including, for the avoidance of doubt, the Upstream Proceeds Loan), and in connection with the Post-Closing Merger, or any Restricted Payments used to fund amounts owed to Affiliates in connection with the Transactions and the Post-Closing Merger (including dividends to any Parent Company to permit payment by such Parent Company of such amounts).

(4) 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 SSN Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount, and the Fair Market Value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the SSN Issuer acting in good faith.

Limitation on Transactions with Affiliates

The SSN Issuer will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service) for the benefit of any Affiliate of the SSN Issuer (any such transaction or series of related transactions being an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of €6.0 million unless:

(a) such transaction or series of related transactions is on terms that, taken as a whole, are not materially less favorable to the SSN Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's length transaction with Persons that are not Affiliates; and

(b) the SSN Issuer delivers to the Trustee:

(i) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case, having a value greater than €10.0 million, a resolution of its Board of Directors set out in an Officer's Certificate certifying that such transaction or series of related transactions complies with this covenant and that such transaction or series of related transactions has been approved by a majority of the members of its Board of Directors; and

(ii) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case, having a value greater than €30.0 million, a written opinion (a "*Fairness Opinion*") of an Independent Financial Advisor stating that the transaction or series of transactions is (i) fair to the SSN Issuer or the relevant Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than could reasonably have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(a) any issuance 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, collective bargaining, consulting, employee benefit arrangement, agreement or program, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the SSN Issuer, any Restricted Subsidiary or any Parent Company, restricted stock plans, long-term incentive 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 employees, consultants, independent contractors, officers or directors approved by the Board of Directors of the SSN Issuer, in each case, in the ordinary course of business;

(b) any Restricted Payments permitted to be made pursuant to the "*—Limitation on Restricted Payments*" covenant, any Permitted Payment (other than pursuant to clause 3(o) of such covenant) or any Permitted Investments (other than a Permitted Investment described in clauses (c)(iii), (k), (p), (s) and (w) of the definition thereof);

(c) the entry into and performance of obligations of the SSN Issuer or any of its Restricted Subsidiaries under the terms of any transaction pursuant to, or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or arrangement or instrument in effect as of or on the Issue Date, as these agreements and arrangements or 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 of the Senior Secured Notes in any material respect, and the entry into and performance of any registration rights or other listing agreement;

(d) any transaction in the ordinary course of business between or among the SSN Issuer or any Restricted Subsidiary and any Affiliate of the SSN Issuer or an Associate or similar entity (in each case other than an Unrestricted Subsidiary of the SSN Issuer) that would constitute an Affiliate Transaction solely because the SSN Issuer or a Restricted Subsidiary or any Affiliate of the SSN Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(e) transactions between or among the SSN Issuer and the Restricted Subsidiaries (or entity that becomes a Restricted Subsidiary as a result of such transaction) or between or among Restricted Subsidiaries and any guarantees issued by the SSN Issuer or a Restricted Subsidiary for the benefit of the SSN Issuer or a Restricted Subsidiary, as the case may be, in accordance with the "*—Limitation on Debt*" covenant;

(f) the execution, delivery and performance of any tax sharing agreement or any arrangement among the SSN Issuer or any Restricted Subsidiary and any other Person with which the SSN Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the SSN Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the SSN Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(g) (i) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, providers of employees or other labor in the ordinary course of business or (ii) transactions, agreements or payments (including franchise fees and royalties) related to the licensing or sub-licensing of intellectual property (including, without limitation, trademarks, copyrights, licenses and related rights) or other general intangibles that, in the case of (i) and (ii) are otherwise in compliance with the terms of the SSN Indenture and that are fair to the SSN Issuer or the Restricted Subsidiaries or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person, in each case, as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer;

(h) the payment of reasonable fees and reimbursement of expenses to, and indemnities and similar payments (including the payment of directors' and officers' insurance premiums) and employee benefit and pension expenses provided on behalf of, employee and director salaries, bonuses and payments of other fees to officers, consultants, independent contractors and directors of the SSN Issuer and the Restricted Subsidiaries (whether directly or indirectly including through any Person owned or controlled by any such directors, officers or employees) in the ordinary course of business;

(i) (A) issuances or sales of Qualified Capital Stock of the SSN Issuer, Capital Stock of any Parent Company or Deeply Subordinated Funding; and (B) any amendment, waiver or other transaction with respect to any Deeply Subordinated Funding in compliance with the other provisions of the SSN Indenture;

(j) Management Advances and any waiver or transaction with respect thereto;

(k) without duplication in respect of payments made pursuant to clause (o) below, (i) the entering into any agreement to pay, and the payment of, customary annual management, consulting, monitoring and advisory fees and related expenses to Permitted Holders or their Affiliates (whether directly or indirectly, including through any Parent Company) in an amount not to exceed €4.5 million in any consecutive four-quarter period and (ii) payments by the SSN Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Company) for management consulting, financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital markets transactions, acquisitions or divestitures, mergers, recapitalizations or similar transactions, which payments (or agreements providing for such payments) pursuant to this clause (ii) are approved by the Board of Directors of the SSN Issuer in good faith;

(l) the Transactions, including the use of proceeds from the Offering as contemplated in the section entitled "*Use of Proceeds*" in this Listing Prospectus (including, for the avoidance of doubt, the Upstream Proceeds Loan), and the Post-Closing Merger;

(m) transactions (i) on terms that, taken as a whole, are not materially less favorable to the SSN Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's length transaction with Persons that are not Affiliates of the SSN Issuer and (ii) in respect of which the SSN Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the SSN Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the SSN Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the SSN Issuer or such Restricted Subsidiary with an unrelated Person on an arm's length basis;

(n) payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the SSN Issuer and its Subsidiaries;

(o) investments by any of the Initial Investors in securities of any of the SSN Issuer's Restricted Subsidiaries (and the payment of reasonable out of pocket expenses of the Initial Investors in connection therewith) so long as (i) the investment complies with clause (a) of the preceding paragraph, (ii) the investment is being offered generally to other investors on the same or more favorable terms, and (iii) the investment constitutes less than 5% of the proposed issue amount of such class of securities;

(p) pledges of Capital Stock of Unrestricted Subsidiaries; and

(q) any transaction affected as part of or in connection with a Qualified Securitization Financing.

Limitation on Liens

The SSN Issuer will not, and the SSN Issuer will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Debt upon any of its property or assets now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Collateral, (a) Permitted Liens or (b) Liens on property or assets that are not Permitted Liens if the obligations under the Senior Secured Notes and the Guarantees are secured at least equally and ratably with, or, in the case of Liens in respect of Subordinated Debt, prior or senior to, the Debt secured by such Lien for so long as such Debt is so secured and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

The SSN Issuer will procure that the SSN Holdco Security Providers will not, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind upon the Capital Stock of the SSN Issuer now owned or hereafter acquired except Permitted Collateral Liens; *provided*, *however*, that the foregoing provisions of this sentence will cease to apply upon the completion of an Initial Public Offering.

Limitation on Sale of Certain Assets

(1) The SSN Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration the SSN Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value (such Fair Market Value to be determined as of the date of contractually agreeing to such Asset Sale) of the assets sold or Capital Stock issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration the SSN Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of (i) cash; (ii) Cash Equivalents; (iii) any securities, notes or other obligations received by the SSN Issuer or any such Restricted Subsidiary from such transferee that are converted by the SSN Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion; (iv) the assumption by the purchaser of any liabilities, as recorded on the balance sheet of the SSN Issuer or any Restricted Subsidiary (other than Subordinated Debt), that are assumed by the transferee of any such assets and as a result of which the SSN Issuer and the Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities; (v) Debt of any Restricted Subsidiary (other than Subordinated Debt) that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the SSN Issuer and each Restricted Subsidiary are released from any guarantee of such Debt in connection with such Asset Sale; (vi) any Capital Stock or assets of the kind referred to in clause (2)(e), (f) or (g) of this covenant; (vii) consideration consisting of Debt (or the cancellation of Debt) of the SSN Issuer or any Restricted Subsidiary received by the SSN Issuer or any Guarantor from Persons who are not the SSN Issuer or any Restricted Subsidiary; (viii) any Designated Non-cash Consideration received by the SSN Issuer or any Restricted Subsidiary in such Asset Sale; provided that the aggregate Fair Market Value of such Designated Non-cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non-cash Consideration received and designated as such pursuant to this clause (viii) (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value), is less than the greater of €22.5 million and 1.4% of Total Assets; or (ix) a combination of the consideration specified in clauses (i) to (viii).

(2) If the SSN Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds from such Asset Sale, within 365 days after the consummation of such Asset Sale, may be used or committed in a binding commitment to be used (provided that such Net Cash Proceeds are actually used within the later of 365 days from the consummation of the Asset Sale or 180 days from the date of such binding commitment) at the option of the SSN Issuer or any Restricted Subsidiary:

(a) to redeem, repay or purchase Senior Secured Notes (i) pursuant to an offer to all holders of the Senior Secured Notes at a purchase price equal to at least 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase (a "Notes Offer") and/or (ii) pursuant to the redemption provisions set forth above under "*—Optional Redemption*", in the case of this clause (ii), in proportion to the principal amount of Senior Secured Notes then outstanding;

(b) to purchase or permanently prepay or redeem or repay any Debt under Credit Facilities (provided that in connection with any revolving credit borrowings under Credit Facilities (other than the New Revolving Credit Facility or any Permitted Refinancing Debt in respect thereof), the related commitment will be cancelled in an amount equal to the principal amount so prepaid, repaid or purchased) Incurred pursuant to clause 2(a) of the covenant described under the caption "*—Limitation on Debt*" that is secured by a Lien on assets or property which constitute Collateral;

(c) to purchase or permanently prepay or redeem or repay (i) except with respect to Debt that is the subject of clause (b), any Debt (provided that in connection with any revolving credit borrowings under Credit Facilities, the related commitment will not be required to be reduced) that is secured by a Lien on assets or property which do not constitute Collateral or (ii) any Debt of a Restricted Subsidiary that is not a Guarantor;

(d) unless included in clause (2)(b) above, to purchase, or prepay or redeem or repay, any Pari Passu Debt to the extent secured by a Lien on the Collateral at a price of no more than 100% of the principal amount (or accreted value, as applicable) of such Debt (plus accrued and unpaid interest) so long as the SSN Issuer or such Restricted Subsidiary makes an offer on a *pro rata* basis to all holders of the Senior Secured Notes at a purchase price equal to 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase;

(e) to acquire all or substantially all the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(f) to make a capital expenditure;

(g) to acquire other assets (other than Capital Stock) that are used or useful in a Permitted Business; or

(h) any combination of the foregoing.

(3) Pending the final application of any Net Cash Proceeds (including cash or Cash Equivalents received from the conversion of any securities, Senior Secured Notes or other obligations), the SSN Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the SSN Indenture.

(4) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (2) of this covenant will constitute "*Excess Proceeds*". The SSN Issuer may also at any time, and the SSN Issuer will within ten Business Days after the aggregate amount of Excess Proceeds exceeds €15.0 million, make an offer (an "*Excess Proceeds Offer*") to purchase, prepay or redeem with the proceeds of sales of assets the maximum principal amount of Senior Secured Notes and Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in the SSN Indenture or the agreements governing any such Pari Passu Debt. The offer price for the Senior Secured Notes and any such Pari Passu Debt will be payable in cash in an amount equal to 100% of the principal amount of such Senior Secured Note (and solely in the case of Pari Passu Debt, no greater than 100% of the principal amount (or accreted value, as applicable) of such Debt), plus in each case accrued and unpaid interest, if any, to the date of purchase and Additional Amounts, if any, to the date of purchase, prepayment or redemption.

(5) To the extent that the aggregate principal amount of the Senior Secured Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the SSN Issuer (or applicable Restricted Subsidiary) may use the amount of such Excess Proceeds not used to purchase the Senior Secured Notes and other Pari Passu Debt for any purpose not otherwise

prohibited by the SSN Indenture. If the aggregate principal amount of the Senior Secured Notes and any such Pari Passu Debt to be prepaid or validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Senior Secured Notes and any such Pari Passu Debt to be purchased will be purchased, prepaid or redeemed, as applicable, on a *pro rata* basis (based upon the principal amount of the Senior Secured Notes and the principal amount or accreted value of such Pari Passu Debt to be prepaid or tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero. If the aggregate principal amount of Senior Secured Notes to be purchased exceeds the amount of proceeds received for application to such principal amount, the Trustee will select the Senior Secured Notes to be purchased on a *pro rata* basis (or in the manner described under "—*Selection and Notice*"), based on the amounts tendered.

(6) If the SSN Issuer is obligated to make an Excess Proceeds Offer, the SSN Issuer will purchase the Senior Secured Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part in integral multiples of €1,000, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act; provided that no Senior Secured Note of less than €100,000 remains outstanding thereafter.

(7) The SSN Issuer will comply with the applicable requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Senior Secured Notes pursuant to an Excess Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the SSN Indenture, the SSN Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached their respective obligations under the Asset Sale provisions of the SSN Indenture by virtue of such compliance.

Additional Guarantees

The SSN Issuer will not permit any of its Restricted Subsidiaries that is not a Guarantor, directly or indirectly, to guarantee the payment of any other Debt of the SSN Issuer or any Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the SSN Indenture providing for a Note Guarantee of the payment of the Senior Secured Notes by such Restricted Subsidiary, which Note Guarantee will be *pari passu* with or senior to such Restricted Subsidiary's guarantee of such other Debt.

Each additional Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The first paragraph of this covenant will not be applicable to any guarantee of any Restricted Subsidiary (a) existing on the Issue Date (after giving effect to the Transactions on the Issue Date), (b) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or (c) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250.0 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the benefit of the SSN Issuer or the Restricted Subsidiaries.

Notwithstanding the foregoing, the SSN Issuer shall not be obligated to cause a Restricted Subsidiary to guarantee the payment of the Senior Secured Notes to the extent that such Note Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (a) a violation of applicable law, which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the SSN Issuer or the Restricted Subsidiary; (b) any liability for the officers, directors or shareholders of such Restricted Subsidiary; (c) significant cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses and other than reasonably expenses Incurred in connection with any governmental or regulatory filings required as a result or, or any measures pursuant to clause (b) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the SSN Issuer or any Restricted Subsidiary or (d) an inconsistency with Agreed Security Principles.

Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries

(1) The SSN Issuer will not, and will not permit any Restricted Subsidiary to create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock to the SSN Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the SSN Issuer (including any Proceeds Loan) or any other Restricted Subsidiary;

(c) make loans or advances to the SSN Issuer or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the SSN Issuer or any other 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 period to) loans or advances made to the SSN Issuer or any Restricted Subsidiary to other Debt (other than any Proceeds Loan) Incurred by the SSN Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of the covenant described in paragraph (1) above will not apply to encumbrances or restrictions existing under or by reason of:

(a) the Senior Secured Notes (including Additional Senior Secured Notes), the Note Guarantees, the SSN Indenture, the New Revolving Credit Facility Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(b) any agreements or instruments with respect to Debt of the SSN Issuer or any Restricted Subsidiary permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of "—*Limitation on Debt*," and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that such encumbrances or restrictions taken as a whole, as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer, are not materially less favorable to the holders of the Senior Secured Notes than (i) the encumbrances and restrictions contained in the New Revolving Credit Facility Agreement, the Senior Secured Notes, the SSN Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) is customary in comparable financings and, in the case of this subclause (ii), the SSN Issuer determines at the time such Debt is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the SSN Issuers' ability to make principal or interest payments on the Senior Secured Notes (as determined in good faith by the Board of Directors, the chief executive officer, chief financial officer or treasurer of the SSN Issuer);

(c) any agreement in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date (as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer);

(d) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(e) any agreement or other instrument of a Person (including its Subsidiaries) acquired by the SSN Issuer or any Restricted Subsidiary in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (including its Subsidiaries);

(f) any agreement for the sale or other disposition of the Capital Stock or all or substantially all the property and assets of a Restricted Subsidiary that restricts distributions of such Capital Stock or property and assets of that Restricted Subsidiary pending its sale or other disposition;

(g) Liens permitted to be Incurred under the provisions of the covenant described above under the caption "*—Limitation on Liens*" that limit the right to dispose of the assets subject to such Liens;

(h) applicable law, rule, regulation or order or the terms of any governmental licenses, authorizations, concessions, franchises or permits;

(i) encumbrances or restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies or indemnities, in each case, under contracts, agreements or policies entered into in the ordinary course of business;

(j) customary limitations on the distribution or disposition of assets or property in leases, licenses, joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitations are applicable only to the assets that are the subject of such agreements;

(k) Purchase Money Obligations and mortgage financings for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (1)(d) of the preceding paragraph;

(l) any agreement that extends, renews, amends, modifies, restates, supplements, refunds, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a) through (k), or in this clause (2)(l); provided that the terms and conditions of any such encumbrances or restrictions are not materially less favorable, taken as a whole, to the holders of the Senior Secured Notes than those under or pursuant to the agreement so extended, renewed, amended, modified, restated, supplemented, refunded, refinanced or replaced (as determined in good faith by the Board of Directors, the chief executive officer, chief financial officer or treasurer of the SSN Issuer);

(m) any encumbrance or restriction pursuant to Hedging Obligations; and

(n) any Qualified Securitization Financing.

Lines of Business

The SSN Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the SSN Issuer and its Restricted Subsidiaries, taken as a whole.

Designation of Unrestricted and Restricted Subsidiaries

The Board of Directors of the SSN Issuer may designate any Subsidiary of the SSN Issuer to be an Unrestricted Subsidiary (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) if no Default or Event of Default shall have occurred or be continuing at the time of or immediately after giving effect to such designation and such Subsidiary to be so designated or any of its Subsidiaries does not own any Capital Stock or Debt of, or own or hold any Lien on any property of, the SSN Issuer or any other Subsidiary of the SSN Issuer that is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the SSN Issuer and the Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "*—Limitation on Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the SSN Issuer. That designation will only be permitted if the Investment of the SSN Issuer in such Subsidiary would be permitted at that time under the covenant "*—Limitation on Restricted Payments*". The Board of Directors of the SSN Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the SSN Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "*—Limitation on Restricted Payments*".

The Board of Directors of the SSN Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation will be deemed to be an

Incurrence of Debt by a Restricted Subsidiary of any outstanding Debt of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Debt is permitted under the covenant described under the caption "—*Limitation on Debt*," calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation. Any designation of an Unrestricted Subsidiary of the SSN Issuer as a Restricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors of the SSN Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions.

Provision of Information

So long as the Senior Secured Notes are outstanding, the SSN Issuer will furnish to the Trustee:

(a) within 120 days after the end of the SSN Issuer's fiscal year beginning with the fiscal year ended December 31, 2021, annual reports containing the following information with a level of detail that is reasonably consistent with this Listing Prospectus: (i) audited consolidated balance sheets of the SSN Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the SSN Issuer for the two most recent fiscal years, including complete footnotes to such financial statements and the report of its independent auditors on the financial statements; (ii) unaudited *pro forma* income statement and balance sheet information of the SSN Issuer, together with explanatory footnotes, for any material acquisition or disposition or material recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (b) or (c) below provided that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the SSN Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) an operating and financial review of the audited financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and liquidity and capital resources, and a discussion of material commitments and contingencies, capital expenditures and critical accounting policies; (iv) a description of the business, management and shareholders of the SSN Issuer, material affiliate transactions, material debt instruments and material contracts; and (v) material risk factors and material recent developments;

(b) 60 days following the end of the first three fiscal quarters in each fiscal year of the SSN Issuer beginning with the quarter ending September 30, 2021, all quarterly financial statements of the SSN Issuer containing the following information: (i) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year period (which may be presented on a *pro forma* basis), together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the SSN Issuer, together with explanatory footnotes, for any material acquisition or disposition as determined with reference to the most recently completed fiscal quarter as to which such quarterly report relates or material recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report related, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (c) below; provided that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the SSN Issuer will provide, in the case of material acquisition, acquired company financials, (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated results of operations, financial condition and EBITDA and material changes in liquidity and capital resources of the SSN Issuer and any material change between the current year-to-date period and the corresponding period of the prior year;

and (iv) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and

(c) promptly after the occurrence of any material acquisition, disposition, restructuring or business consolidation or combination of the SSN Issuer and the Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the SSN Issuer or change in auditors of the SSN Issuer or any other material event that the SSN Issuer announces publicly, a report containing a description of such event.

In the event that, and for so long as, the equity securities of the SSN Issuer or any other IPO Entity are listed on a Recognized Stock Exchange and the SSN Issuer or such other IPO Entity, as applicable, is subject to the disclosure standards and reporting requirements applicable to issuers of equity securities admitted to trading on such Recognized Stock Exchange, for so long as it elects, the SSN Issuer will deliver to the Trustee such annual reports, semi-annual reports, information, documents and other reports that the SSN Issuer or such other IPO Entity is, or would be, required to file with such Recognized Stock Exchange; provided that, if such reports, information or documents are not in English, the SSN Issuer shall also simultaneously provide English translations thereof. Upon complying with the requirements set forth in the immediately preceding sentence, and provided that (i) such requirements require the SSN Issuer or such other IPO Entity to prepare and file annual and semi-annual reports and (ii) the SSN Issuer or such other IPO Entity additionally provides (x) the information required in the next succeeding paragraph and (y) within 60 days following the end of the first and third quarters in each fiscal year of the SSN Issuer or such other IPO Entity, quarterly consolidated revenues, EBITDA and net debt of the SSN Issuer or such other IPO Entity, as applicable, the SSN Issuer will be deemed to have complied with the provisions of clauses (a) and (b) above.

All historical financial statements shall be prepared in accordance with IFRS on a consistent basis for the periods presented. Except as provided for above, no report need include separate financial statements for the SSN Issuer or any Subsidiaries of the SSN Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Listing Prospectus and in no event (i) shall U.S. GAAP information or reconciliation to U.S. GAAP be required nor (ii) shall such report include separate financial statements for any Guarantor and non-Guarantor Subsidiaries of the SSN Issuer.

Contemporaneously with the furnishing of each such report discussed above, the SSN Issuer will also (i) file a press release with the appropriate internationally recognized wire services (including, without limitation, through the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency) in connection with such report or (ii) post each such report on such website as may be then maintained by the SSN Issuer.

So long as any of the Senior Secured Notes remain outstanding and during any period during which the SSN Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b) under the Exchange Act, the SSN Issuer will make available to any prospective purchaser of Senior Secured Notes or beneficial owner of Senior Secured Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act.

At any time that any of the SSN Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the SSN Issuer, then the quarterly and annual financial information required by the first paragraph of this "*—Provision of Information*" 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 SSN Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the SSN Issuer.

In the event that (i) the SSN Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the Commission or (ii) the SSN Issuer elects to provide reports which, if filed with the Commission, would satisfy (in the good faith judgment of the SSN Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the SSN Issuer will make available such annual reports, information, documents and other reports that the SSN Issuer is, or would be, required to file with the Commission pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the SSN Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs of this covenant.

Delivery of any information, documents and reports to the Trustee pursuant to this "*—Provision of Information*" covenant is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein, including the SSN Issuer's compliance with any of its covenants under the SSN Indenture.

Consolidation, Merger and Sale of Assets

The SSN Issuer

The SSN Issuer will not, directly or indirectly, in a single transaction or through a series of related transactions, consolidate or merge with or into another Person (whether or not the SSN Issuer is the surviving Person) or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the SSN Issuer and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

(a) at the time of, and immediately after giving effect to, any such transaction or series of transactions, either (i) the SSN Issuer will be the surviving Person or (ii) the Person (if other than the SSN Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all the properties and assets of the SSN Issuer and the Restricted Subsidiaries, taken as a whole, has been made (the "*Surviving Entity*"):

(x) will be a Person duly incorporated and validly existing under the laws of any member state of the European Union, Switzerland, Canada or any province of Canada, the United States of America, any state thereof or the District of Columbia; and

(y) will expressly assume the SSN Issuer's obligations under the Senior Secured Notes, the SSN Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Upstream Proceeds Loan (if not yet cancelled), the Proceeds Loans and the Security Documents pursuant to a supplemental indenture, accession agreement, security documents and any other relevant document, in each case, delivered to the Trustee and the Security Agent and the SSN Issuer will cause the SSN Holdco Security Providers (or any of them) to enter into one or more pledges of all of the Capital Stock of the Surviving Entity securing the obligations of the SSN Issuer under the Senior Secured Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Senior Secured Notes (which pledges shall be on substantially similar terms as the pledges entered into by the Holdco Security Providers with respect to the Capital Stock of the SSN Issuer on the Issue Date);

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any obligation of the SSN Issuer or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of related transactions as having been Incurred by the SSN Issuer or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) the SSN Issuer or the Surviving Entity would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to Incur at least €1.00 of additional Debt pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in clause (1)(a) of the "*—Limitation on Debt*" covenant or (ii) have a Consolidated Fixed Charge Coverage Ratio not less than it was immediately prior to giving effect to such transaction; and

(d) the SSN Issuer or the Surviving Entity will have delivered to the Trustee, in form satisfactory to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this covenant and that the supplemental indenture and the Senior Secured Notes constitute the SSN Issuer's or Surviving Entity's legal, valid and binding obligations, enforceable in accordance with their terms provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clause (b) and (c) above.

The foregoing provisions shall not apply to the Post-Closing Merger and shall not apply (other than the requirements of clause (b) of the first paragraph of this "*Consolidation, Merger and Sale of Assets*" covenant) to (i) any transactions which constitute an Asset Sale if the SSN Issuer has complied with the covenant described under "*—Limitation on Sale of Certain Assets*" or (ii) the creation of a new subsidiary as a Restricted Subsidiary of the SSN Issuer.

The Surviving Entity will succeed to, be substituted for and may exercise every right and power of the SSN Issuer under the Senior Secured Notes, the SSN Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents.

Guarantors

A Guarantor (other than any Guarantor whose Note Guarantee is to be released in accordance with the terms of the Note Guarantee and the SSN Indenture as described under "*—The Note Guarantees*") will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving Person), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(a) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(b) either:

(i) the Person acquiring the property or assets in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the SSN Issuer or a Guarantor) assumes all the obligations of such Guarantor under its Note Guarantee, the SSN Indenture, the relevant Proceeds Loans (as applicable), the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which such Guarantor is party pursuant to a supplemental indenture, accession agreement and appropriate security documents delivered to the Trustee and the Security Agent; or

(ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the SSN Issuer or a Restricted Subsidiary) otherwise permitted by the SSN Indenture.

Notwithstanding clauses (b) and (c) of the first paragraph of this covenant under "*—The SSN Issuer*" and clause (a) of the first paragraph of this covenant under "*—Guarantor*" (which do not apply to the transactions referred to in this sentence), (i) any Restricted Subsidiary may consolidate with, merge into or transfer all or substantially all of its properties and assets to the SSN Issuer or any other Restricted Subsidiary and (ii) the SSN Issuer may consolidate with, merge into or transfer all or substantially all of its properties and assets to any Guarantor. In addition, clause (c) of the first paragraph of this covenant under "*—The SSN Issuer*" will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the SSN Issuer with or into an Affiliate solely for the purpose of reincorporating the SSN Issuer in another jurisdiction for tax reasons.

Notwithstanding anything to the contrary contained herein, this "*Consolidation, Merger and Sale of Assets*" covenant will not apply to any transaction or arrangement that is a Permitted Reorganization.

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 "all or substantially all" of the property or assets of a Person.

Impairment of Security Interest

The SSN Issuer and the Guarantors will not, and the SSN Issuer will not cause or permit any of its Restricted Subsidiaries or any SSN Holdco Security Provider to, take, or knowingly or negligently omit to take, any action which would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens, the implementation of any Permitted Reorganization and the release of the Liens created by the Issuer Share Pledges in connection with an Initial Public Offering shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the holders of the Senior Secured Notes, and the SSN Issuer and the Guarantors will not, and the SSN Issuer will not cause or permit any of its Restricted Subsidiaries or any SSN Holdco Security Provider to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Senior Secured Notes and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Collateral; provided that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with any other provision of the SSN Indenture (including without limitation, in connection with a Permitted Reorganization or an Initial Public Offering), the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement and (b) the SSN Issuer, the SSN Issuer's Restricted Subsidiaries and the SSN Holdco Security Providers may Incur Permitted Collateral Liens, implement any Permitted Reorganization or release Liens created by the Issuer Share Pledge in connection with an Initial Public Offering; and provided further, however, that, except with respect to clause (a) and clause (b) of the foregoing proviso (provided that, in the case of such clause (b), unless no release of the relevant Lien securing the Senior Secured Notes is required in order for the SSN Issuer, any Restricted Subsidiary or any SSN Holdco Security Provider to Incur a Permitted Collateral Lien, implement any Permitted Reorganization or release Liens created by the Issuer Share Pledge in connection with an Initial Public Offering, such Lien securing the Senior Secured Notes is retaken immediately following its release in connection with such Incurrence), no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced or a Lien over the Collateral released and immediately retaken unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, replacement or release and retaking, the SSN Issuer delivers to the Trustee and the Security Agent any of (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance satisfactory to the Trustee and the Security Agent confirming the solvency of the SSN Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release and retaking, (2) a certificate from the Board of Directors or the chief financial officer of the relevant Person which confirms the solvency of such Person after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release and retaking and replacement, or (3) an Opinion of Counsel, in form and substance 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, modification or replacement or release and retaking, the Lien or Liens securing the Senior Secured Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity (if legally applicable) or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the written direction of the SSN Issuer and without the consent of the holders of the Senior Secured Notes, the Trustee and the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; (iv) comply with the terms of the Intercreditor Agreement; (v) evidence the succession of another Person to the SSN Issuer, a Guarantor or a SSN Holdco Security Provider and the assumption by such successor of the obligations under the SSN Indenture, the Senior Secured Notes, the applicable Note Guarantee and the Security Documents, in each case, in accordance with "*—Certain Covenants—Merger, Consolidation or Sale of Assets*;" or as result of a Permitted Reorganization; (vi) provide for the release of property and assets constituting Collateral from the Lien of the Security Documents or the release of the Note Guarantee of a Guarantor, in each case, in accordance with (and if permitted by) the terms of the SSN Indenture; (vii) conform the Security Documents to this "Description of the Senior Secured Notes;" (viii) evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent; (ix) provide for Additional Senior Secured Notes to also benefit from the Collateral or (x) make any other change thereto that does not adversely affect the rights of the holders of the Senior Secured Notes in any material respect.

In the event that the SSN Issuer complies with this covenant, the Security Agent and the SSN Issuer and the Trustee (subject to customary protections and indemnifications), if required, shall take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Additional Intercreditor Agreements

At the written request of the SSN Issuer, at the time of, or prior to, the Incurrence or refinancing of any Debt that is permitted to share the Collateral, the SSN Issuer, the relevant Guarantors, the SSN Holdco Security Providers, the Trustee and the Security Agent will (without the consent of the holders of the Senior Secured Notes) enter into an additional intercreditor agreement (each an "*Additional Intercreditor Agreement*") on terms substantially similar to the Intercreditor Agreement (or more favorable to the holders of the Senior Secured Notes) or an amendment to or an amendment and restatement of the Intercreditor Agreement (which amendment in the good faith judgment of the SSN Issuer does not adversely affect the rights of holder of the Senior Secured Notes in any material respect), it being understood that an increase in the amount of Debt being subject to the terms of the Intercreditor Agreement or Additional Intercreditor Agreement will be deemed to be on substantially similar terms to the Intercreditor Agreement and will be deemed not to adversely affect the rights of the holders of the Senior Secured Notes and will be permitted by this covenant if, in each case, the Incurrence of such Debt (and any Lien in its favor is permitted by the "*Limitation on Debt*" and "*Limitation on Liens*" covenants); provided that such Intercreditor Agreement or Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities, protections, indemnities or immunities of the Trustee and the Security Agent under the SSN Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement.

The SSN Indenture will also provide that, at the written direction of the SSN Issuer and without the consent of the holders of the Senior Secured Notes, the Trustee and the Security Agent shall from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, error, defect or inconsistency of such agreement, (2) increase the amount or types of Debt covered by such agreement that may be Incurred by the SSN Issuer or a Guarantor that is subject to such agreement (including with respect to the Intercreditor Agreement or any Additional Intercreditor Agreement, the addition of provisions relating to new Debt ranking junior in right of payment to the Senior Secured Notes or the Note Guarantees, or an amendment or modification of provisions relating to Debt ranking junior in right of payment to the Senior Secured Notes or the Note Guarantees if such amendments do not adversely affect the holders of the Senior Secured Notes in any material respect), (3) add Restricted Subsidiaries or new Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Senior Secured Notes (including Additional Senior Secured Notes), (5) make provision for equal and ratable pledges of or call options on the Collateral to secure Additional Senior Secured Notes, (6) implement any Permitted Collateral Liens, (7) to enable a Permitted Reorganization or release Liens created by the Issuer Share Pledge in connection with an Initial Public Offering, (8) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (9) make any other change to any such agreement that does not adversely affect the holders of the Senior Secured Notes in any material respect.

The SSN Indenture will also provide that, in relation to the Intercreditor Agreement or any Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the holders of the Senior Secured Notes to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of Subordinated Debt; provided that such transaction would comply with the covenant described under the caption "*—Restricted Payments*". The SSN Indenture will provide that each holder of a Senior Secured Note, by accepting such Senior Secured Note, will be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement, Additional Intercreditor Agreement and any amendment that complies with the provisions of this covenant, and none of the SSN Issuer, the Trustee or the Security Agent will be required to seek the consent of any holders of the Senior Secured Notes to perform its obligations under and in accordance with this covenant. Each holder of the Senior Secured Notes will be deemed to have consented to and directed the Trustee and the Security Agent to execute the Intercreditor Agreement, any Additional Intercreditor Agreement or amendment or amendment and restatement of the Intercreditor Agreement or any Additional Intercreditor Agreement that complies with the provisions of this covenant.

Limitation on Amendments to the Proceeds Loans

The SSN Issuer shall not sell, assign or otherwise transfer or forgive or waive any principal amount of any Proceeds Loan (other than to secure the Senior Secured Notes, any Guarantee of the Senior Secured Notes or the SSN Indenture or to grant Permitted Collateral Liens).

In addition, the SSN Issuer may not amend, modify or supplement any Proceeds Loan in a manner adverse in any material respect to the holders of Senior Secured Notes.

Notwithstanding the foregoing, any Proceeds Loan may be cancelled, forgiven or otherwise repaid, released or discharged upon:

(1) a repayment or prepayment of all or part of the principal amount of such Proceeds Loan, provided that, substantially concurrently with such repayment or prepayment, an amount equal to the principal amount of such Proceeds Loan which has been repaid or

prepaid, is applied to the repayment, redemption, repurchase or discharge of the Senior Secured Notes;

(2) a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Proceeds Loan Borrower (whether by direct sale or sale of a holding company), if the sale or other disposition does not violate the SSN Indenture and such Proceeds Loan Borrower ceases to be a Restricted Subsidiary of the SSN Issuer as a result of the sale or other disposition;

(3) the sale or disposition of all or substantially all the assets of such Proceeds Loan Borrower (other than to the SSN Issuer or any of its Restricted Subsidiaries), if the sale or other disposition does not violate the SSN Indenture;

(4) defeasance or discharge of the Senior Secured Notes, as provided in "*—Legal Defeasance or Covenant Defeasance of SSN Indenture*" and "*—Satisfaction and Discharge*";

(5) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

(6) as described under "*—Amendments and Waivers*"; or

(7) (i) as a result of a transaction permitted by the covenant described under the caption entitled "*—Certain Covenants—Consolidation, Merger and Sale of Assets*" or (ii) in connection with a Permitted Reorganization.

The Trustee and the Security Agent shall, as applicable, take all necessary actions reasonably requested by, and at the expense of, the SSN Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any redemption or release of the relevant Proceeds Loan in accordance with the foregoing 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 (except to the extent required under clause (5) above) of or liability to the holders of Senior Secured Notes or any other action or consent on the part of the Trustee or the Security Agent. The Trustee and the Security Agent shall be entitled to request and rely conclusively upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the relevant Proceeds Loan has occurred and that such release complies with the SSN Indenture.

Limitations Related to the BH Cash Management Agreement

In the event that (i) BH shall have breached its obligations under the BH Cash Management Agreement, (ii) an Event of Default shall have occurred and be continuing and the Security Agent shall have commenced enforcement proceedings under the SSN Indenture, (iii) the BH Cash Management Agreement or the BH Account Pledge shall have been terminated, (iv) the BH Account Pledge shall have ceased to constitute a valid and perfected Lien or shall have been declared legally invalid or unenforceable by a court of competent jurisdiction or (v) Mr. Olivier Bertrand or any of his Related Parties shall have ceased to own more than 50% of the total voting power of the Voting Stock of BH, the SSN Issuer shall, promptly upon the occurrence of any such event described in clause (i), (ii), (iii), (iv) or (v), cause BH to pay over to it (A) all cash and any other property and assets theretofore advanced by the SSN Issuer to BH under the terms of the BH Cash Management Agreement (and not theretofore reimbursed), (B) all securities and cash equivalents purchased with any such cash, property and assets (and not theretofore paid out to the SSN Issuer) and (C) all proceeds of the foregoing not theretofore paid out to the SSN Issuer and shall cancel and terminate the BH Cash Management

Agreement and ensure that no further funds are advanced to BH thereunder or under any other cash management arrangements whether now or hereafter in effect.

In addition, the SSN Issuer will not amend, modify, supplement, restate or replace, or cause or suffer to be amended, modified, supplemented, restated or replaced, the BH Cash Management Agreement or the BH Account Pledge in any manner that would be materially adverse to the holders of Senior Secured Notes.

Maintenance of Listing

The SSN Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Senior Secured Notes on the Luxembourg Stock Exchange for so long as such Senior Secured Notes are outstanding; provided that if the SSN Issuer is unable to obtain admission to listing of the Senior Secured Notes on the Luxembourg Stock Exchange or if at any time the SSN Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of such Senior Secured Notes on another recognized stock exchange.

Payments for Consent

The SSN Issuer 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 Senior Secured Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the SSN Indenture or the Senior Secured Notes unless such consideration is offered to be paid and is paid to all holders of the Senior Secured Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the SSN Issuer 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 SSN Indenture or the Senior Secured Notes, to exclude holders of Senior Secured Notes in any jurisdiction where (a) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (b) the payment of the consideration therefor would require the SSN Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), and the SSN Issuer in its sole discretion determines (acting in good faith) (x) such filing 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 (y) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of Default

(1) Each of the following will be an "*Event of Default*" under the SSN Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Senior Secured Note;

(b) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of or premium, if any, on any Senior Secured Note;

(c) failure by the SSN Issuer or any Restricted Subsidiary for 60 days after written notice to the SSN Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Senior Secured Notes then outstanding voting as a single class to comply with any of the agreements in the SSN Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (a) or (b) above) or the Senior Secured Notes, the Guarantees or the Security Documents;

(d) default under the terms of any instrument evidencing or securing Debt by the SSN Issuer or any Restricted Subsidiary (other than Debt owed to the SSN Issuer or a Restricted Subsidiary) if that default (x) results in the acceleration of the payment of such Debt or (y) is caused by a failure to pay principal of such Debt at the Stated Maturity thereof after giving effect to any applicable grace periods, and such failure to make any payment has not been waived or the maturity of such Debt has not been extended (a "*Payment Default*"), and in either case the aggregate principal amount of such Debt unpaid or accelerated exceeds €22.5 million;

(e) any Note Guarantee of a Significant Subsidiary or a group of Guarantors that, taken as a whole, would constitute a Significant Subsidiary ceases to be, is held in any judicial proceeding or shall be asserted in writing by any Guarantor, or any Person acting on behalf of any Guarantor, not to be, in full force and effect or enforceable in accordance with its terms (other than as provided for in the SSN Indenture, any Note Guarantee or the Intercreditor Agreement);

(f) failure by the SSN Issuer or any Significant Subsidiary or a group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, to pay final judgments, orders or decrees (not subject to appeal) entered by a court or courts of competent jurisdiction aggregating in excess of €22.5 million (exclusive of any amounts covered by insurance policies issued by reputable and creditworthy insurance companies), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree (by reason of pending appeal, waiver or otherwise) shall not have been in effect;

(g) (i) the security interests purported to be created under any Security Document (with respect to Collateral) having a Fair Market Value in excess of €10.0 million will (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the SSN Indenture), at any time, cease to be in full force and effect and to constitute a valid and perfected Lien with the priority required by the applicable Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement or the SSN Indenture for any reason other than the satisfaction in full of all obligations under the SSN Indenture and discharge of the SSN Indenture or in accordance with the terms of the Intercreditor Agreement, any Additional Intercreditor Agreement, the SSN Indenture and the Security Documents or (ii) any security interest purported to be created under any Security Document is declared invalid or unenforceable or the SSN Issuer, any Restricted Subsidiary or SSN Holdco Security Provider granting Collateral that is the subject of any such Security Interest asserts, in any pleading in any court of competent jurisdiction, that any such Security Interest is invalid or unenforceable, and, in the case of (i), such failure to be in full force and effect or such assertion has continued uncured for a period of 15 days; and

(h) the occurrence of certain events of bankruptcy or insolvency described in the SSN Indenture with respect to the SSN Issuer, a Guarantor, any SSN Holdco Security Provider, BH or any Significant Subsidiary or group of Restricted Subsidiaries that taken as a whole would constitute a Significant Subsidiary;

provided, *however*, that a default under clause (c), (d) or (f) of this paragraph will not constitute an Event of Default until the Trustee or the holders of not less than 25% in principal amount of the outstanding Senior Secured Notes notify the SSN Issuer of the Default and, with respect to such clause (c), (d) or (f), the SSN Issuer does not cure such Default within the time specified in such clause (c), (d) or (f), as applicable, after receipt of such notice. Notwithstanding the foregoing clause (h), the occurrence of any such bankruptcy or insolvency event with respect to BH shall be deemed not be an Event of Default if (and only for so long as) BH holds no cash or other property and assets on behalf of the SSN Issuer pursuant to the terms of the BH Cash Management Agreement.

(2) If an Event of Default (other than as specified in clause (1)(h) above) occurs and is continuing, the Trustee or the holders of not less than 25% in aggregate principal amount of the Senior Secured Notes then outstanding by written notice to the SSN Issuer (and to the Trustee if such notice is given by the holders) may, and the Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued interest on all the outstanding Senior Secured Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Senior Secured Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(h) above occurs and is continuing, then the principal of, premium, if any, and Additional Amounts and accrued and unpaid interest on all the outstanding Senior Secured Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Senior Secured Notes.

(4) The SSN Indenture will provide that the holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes by written notice to the Trustee may on behalf of the holders of all of the Senior Secured Notes waive any existing Default and its consequences under the SSN Indenture (except a continuing Default in the payment of interest, premium and Additional Amounts, if any, or the principal of any Senior Secured Notes held by a non-consenting holder, which may only be waived with the consent of holders of the Senior Secured Notes holding not less than 90% of the aggregate principal amount of the Senior Secured Notes outstanding under the SSN Indenture) and rescind any acceleration with respect to the Senior Secured Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction). In the event of any Event of Default specified in clause (d) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Senior Secured Notes) shall be annulled, waived or rescinded, automatically and without any action by the Trustee or the holders, if within 20 days after such Event of Default arose: (i) the indebtedness or guarantee that is the basis for such Event of Default has been discharged; (ii) holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or (iii) the default that is the basis for such Event of Default has been cured.

(5) At any time after a declaration of acceleration under the SSN Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Senior Secured Notes, by written notice to the SSN Issuer and the Trustee, may rescind such declaration and its consequences if:

(a) the SSN Issuer has paid or deposited with the Trustee (or another party designated by the Trustee for this purpose) a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all Senior Secured Notes then outstanding;

(ii) all unpaid principal of and premium, if any, on any outstanding Senior Secured Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Senior Secured Notes;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Senior Secured Notes; and

(iv) all sums paid or advanced by the Trustee under the SSN Indenture and the properly Incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsels;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the Senior Secured Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(6) Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes may direct the Trustee in its exercise of any trust or power.

(7) In case 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 SSN Indenture at the request or direction of any holders of the Senior Secured Notes unless such holders have made written request and offered to the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of any of the Senior Secured Notes has any right to institute any proceedings with respect to the SSN Indenture or any remedy thereunder, unless:

(a) the holders of at least 25% in aggregate principal amount of the outstanding Senior Secured Notes have made written request to, and offered indemnity and/or security (including by way of prefunding) satisfactory to, the Trustee to institute such proceeding as trustee under the Senior Secured Notes and the SSN Indenture;

(b) the Trustee has failed to institute such proceeding within 60 days after receipt of such written notice and offer of indemnity and/or security (including by way of prefunding); and

(c) the Trustee within such 60-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Senior Secured Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Senior Secured Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Senior Secured Note on or after the respective due dates expressed in such Senior Secured Note.

(8) The SSN Indenture will provide that if a Default or an Event of Default occurs and is continuing of which a responsible officer of the Trustee has received written notice, the Trustee will deliver to each holder of the Senior Secured Notes notice of the Default or Event of Default within 30 Business Days of receipt of such notice. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Senior Secured Notes, the Trustee may withhold the notice to the holders of such Senior Secured Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Senior Secured Notes.

(9) The SSN Issuer is required to furnish to the Trustee annual statements regarding compliance with the SSN Indenture and as to the occurrence of a Default or Event of Default. The SSN Issuer is also required to notify the Trustee in writing within 30 days of the occurrence of any Default (unless cured) or Event of Default, specifying the events giving rise to the occurrence of the Default or Event of Default and stating what action, if any, it is taking with respect to such Default or Event of Default.

(10) The SSN 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 "*—Provision of Information*" or otherwise to deliver any notice or certificate pursuant to any other provision of this SSN Indenture shall be deemed to be cured upon the delivery, prior to acceleration in respect of the relevant breach, 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 SSN Indenture.

(11) Prior to taking any action under the SSN Indenture, the Trustee will be entitled to indemnification and/or security (including by way of prefunding) satisfactory to the Trustee in its sole discretion against all losses, liabilities and expenses (including legal fees) caused by taking or not taking such action. The Trustee shall have no obligation to monitor compliance by the SSN Issuer or any Guarantor with the SSN Indenture.

Legal Defeasance or Covenant Defeasance of SSN Indenture

The SSN Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Senior Secured Notes issued under an SSN Indenture and all obligations of the Guarantors discharged with respect to their applicable Note Guarantees ("*Legal Defeasance*") except as to:

(a) the rights of holders of outstanding Senior Secured Notes to receive payments in respect of the principal of, premium, if any, and interest on such Senior Secured Notes (including Additional Amounts, if any) when such payments are due from the trust referred to below;

(b) the SSN Issuer's obligations to issue temporary Senior Secured Notes, register, transfer or exchange any Senior Secured Notes, replace mutilated, destroyed, lost or stolen Senior Secured Notes, maintain an office or agency for payments in respect of the Senior Secured Notes and segregate and hold such payments in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee and the obligations of the SSN Issuer and the Guarantors in connection therewith; and

(d) the Legal Defeasance and Covenant Defeasance provisions of the SSN Indenture.

If the SSN Issuer exercises its Legal Defeasance option, payment of the Senior Secured Notes may not be accelerated because of an Event of Default with respect to the Senior Secured Notes.

In addition, the SSN Issuer may, at its option and at any time, elect to have the obligations of the SSN Issuer and the Guarantors released with respect to certain covenants (including, without limitation, its obligation to make Change of Control Offers and Excess Proceeds Offers) set forth in the SSN Indenture ("*Covenant Defeasance*"), and thereafter any omission to comply with such covenants will not constitute a Default or an Event of Default with respect to the Senior Secured Notes. In the event Covenant Defeasance occurs, certain events described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the Senior Secured Notes. These events do not include events relating to non-payment or, solely with respect to the SSN Issuer, bankruptcy, insolvency, receivership and reorganization. The SSN Issuer may exercise its Legal Defeasance option regardless of whether it previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the SSN Issuer must irrevocably deposit or cause to be deposited in trust with the Trustee (or such other entity nominated by the Trustee for this purpose), for the benefit of the holders of the Senior Secured Notes, cash in euro, non-callable European Government Obligations or a combination thereof, in each case, in such amounts as will be sufficient, in the opinion of internationally recognized investment bank, appraisal firm or firm of independent public accountants taking into account the effect of any hedging arrangements entered into in connection with such deposit, to pay and discharge the principal of, premium, if any, and interest (including Additional Amounts, if any) on the outstanding Senior Secured Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the SSN Issuer must (x) specify whether the Senior Secured Notes are being defeased to such Stated Maturity or to a particular redemption date; and (y) if applicable, have delivered to the Trustee an irrevocable notice to redeem all the outstanding Senior Secured Notes of such principal, premium, if any, or interest;

(b) in the case of Legal Defeasance, the SSN Issuer must have delivered to the Trustee an Opinion of Counsel stating that (i) the SSN Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the Issue Date, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the beneficial owners of the outstanding Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income Tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the SSN Issuer must have delivered to the Trustee an Opinion of Counsel to the effect that the beneficial owners of the outstanding

Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income Tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) the SSN Issuer must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the SSN Issuer with the intent of preferring the holders of the Senior Secured Notes over the other creditors of the SSN Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the SSN Issuer or others; and

(e) the SSN Issuer must have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The SSN Indenture will be discharged and will cease to be of further effect as to all Senior Secured Notes issued thereunder when:

(a) either:

(I) all the Senior Secured Notes that have been authenticated and delivered (other than destroyed, lost or stolen Senior Secured Notes that have been replaced or paid and Senior Secured Notes for whose payment money has been deposited in trust or segregated and held in trust and thereafter repaid to the SSN Issuer or discharged from such trust as provided for in the SSN Indenture) have been delivered to the Paying Agent (and notified to the Trustee) for cancellation; or

(II) all Senior Secured Notes that have not been delivered to the Paying Agent (and notified to the Trustee) for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the SSN Issuer and the SSN Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity nominated by the Trustee for this purpose) as trust funds in trust solely for the benefit of the holders of the Senior Secured Notes, cash in euro, non-callable European Government Obligations or a combination thereof, in each case in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Senior Secured Notes not delivered to the Paying Agent (and notified to the Trustee) for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; and

(b) the SSN Issuer or any Guarantor has paid or caused to be paid all other sums payable by the SSN Issuer under the SSN Indenture; and

(c) the SSN Issuer has delivered irrevocable instructions to the Paying Agent (copied to the Trustee) under the SSN Indenture to apply the deposited money toward the payment of the Senior Secured Notes at maturity or on the redemption date, as the case may be.

In addition, the SSN Issuer must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided in the SSN Indenture relating to the satisfaction and discharge of the SSN Indenture have been satisfied; 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 (a), (b) and (c)).

Amendments and Waivers

Except as provided otherwise in the succeeding paragraphs, the SSN Indenture, the Senior Secured Notes, the Note Guarantees, the Security Documents, any Proceeds Loan, the Intercreditor Agreement or any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Senior Secured Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes), and any existing Default or Event of Default or compliance with any provision of the SSN Indenture, the Senior Secured Notes, the Note Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes).

However, without the consent of the holders holding not less than 90% of the then outstanding principal amount of Senior Secured Notes (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes), an amendment, supplement or waiver may not, with respect to any Senior Secured Notes held by a non-consenting holder:

(a) extend the Stated Maturity of the principal of, or any installment of or interest or Additional Amounts on, any Senior Secured Note;

(b) reduce the principal amount of any Senior Secured Note (or Additional Amounts or premium, if any) or the rate of or change the time for payment of interest, including default interest, on any Senior Secured Note;

(c) change the coin or currency in which the principal of any Senior Secured Note or any premium or any Additional Amounts or the interest thereon is payable;

(d) reduce the premium payable upon the redemption of any Senior Secured Note or change the time at which any Senior Secured Note may be redeemed, in each case as described under "—*Optional Redemption*;"

(e) impair the right of any holder of Senior Secured Notes to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date) on or with respect to such holder's Senior Secured Notes;

(f) waive a continuing Default or Event of Default in the payment of principal of, premium, if any, interest, or Additional Amounts, if any, on, the Senior Secured Notes (except a rescission of acceleration of the Senior Secured Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Senior Secured Notes and a waiver of the Payment Default that resulted from such acceleration);

(g) release any Guarantor from any of its obligations under its Note Guarantee other than in accordance with the terms of the SSN Indenture and the Intercreditor Agreement;

(h) make any change to any provision of the SSN Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement affecting the ranking of the Senior Secured Notes or Note Guarantees, in each case, in a manner that adversely affects the rights of the holders of Senior Secured Notes;

(i) release any Collateral granted for the benefit of the holders of the Senior Secured Notes, except in accordance with the terms of the relevant Security Document, the SSN Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(j) make any change in the provisions of the SSN Indenture described under "*—Additional Amounts*" that adversely affects the rights of any holder of the Senior Secured Notes in any material respect or amend the terms of the Senior Secured Notes or the SSN Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder;

(k) waive a redemption payment with respect to any Senior Secured Note (other than a payment required by the covenants described above under the captions "*Purchase of Senior Secured Notes upon a Change of Control*" and "*—Certain Covenants—Limitation on Sale of Certain Assets*");

(l) modify any of the provisions relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Senior Secured Notes required for such actions or to provide that certain other provisions of the SSN Indenture cannot be modified or waived without the consent of the holder of each Senior Secured Note affected thereby; or

(m) make any change in the preceding provisions.

Notwithstanding the foregoing, without the consent of any holder of the Senior Secured Notes, the SSN Issuer, the Guarantors, the Security Agent, the Paying Agent and the Trustee (as applicable) may modify, amend or supplement the SSN Indenture, the Senior Secured Notes, the Note Guarantees, any Security Document, the Intercreditor Agreement or any Additional Intercreditor Agreement to which they are party:

(a) to cure any ambiguity, omission, error, defect or inconsistency;

(b) increase the amount or types of Debt covered by any such agreement that may be Incurred under the SSN Indenture by the SSN Issuer or a Guarantor 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 Debt ranking junior or *pari passu* in right of payment to the Senior Secured Notes, or an amendment or modification of provisions relating to such Debt) that does not adversely affect the holders of the Senior Secured Notes in any material respect;

(c) add Restricted Subsidiaries to the relevant agreement or provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the SSN Indenture;

(d) implement any Permitted Collateral Liens (including junior liens, *pari passu* liens, and liens benefiting from priority rights of turnover in respect of proceeds of enforcement);

(e) to provide for the assumption of the SSN Issuer's or any other Guarantor's obligations to holders of the Senior Secured Notes and Note Guarantees by a Surviving Entity;

(f) to make any change that would provide any additional rights or benefits to the holders of the Senior Secured Notes or that does not adversely affect the legal rights under the SSN Indenture of any such holder in any material respect;

(g) to conform the text of the SSN Indenture, the Note Guarantees, the Security Documents or the Senior Secured Notes to any provision of this "*Description of the Senior Secured Notes*" to the extent that such provision in this "*Description of the Senior Secured Notes*" was intended to be a verbatim recitation of a provision of the SSN Indenture, the Note Guarantees, the Security Documents or the Senior Secured Notes;

(h) to release any Note Guarantee in accordance with the terms of the SSN Indenture;

(i) to add Note Guarantees with respect to the Senior Secured Notes and to allow any Guarantor to execute a supplemental indenture with respect to the Senior Secured Notes or a Note Guarantee and to allow the entry into of additional or supplemental Security Documents or to add additional parties to the Intercreditor Agreement or any Security Documents to the extent permitted hereunder or thereunder;

(j) to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including any Collateral) or any amendment or in respect of the Security Documents with respect to or securing the Senior Secured Notes and the Note Guarantees when such release, termination, discharge or retaking or amendment is in accordance with the terms of the SSN Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(k) provide for uncertificated Senior Secured Notes in addition to or in place of certificated Senior Secured Notes (provided that the uncertificated Senior Secured Notes are issued in registered form for purposes of Section 163(f) of the *Code*);

(l) to evidence and provide for the acceptance of the appointment of a successor trustee and/or security agent under the terms of the SSN Indenture or to otherwise comply with any requirement of the SSN Indenture;

(m) to the extent necessary to grant a Security Interest in any Collateral for the benefit of any Person, provided that the granting of such Security Interest is not prohibited by the SSN Indenture or the Intercreditor Agreement;

(n) make any change to the extent permitted by the covenant described under "—*Additional Intercreditor Agreements*" or the second paragraph of the covenant described under "—*Certain Covenants—Impairment of Security Interest*;" or

(o) to provide for the issuance of Additional Senior Secured Notes in accordance with, and if permitted by, the terms and limitations set forth in the SSN Indenture.

In formulating its opinion on such matters, the Trustee and the Security Agent, as applicable, shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate on which the Trustee and/or the Security Agent may solely rely.

The consent of the holders of the Senior Secured Notes is not necessary under the SSN Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Acts by Holders

In determining whether the holders of the required aggregate principal amount of the Senior Secured Notes have concurred in any direction, waiver or consent, any Senior Secured Notes owned by the SSN Issuer or by any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the SSN Issuer will be disregarded and deemed not to be outstanding.

Concerning the Trustee

The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The SSN Indenture will provide that, in case an Event of Default occurs and is continuing of which a responsible officer of the Trustee has received written notice, the Trustee will be required, in the exercise of its rights and powers vested in it by the SSN Indenture, to use the degree of care of a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the SSN Indenture at the request of any holder of Senior Secured Notes, unless such holder has offered to the Trustee security and/or indemnity (including by way of prefunding) satisfactory to it against any loss, liability or expense.

The SSN Issuer and the Guarantors will jointly and severally indemnify the Trustee for any loss, liability, Taxes or expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with its duties.

Listing

Application has been made to list the Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF of that exchange. There can be no guarantee that the application to list the Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF of that exchange will be approved as of the Issue Date or at any time thereafter, and settlement of the Senior Secured Notes is not conditioned on obtaining this listing. The SSN Issuer has initially designated Banque Internationale à Luxembourg SA as its listing agent (the "*Listing Agent*"). The address of the Listing Agent is 69 route d'Esch, L-1470 Luxembourg.

Listing and General Information

So long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of Luxembourg Stock Exchange shall so require, copies, current and future, of all of our annual audited consolidated and unconsolidated financial statements, our unaudited consolidated interim quarterly financial statements and this Listing Prospectus may be obtained, free of charge, during normal business hours at the registered office of the SSN Issuer.

Anyone who receives this Listing Prospectus may, following the Issue Date, obtain a copy of the SSN Indenture, the Senior Secured Notes, the Intercreditor Agreement, the Security Documents and any Additional Intercreditor Agreement without charge by writing to the SSN Issuer at 34, rue Mozart – Immeuble Le Cassiopée 92110 Clichy, France.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator, member or shareholder of the SSN Issuer or any Guarantor will have any liability for any obligations of the SSN Issuer, the Guarantors under the Senior Secured Notes, the Guarantees, the Security Documents or the SSN Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each holder, by accepting a Senior Secured Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws.

Prescription

Claims against the SSN Issuer or the Guarantors for the payment of principal or premiums, if any, on the Senior Secured Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the SSN Issuer or the Guarantors for the payment of interest on the Senior Secured Notes will be prescribed five years after the applicable due date for payment of interest.

Governing Law

The SSN Indenture, the Senior Secured Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York and will provide for the submission of the parties to the jurisdiction of the courts in the State of New York. The Security Documents will be governed by the laws of France. Each Proceeds Loan and the Upstream Proceeds Loan will be governed by the laws of France.

Consent to Jurisdiction and Service

The SSN Indenture will provide that the SSN Issuer and each Guarantor will appoint Law Debenture Corporate Services, Inc. 801 2nd Avenue Suite 403 New York, NY 10017, as their agent for service of process in any suit, action or proceeding with respect to the SSN Indenture or the Senior Secured Notes, as the case may be, and for actions brought under U.S. Federal or state securities laws brought in any Federal or state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Since most of the assets of the SSN Issuer and the Guarantors are outside the United States, any judgment obtained in the United States against the SSN Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, redemption price and any purchase price with respect to the Senior Secured Notes, may not be collectible within the United States.

Certain Definitions

Set forth below are certain defined terms used in the SSN Indenture. Reference is made to the SSN Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"*Acquired Debt*" means Debt of a Person:

(a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the SSN Issuer or a Restricted Subsidiary whether or not such Debt is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; or

(b) assumed in connection with the acquisition of assets from any such Person.

Acquired Debt will be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary or is merged into or consolidated with the SSN Issuer or a Restricted Subsidiary or the date of the related acquisition of assets from any Person.

"*Affiliate*" means, with respect to any specified Person 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 specified Person, means the power to direct or cause the direction of 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 set out in an annex to the SSN Indenture as in effect on the Issue Date, as applied reasonably and in good faith by the SSN Issuer.

"*Applicable Redemption Premium*" means, with respect to any Senior Secured Note on any redemption date, the greater of:

(a) 1.0% of the principal amount of such Senior Secured Note; or

(b) the excess of:

(i) the present value at such redemption date of (x) the redemption price of such Senior Secured Note at November 1, 2022 (such redemption price being set forth in the table appearing under the caption *"—Optional Redemption—Optional Redemption of Senior Secured Notes*"), plus (y) all required interest payments due on such Senior Secured Note through November 1, 2022 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points and assuming that the rate of interest on such Senior Secured Notes from the redemption date through November 1, 2022 will equal the rate of interest on such Senior Secured Notes on the date on which the applicable notice of redemption is given; over

(ii) the outstanding principal amount of such Senior Secured Note;

as calculated by the SSN Issuer or on behalf of the SSN Issuer by such Person as the SSN Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Redemption Premium shall not be an obligation or duty of the Trustee, Registrar, Transfer Agent, Calculation Agent or any Paying Agent.

"*Asset Sale*" means any sale, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business) or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "*transfer*"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than the SSN Issuer or a Restricted Subsidiary) or the economic rights of the SSN Issuer or a Restricted Subsidiary in the Capital Stock of any Restricted Subsidiary;

(b) all or substantially all the properties and assets of any division or line of business of the SSN Issuer or any Restricted Subsidiary; or

(c) any other of the SSN Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any lease, transfer, conveyance or other disposition of assets that is governed by the provisions of the SSN Indenture described under "—Certain Covenants—Consolidation, Merger and Sale of Assets" or "—Purchase of Senior Secured Notes upon a Change of Control;"

(ii) any transfer or disposition of assets or Capital Stock by the SSN Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the SSN Issuer or any Restricted Subsidiary, in each case in accordance with the terms of the SSN Indenture;

(iii) any issuance of Capital Stock by a Restricted Subsidiary to the SSN Issuer or another Restricted Subsidiary;

(iv) any transfer or disposition of (x) obsolete, worn-out or surplus equipment or facilities of the SSN Issuer or any Restricted Subsidiary or (y) other assets or rights of the SSN Issuer or any Restricted Subsidiary that, in the case of this clause (y), are no longer used or useful in the ordinary course of the SSN Issuer's or any Restricted Subsidiary's business;

(v) any single transaction or series of related transactions that involves assets, Capital Stock or economic rights in the Capital Stock of a Restricted Subsidiary having a Fair Market Value of less than €7.5 million;

(vi) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(vii) a disposition that is made in connection with the establishment of a joint venture which is a Permitted Investment or sales, transfers and other dispositions of Investments in joint ventures to the extent required by or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements;

(viii) the sale, lease, assignment, sublease, license, sublicense or other disposition of equipment, inventory, property (including restaurants and restaurant properties), stock-in-trade, goods, accounts receivable or other assets (including any real or personal property) in the ordinary course of business;

(ix) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments" (or a transaction that would constitute a Restricted Payment but for the exclusions from the definition thereof) and the making of any Permitted Payment or Permitted Investment;

(x) foreclosure, condemnation, taking by eminent domain or similar action with respect to property or other assets;

(xi) any disposition of Capital Stock, Debt or other securities of any Unrestricted Subsidiary;

(xii) sales of assets received by the SSN Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the SSN Issuer or any Restricted Subsidiary;

(xiii) the sale or other disposition of cash or Cash Equivalents;

(xiv) the grant of licenses to intellectual property rights to third parties on an arms' length basis in the ordinary course of business;

(xv) the disposition of assets to a Person that is providing services (the provision of which have been or are to be outsourced by the SSN Issuer or any Restricted Subsidiary to such Person) related to such assets; provided, that the Board of Directors of the SSN Issuer shall certify that in its opinion, the outsourcing transaction will be economically beneficial to the SSN Issuer 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 (xv), does not exceed the €10.0 million;

(xvi) the granting of Liens not otherwise prohibited by the SSN Indenture;

(xvii) the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;

(xviii) the unwinding of any Hedging Obligations;

(xix) any disposition with respect to property built, owned or otherwise acquired by the SSN Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the SSN Indenture;

(xx) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the SSN Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(xxi) 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; and

(xxii) the disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing and any factoring transaction in the ordinary course of business.

"*Associate*" means (i) any Person engaged in a Permitted Business of which the SSN Issuer 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 SSN Issuer or any Restricted Subsidiary of the SSN Issuer.

"*BH*" means BH, a *société par actions simplifiée* organized under the laws of France.

"*BH Account Pledge*" means the pledge agreement whereby BH grants a first priority security interest over all accounts to which are credited cash and property and assets held by BH on behalf of the SSN Issuer pursuant to the terms of the BH Cash Management Agreement in order to secure the obligations of BH thereunder for the benefit of the SSN Issuer.

"*BH Cash Management Agreement*" means the cash management agreement (*Convention de gestion de trésorerie*) entered into on June 21, 2016 by and between the SSN Issuer and BH, as amended, with respect to certain cash management services provided by BH to the SSN Issuer.

"*Board of Directors*" means (1) with respect to the SSN Issuer or any corporation, the board of directors, supervisory board or management board, as applicable, of the SSN Issuer or such corporation, as applicable, 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 requires any action or determination to be made by, or any approval of, a board of directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Bund Rate*" means, as of any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption 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 relevant date, where:

(a) "*Comparable German Bund Issue*" means with respect to the Senior Secured Notes, 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 November 1, 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 Senior Secured Notes and of a maturity most nearly equal to November 1, 2022, provided, however, that, if the period from such redemption date to November 1, 2022 is less than one year, a fixed maturity of one year shall be used;

(b) "*Comparable German Bund Pric*e" means, with respect to any relevant 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 SSN 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 SSN Issuer in good faith; and

(d) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the SSN Issuer 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 SSN Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany time on the third Business Day that is also a business day in Germany preceding the relevant date.

"*Business Day*" means a day of the year other than a Saturday or Sunday or other day on which banks are not required or authorized by law to close in Paris, New York City or London.

"*Capital Stock*" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (including any Preferred Stock, but excluding debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into or to acquire such Capital Stock, whether now outstanding or issued after the Issue Date.

"*Capitalized Lease Obligation*" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a finance lease obligation under IFRS, and, for purposes of the SSN Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined 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.

"*Cash Contributions*" means the aggregate amount of cash contributions made to the equity capital (other than through the issuance of Redeemable Capital Stock of the SSN Issuer) of the SSN Issuer or cash payments to the SSN Issuer in the form of Deeply Subordinated Funding for purposes of enabling the Incurrence of Contribution Debt.

"*Cash Equivalents*" means any of the following:

(a) any evidence of Debt with a maturity of 24 months or less from the date of acquisition issued or directly and unconditionally guaranteed or insured by the government of a member state of the European Union, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union, the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the SSN Issuer's option; provided that such country (or agency or instrumentality) has a long-term government debt rating of at least "A−" by S&P or "A3" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances, money market deposits, insurance products or similar instruments with a maturity of 12 months or less from the date of acquisition issued by (i) any lender under the New Revolving Credit Facility or (ii) a bank, insurance company or trust company that is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union as in effect on December 31, 2003 or of the United States of America or any state thereof, Switzerland or Canada; provided that such bank, insurance company or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated at least "A" by S&P or "A2" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(c) commercial paper rated at the time of acquisition thereof at least "P-2" or the equivalent thereof by Moody's or "A-2" or the equivalent thereof by S&P or carrying an equivalent rating by another internationally recognized rating agency and, in each case, maturing within one year after the date of acquisition;

(d) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any bank meeting the qualifications specified in clause (b) above;

(e) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member state of the European Union as in effect on December 31, 2003, 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;

(f) bills of exchange issued in the United States, Canada, a member state of the European Union as in effect on December 31, 2003 or Switzerland eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(g) investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (f) above.

"*Clearstream"* means Clearstream Banking, S.A., as currently in effect or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Commodity Hedging Agreements*" means, in respect of a Person, any spot, forward, swap, option or other similar agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in commodity prices.

"*Commission*" means the U.S. Securities and Exchange Commission.

"*Consolidated Adjusted Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person for such period, on a consolidated basis, as determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; provided that:

(a) the net income of any Person that is not a Restricted Subsidiary of such Person will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(b) solely for the purpose of determining the amount available for Restricted Payments under clause (2)(c)(i) of the "*—Limitation on Restricted Payments*" covenant, any net income (loss) of any Restricted Subsidiary (other than any Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the SSN 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 (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to the Senior Secured Notes, the SSN Indenture and the New Revolving Credit Facility Agreement, (iii) 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 of the Senior Secured Notes than such restrictions in effect on the Issue Date and (iv) any other restriction listed under the "*—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" covenant), except that the SSN Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Adjusted Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed (including by way of a loan) by such Restricted Subsidiary during such period to the SSN Issuer or any Restricted Subsidiary as a loan, dividend or other distribution (subject, in the case of a loan, dividend or distribution to another Restricted Subsidiary, to the limitation contained in this clause);

(c) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the SSN Issuer or any of its Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer) or in connection with the sale or disposition of securities will be excluded;

(d) (i) any extraordinary, exceptional or unusual gain, loss or charge, (ii) any asset impairments charges or the financial impacts of natural disasters (including fire, flood and storm and related events), (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (iv) any expenses, charges, reserves or other costs related to the Transactions and the Post-Closing Merger, in each case, will be excluded;

(e) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity-based awards will be excluded;

(f) all deferred financing costs written off and premium paid or other expenses incurred directly in connection with any early extinguishment of Debt and any net gain (loss) from any write-off or forgiveness of Debt will be excluded;

(g) any one-time non-cash charges or any increases in amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of another Person or business or resulting from any reorganization or restructuring involving such Person or its Subsidiaries will be excluded;

(h) any unrealized gains or losses in respect of Hedging Obligations 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 will be excluded;

(i) any unrealized foreign currency transaction gains or losses in respect of Debt of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies will be excluded;

(j) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists a reasonable basis that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365-day period), expenses, charges or losses with respect to liability or casualty events or business interruption will be excluded;

(k) the cumulative effect of a change in accounting principles will be excluded;

(l) any unrealized foreign currency translation or transaction gains or losses in respect of Debt or other obligations of the SSN Issuer or any of its Restricted Subsidiaries owing to the SSN Issuer or any Restricted Subsidiary will be excluded; and

(m) any non-cash interest accrued, capitalized or paid in respect of Deeply Subordinated Funding will be excluded.

"*Consolidated EBITDA*" means, with respect to any specified Person for any period without duplication, the sum of Consolidated Adjusted Net Income of such Person, plus in each case to the extent deducted in computing Consolidated Adjusted Net Income for such period:

(a) tax expenses based on income, profits or capital and pursuant to the *Cotisation sur la valeur ajoutée des enterprises* of such Person and any of its Restricted Subsidiaries for such period (whether or not paid, estimated, accrued or required to be remitted to any governmental authority); *plus*

(b) the Fixed Charges of such Person and any of its Restricted Subsidiaries for such period; *plus*

(c) any expenses, charges or other costs related to any equity offering, 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; provided that such payments are made at the time of such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization or Debt permitted to be incurred by the SSN Indenture, or the refinancing of any other Debt of such Person or any of its Restricted Subsidiaries (whether or not successful) (including such fees, expenses or charges related to the Transactions); *plus*

(d) depreciation, amortization (including amortization of intangibles and deferred financing fees), and other non-cash expenses (including write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on such Person and any of its Restricted Subsidiaries for such period), but excluding any non-cash items for which a future cash payment will be required and for which an accrual or reserve is required by IFRS to be made or amortization of a prepaid cash charge or expense that was paid in a prior period for such period; *plus*

(e) the amount of any restructuring charges, accruals or reserves and integration costs, including any one-time costs incurred in connection with acquisitions after the Issue Date; *plus*

(f) any minority interest expense (whether paid or not) consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary in such period or any prior period, except to the extent of dividends or other distributions paid or declared on Capital Stock held by third parties; *plus*

(g) to the extent actually paid during such period, 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 "*—Limitation on Transactions with Affiliates*" covenant; *plus*

(h) gain (or loss) on sale of receivables, Securitization Assets and related assets in connection with a Qualified Securitization Financing; *plus*

(i) costs or expenses incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the SSN Issuer or net cash proceeds of an issuance of Qualified Capital Stock of the SSN Issuer solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (2)(c) under "*—Certain Covenants—Limitation on Restricted Payments*;" *plus*

(j) any charge (or minus any income) attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme;

(k) (other than any non-cash items increasing such Consolidated Adjusted Net Income pursuant to clauses (a) to (m) of the definition thereof) non-cash items increasing such Consolidated Adjusted Net Income for such period other than the reversal of a reserve for cash charges in a future period in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with IFRS; *minus*

(l) any positive (or plus any negative) impact of discontinued operations related to clauses (a) to (j) of this definition of Consolidated EBITDA; *plus*

(m) to the extent not already otherwise included herein, any negative (or *minus* any positive) impact of any adjustments and add-backs similar to those made in calculating "*Adjusted Run-Rate EBITDA*" included in the Offering Memorandum.

When Consolidated EBITDA is being calculated for the purpose of any grower basket set forth in this "*Description of the Senior Secured Notes*", it shall be calculated on a *pro forma* basis consistent with the calculation of Consolidated EBITDA for purposes of the Consolidated Fixed Charge Coverage Ratio

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to a specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Consolidated Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio is made (for the purpose of this definition, the "*Calculation Date*") (but not giving effect to (i) any additional Debt to be incurred on the Calculation Date as part of the same transaction or series of transactions pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*" (other than with respect to clause (k) of such covenant) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*"), then the Consolidated Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by an Officer or a responsible financial or accounting officer of the SSN Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of calculating the Consolidated Fixed Charge Coverage Ratio:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of business that have been made by such Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by such specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), 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 financial or accounting officer of the SSN Issuer and may include anticipated expense and cost reduction and cost saving synergies) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDA 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;

(c) 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, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of such specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person following the Calculation Date;

(d) 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;

(e) 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; and

(f) if any Debt bears a floating rate of interest and such Debt is to be given *pro forma* effect, the interest expense on such Debt 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 Debt if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Debt).

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Adjusted Net Income and Fixed Charges, calculations will be as determined in good faith by a responsible financial or accounting officer of the SSN Issuer.

"*Consolidated Net Leverage*" means, with respect to a specified Person as of any date of determination, (x) the aggregate amount of Debt of such Person and its Restricted Subsidiaries (excluding Hedging Obligations entered into not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer)) on a consolidated basis *minus* (y) the aggregate amount of cash and Cash Equivalents (other than cash or Cash Equivalents received upon the incurrence of Debt by such Person or any of its Restricted Subsidiaries and not immediately or subsequently applied or used for any purpose not prohibited by the SSN Indenture) that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date in accordance with IFRS (including, for the avoidance of doubt, cash and Cash Equivalents held by BH on behalf of the SSN Issuer and its Restricted Subsidiaries pursuant to the BH Cash Management Agreement, but only if and to the extent recorded as cash and Cash Equivalents on the balance sheet of the SSN Issuer and its Restricted Subsidiaries as of such date in accordance with IFRS).

"*Consolidated Net Leverage Ratio*" means, with respect to a specified Person, as of any date of determination, the ratio of (a) the Consolidated Net Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date. In the event that such Person or any Subsidiary of such Person which is a Restricted Subsidiary Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems Redeemable Capital Stock or preferred stock 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 (for the purpose of this definition, the "*Calculation Date*") (but not giving effect to (i) any additional Debt to be Incurred on the date of determination as part of the same transaction or series of transactions pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*" (other than with respect to clause (k) of such covenant) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*")), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of Redeemable Capital Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. For purposes of calculating the Consolidated EBITDA for such period:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by such Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by such specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio) will be given *pro forma* effect (as determined in good faith by a responsible financial or accounting officer of the SSN

Issuer and may include anticipated expense and cost reduction and cost saving synergies) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio), will be excluded;

(c) 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; and

(d) 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.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the SSN Issuer. In determining the amount of Debt outstanding on any date of determination, *pro forma* effect will be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Debt on such date.

"*Consolidated Net Senior Secured Leverage*" means, with respect to a specified Person, as of any date of determination, (x) the aggregate outstanding Senior Secured Debt of such Person and its Restricted Subsidiaries *minus* (y) the aggregate amount of cash and Cash Equivalents (other than cash or Cash Equivalents received upon the incurrence of Indebtedness by such Person or any of its Restricted Subsidiaries and not immediately or subsequently applied or used for any purpose not prohibited by the SSN Indenture) that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date in accordance with IFRS (including, for the avoidance of doubt, cash and Cash Equivalents held by BH on behalf of the SSN Issuer and its Restricted Subsidiaries pursuant to the BH Cash Management Agreement, but only if and to the extent recorded as cash and Cash Equivalents on the balance sheet of the SSN Issuer and its Restricted Subsidiaries as of such date in accordance with IFRS).

"*Consolidated Net Senior Secured Leverage Ratio*" means with respect to a specified Person, as of the date of determination, the ratio of (a) the Consolidated Net Senior Secured Leverage of such Person to (b) the aggregate Consolidated EBITDA of such Person for the period of the most recent four consecutive quarters for which internal consolidated financial statements of the SSN Issuer are available, in each case, with such *pro forma* adjustments to Consolidated Net Senior Secured Leverage and Consolidated EBITDA as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio (it being understood that the *pro forma* adjustments applicable to Consolidated Net Leverage in such definition shall be applicable to Consolidated Net Senior Secured Leverage for purposes of this definition).

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Contribution Debt*" means Debt of the SSN Issuer or any Guarantor in an aggregate principal amount, together with any Debt refinancing such Debt, not greater than the aggregate amount of Cash Contributions (other than Excluded Contributions) made to the equity capital of the SSN Issuer (other than by a Subsidiary of the SSN Issuer) after the Issue Date, to the extent such net cash proceeds or cash have not been utilized for Excluded Contribution or applied to make Restricted Payments pursuant to clause (3)(b) or (3)(k) and are excluded from clauses (2)(c)(ii) and (2)(c)(iii) of the "*—Limitation on Restricted Payments*" covenant; provided that such Contribution Debt:

(a) is Incurred within 180 days after the making of such Cash Contributions; and

(b) is designated as Contribution Debt pursuant to an Officer's Certificate of the SSN Issuer no later than the date Incurred.

"*Credit Facility*" or "*Credit Facilities*" means one or more debt facilities (including, without limitation, under the New Revolving Credit Facility), indentures, trust deeds, debentures, fiscal agency agreements, note purchase agreements, instruments or arrangements or commercial paper facilities, in each case with banks or other financial institutions or investors providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), bonds, notes, debentures, letters of credit or other forms of guarantees and assurances, or other corporate debt instruments, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise), restructured, repaid or refinanced (whether by means of sales of debt securities to institutional investors and whether in whole or in part and whether or not with the original administrative agent or lenders or another administrative agent or agents or other bank or institutions and whether provided under the New Revolving Credit Facility Agreement and one or more other credit or other agreements) and, for the avoidance of doubt, includes any agreement increasing the amount loaned, issued or available to be loaned or issued thereunder, altering the maturity thereof, adding Subsidiaries of the SSN Issuer as additional borrowers, issuers or guarantors thereunder, or otherwise restructuring or altering the terms and conditions of all or any portion of the indebtedness thereunder.

"*Currency Agreements*" means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in currency exchange rates.

"*Debt*" means, with respect to any Person, without duplication:

(a) the principal of any indebtedness of such Person in respect of borrowed money (including overdrafts) or for the deferred and unpaid purchase price of property or services due more than one year after such property is acquired or such services are completed, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business;

(b) the principal of any indebtedness of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person representing reimbursement obligations in respect of any letters of credit, bankers' acceptances or other similar instruments (except to the extent such obligation relates to trade payables in the ordinary course of business); provided that any counter-indemnity or reimbursement obligation under a letter of credit shall be considered Debt only to the extent that the underlying obligation in respect of which the letter of credit has been issued would also be Debt;

(d) any indebtedness representing Capitalized Lease Obligations of such Person;

(e) all net obligations of such Person in respect of Hedging Obligations (the amount of any such obligation 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);

(f) all Debt referred to in (but not excluded from) the preceding clauses (a) through (e) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such specified Person, even though such specified Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the fair market value of such property or asset at such date of determination (as determined in good faith by the SSN Issuer) and the amount of the obligation so secured);

(g) all guarantees by such specified Person of Debt referred to in this definition of any other Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(h) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed-repurchase price and involuntary maximum fixed repurchase price plus accrued and unpaid dividends;

(i) Preferred Stock of any Restricted Subsidiary (but excluding any accrued dividends); and

(j) Qualified Securitization Financing,

if and to the extent any of the preceding items (other than obligations under clauses (c) and (e) through (i)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS; provided that the term "Debt" shall not include (i) non-interest bearing installment obligations and accrued liabilities incurred in the ordinary course of business that are not more than 90 days past due, (ii) Debt in respect of the incurrence by the SSN Issuer or any Restricted Subsidiary of Debt in respect of standby letters of credit, performance bonds or surety bonds provided by the SSN Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than 30 days following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (iii) any pension obligations of the SSN Issuer or a Restricted Subsidiary, early retirement or termination obligations or similar claims, obligations or contributions or social security or wage Taxes or any obligations in respect of worker's compensation claims, (iv) [Reserved], (v) Debt Incurred by the SSN Issuer or a Restricted Subsidiary in connection with a transaction where (x) such Debt is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose long-term debt has a rating immediately prior to the time such transaction is entered into, of at least "A" or the equivalent thereof by S&P or "A2" or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the SSN Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or Affiliate thereof, in amount equal to such Debt, (vi) contingent obligations incurred in the ordinary course of business, (vii) Deeply Subordinated Funding and (viii) in connection with the purchase by the SSN Issuer 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 30 days thereafter.

For purposes hereof, the amount of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which the principal amount of Debt will be required to be determined pursuant to the SSN Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors or a member of senior management of the issuer of such Redeemable Capital Stock; provided, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

For purposes hereof, the amount of Debt 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.

"*Deeply Subordinated Funding*" means any funding provided to the SSN Issuer by any Parent Company or any Permitted Holder or Related Party pursuant to a note other than Capital Stock, together with any such note issued in payment of any obligation under any Deeply Subordinated Funding, that pursuant to its terms, (i) is subordinated in right of payment to the prior payment in full in cash of the Senior Secured Notes, (ii)(A) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such funding into Qualified Capital Stock of the SSN Issuer or any other funding meeting the requirements of this definition), (B) does not (including upon the happening of any event) require payment of any cash interest or any similar cash amounts, (C) contains no change of control or similar provisions and (D) does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of the SSN Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes, (iii) does not provide for or require any security interest or encumbrance over any asset of the SSN Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the SSN Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Secured Notes or compliance by the SSN Issuer or any Guarantor, as applicable, with its obligations under the Senior Secured Notes, the SSN Indenture, any Guarantee or any Proceeds Loan, (v) does not (including upon the happening of any event) constitute Voting Stock and (vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Senior Secured Notes mature other than into or for Qualified Capital Stock of the SSN Issuer; provided, however, that upon the occurrence of any event or circumstance that results in such funds ceasing to qualify as Deeply Subordinated Funding, such funds shall constitute an incurrence of such Debt by the SSN Issuer, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Debt since the date of the original issuance of such Deeply Subordinated Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Deeply Subordinated Funding.

"*Default*" means any event that 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 of non-cash consideration received by the SSN Issuer or any Restricted Subsidiary in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officer's Certificate, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"*Equity Offering*" means a public or private sale of Qualified Capital Stock of the SSN Issuer (other than a public offering on Form S-8 under the Securities Act (or any successor form) or any similar offering in other jurisdictions or to the SSN Issuer or any of its Subsidiaries) or the public or private sale of Capital Stock or other securities of any Parent Company, the proceeds of which are contributed as Deeply Subordinated Funding or to the equity of the SSN Issuer; provided that the proceeds of such offering are not (i) utilized for Contribution Debt or Excluded Contributions or to make Restricted Payments pursuant to clause (3)(b) or (3)(l) of the covenant described under "*Certain Covenants—Limitation on Restricted Payments*" or (ii) contributed to the equity of the SSN Issuer through the issuance of Redeemable Capital Stock.

“Escrowed Proceeds” means the proceeds from the offering of any debt securities or other Debt 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.

“*Euroclear*” means Euroclear Bank SA/NV or any successor securities clearing agency.

“*European Government Obligations*” means direct obligations of, or obligations guaranteed by, a member state of the European Union (other than Greece), and the payment for which such member state of the European Union pledges its full faith and credit.

“*European Union*” means all members of the European Union as of January 1, 2004.

“*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

“*Excluded Contributions*” means the net cash proceeds received by the SSN Issuer after the Issue Date from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary) of its Capital Stock (other than Redeemable Capital Stock), in each case designated as “Excluded Contributions” pursuant to an Officer’s Certificate (which shall be designated no later than the date on which such Excluded Contribution has been received), the net cash proceeds of which are excluded from the calculation set forth in clauses (2)(c)(ii) and (2)(c)(iii) of the covenant described under “*—Certain Covenants—Limitation on Restricted Payments*” and are not utilized for Contribution Debt.

“*Fair Market Value*” means, with respect to any asset or property, the sale value that would be obtained in an arm’s length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer.

“*Fixed Charges*” means, with respect to any specified Person for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

(a) the total consolidated interest expense of such Person and its Subsidiaries that are Restricted Subsidiaries for such period, including, without limitation:

(i) amortization of debt discount, but excluding amortization of debt issuance costs, commissions, fees and expenses and the expensing of any bridge or other financing fees;

(ii) the net payments (if any) of Hedging Obligations (excluding amortization of fees and discounts and unrealized gains and losses);

(iii) the interest portion of any deferred payment obligation (classified as Debt under the SSN Indenture); and

(iv) commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings; *plus*

(b) the interest component of Capitalized Lease Obligations accrued or scheduled to be paid or accrued during such periods, other than the interest component of Capitalized

Lease Obligations between or among such Person and any of its Subsidiaries which are Restricted Subsidiaries or between or among its Subsidiaries which are Restricted Subsidiaries; *plus*

(c) non-cash interest expenses of such Person and its Subsidiaries that are Restricted Subsidiaries (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments) and interest that was capitalized during such period; *plus*

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the SSN Issuer or any Restricted Subsidiary or secured by a Lien on the SSN Issuer's or any Restricted Subsidiary's assets; *plus*

(e) net payments and receipts (if any) pursuant to Interest Rate Agreements (excluding amortization of fees) with respect to Debt; *plus*

(f) the product of (i) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Capital Stock payable to the SSN Issuer or a Restricted Subsidiary, times (ii) 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 member of senior management of the SSN Issuer; *minus*

(g) the interest income of such Person and its Subsidiaries which are Restricted Subsidiaries during such period.

Notwithstanding any of the foregoing, Fixed Charges shall not include any interest accrued, capitalized or paid in respect of Deeply Subordinated Funding.

"*guarantees*" means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit."*Guarantor*" means each of the Post-Closing Guarantors and any other Restricted Subsidiary that guarantees the Senior Secured Notes from time to time.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person from time to time under Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements. "*IFRS*" means the International Financial Reporting standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect on the date hereof, or, with respect to the covenant described under the heading "*—Certain Covenants—Provision of Information*," as in effect from time to time.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Board of Directors of the SSN Issuer, qualified to perform the task for which it has been engaged.

"*Initial Investors*" means (a) Mr. Olivier Bertrand, (b) Burger King Corporation and (c) any funds or limited partnerships managed or advised by Bridgepoint or any of its Affiliates or direct or indirect Subsidiaries or any trust, fund, company or partnership owned, managed or advised by Bridgepoint or any of its Affiliates or direct or indirect Subsidiaries or any limited partner of any such trust, fund, company or partnership.

"*Initial Public Offering*" means the first Public Offering of Qualified Capital Stock of the SSN Issuer or any Parent Company (the "*IPO Entity*") following which there is a Public Market and as a result of which such Qualified Capital Stock of the IPO Entity in such offering are listed on an internationally recognized stock exchange or traded on an internationally recognized market, including Euronext Paris.

"*Intercreditor Agreement*" means the intercreditor agreement to be dated on or about the Issue Date, by and among, *inter alios*, the SSN Issuer, the agent under the New Revolving Credit Facility, the Trustee and Security Agent and the other parties named therein, as amended, restated or otherwise modified or varied from time to time.

"*Interest Rate Agreements*" means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates.

"*Investment*" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including guarantees but excluding bank deposits, accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers and employees, in each case, made in the ordinary course of business) 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 any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person and all other items, in each case, that are required by IFRS to be classified on the balance sheet (excluding the footnotes) of the relevant Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. If the SSN Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the SSN Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided for in clause (4) of the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*". In addition, the portion (proportionate to the SSN Issuer's equity interest in a Restricted Subsidiary) of the Fair Market Value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary will be deemed to be an "Investment" that the SSN Issuer made in such Unrestricted Subsidiary at such time. The portion (proportionate to the SSN Issuer's equity interest in such Restricted Subsidiary) of the Fair Market Value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary will be considered a reduction in outstanding Investments. "Investments" excludes extensions of trade credit on commercially reasonable terms in accordance with normal trade practices.

"*Investment Grade Rating*" shall occur when the Senior Secured Notes are rated Baa3 or better, in the case of Moody's, and BBB− or better, in the case of S&P, as applicable (or the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the SSN Issuer as a replacement agency).

"*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 November 2, 2021.

"*Issuer Share Pledges*" means each pledge, dated on or about the Issue Date, by each SSN Holdco Security Provider of the financial securities account to which the shares of Capital Stock of the SSN Issuer owned by such SSN Holdco Security Provider are credited securing the obligations of the SSN Issuer and the Guarantors under the Senior Secured Notes and the SSN Indenture (or any related parallel debt) for the benefit of the Security Agent and the Trustee and the holders of Senior Secured Notes.

"*Lien*" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, call option, hypothecation, assignment for security, standard security, assignation in security claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"*Limited Condition Acquisition*" means any acquisition, including by way of merger, amalgamation or consolidation, by the SSN Issuer 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 EBITDA, other than for purposes of calculating any ratios or baskets in connection with the Limited Condition Acquisition and the related transactions, shall not include any Consolidated EBITDA 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, consultants or independent contractors of any Parent Company, the SSN Issuer or any Restricted Subsidiary:

(a) (i) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (ii) for the purpose of funding any such Person's purchase of Capital Stock or Deeply Subordinated Funding of the SSN Issuer or any Parent Company with the approval of the Board of Directors of the SSN Issuer not exceeding €7.5 million in the aggregate outstanding at any time *less* any amounts outstanding under clause (3)(j) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*";

(b) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(c) not exceeding €3.0 million in the aggregate outstanding at any time.

"*Management Investment Company*" means an entity (other than the SSN Issuer or a Subsidiary of the SSN Issuer) whose sole purpose is investing in Capital Stock of the SSN Issuer, any Restricted Subsidiary or any Parent Company by Management Investors.

"*Management Investor*" means the officers, directors, employees and other members of the management of any Parent Company, the SSN Issuer or any of their respective Subsidiaries, or family members or relatives of any of the foregoing (provided that, solely for purposes of the definition of "Permitted Holders," such relatives shall include only those Persons who are or become Management Investors in connection with estate planning for or inheritance from other Management Investors, as determined in good faith by the SSN Issuer, which determination shall be conclusive), or trusts, partnerships, limited liability companies, *fonds commun de placement d'entreprise* or other entities for the benefit of any of the foregoing, or any of their heirs, executors, successors and legal representatives who, at any date, beneficially own or have the right to acquire, directly or indirectly, Qualified Capital Stock of the SSN Issuer or any Restricted Subsidiary or any Parent Company or Capital Stock of any Management Investment Company.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock 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 Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. and its successors.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the SSN Issuer or any Restricted Subsidiary), net of:

(a) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

(b) provisions for all taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale;

(c) all payments made on any Debt which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets, or which by the terms of such Liens or by applicable law are required to be repaid out of the proceeds from such Asset Sale; so long as the SSN Issuer or such Restricted Subsidiary makes an offer on a *pro rata* basis to all holders of the Senior Secured Notes at a purchase price equal to 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to the extent the Senior Secured Notes are secured by such assets;

(d) all distributions and other payments required to be made to any Person (other than the SSN Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

(e) appropriate amounts required to be provided by the SSN Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the SSN Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale.

"*New Revolving Credit Facility*" means the New Revolving Credit Facility expected to be available pursuant to the New Revolving Credit Facility Agreement.

"*New Revolving Credit Facility Agreement*" means the credit agreement entered into on or about the Issue Date among the SSN Issuer, certain Subsidiaries of the SSN Issuer, as borrowers and guarantors, certain financial institutions, as mandated lead arrangers, U.S. Bank Trustees Limited, as security agent, and BNP Paribas, as agent, and as amended and restated (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Debt under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to compliance with the covenant described under "—*Certain Covenants—Limitation on Debt*") or altering the maturity thereof.

"*Offering Memorandum*" refers to the offering memorandum relating to the Senior Secured Notes dated October 22, 2021;

"*Officer*" means, with respect to any Person, the Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President, Vice President, the Treasurer, the Secretary, Director or member of the Board of Directors of such Person or any other person that the Board of Directors of such Person shall designate for such purpose.

"*Officer's Certificate*" means a certificate signed on behalf of the SSN Issuer by an Officer and delivered to the Trustee and other relevant addressees.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee, which opinion may be subject to customary qualifications and assumptions. The counsel may be an employee of or counsel to the SSN Issuer or its Subsidiaries.

"*Parent Company*" means, with respect to the SSN Issuer, any other Person (other than a natural person) that (i) legally and beneficially owns more than 50% of the Voting Shares of the SSN Issuer, either directly or through one or more Subsidiaries, or (ii) is a Subsidiary of any Person referred to in the preceding clause; provided, however, that in no event shall any Subsidiary of the SSN Issuer constitute its Parent Company.

"*Pari Passu Debt*" means (a) any Debt of the SSN Issuer that ranks equally in right of payment with the Senior Secured Notes or (b) any Debt of a Guarantor that ranks equally in right of payment to its Note Guarantee.

"*Permitted Business*" means (a)(i) the restaurant business and/or (ii) any businesses, services or activities (in the case of this clause (ii)) engaged in by the SSN Issuer or any Restricted Subsidiary on the Issue Date or which are contemplated by the SSN Issuer on the Issue Date and (b) any businesses, services and activities engaged in by the SSN Issuer or any Restricted Subsidiary that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Permitted Collateral Liens*" means the following types of Liens:

(a) Liens on the Collateral securing the Senior Secured Notes or the Note Guarantees (including any Additional Senior Secured Notes or guarantees of Additional Senior Secured Notes) and any Permitted Refinancing Debt in respect thereof (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt) and the related Note Guarantees or guarantees of such Permitted Refinancing Debt; provided that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Permitted Refinancing Debt secures the Senior Secured Notes or the Note Guarantees on a senior or *pari passu* basis;

(b) Liens on the Collateral to secure Debt permitted by clause (2)(a) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*;" provided that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Debt secures the Senior Secured Notes or the Note Guarantees on a senior or *pari passu* basis but such Liens may have priority to the Senior Secured Notes and the Note Guarantees with respect to distributions of proceeds of any enforcement of Collateral;

(c) Liens on the Collateral to secure Debt of the SSN Issuer or a Guarantor permitted by clause (1) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*" and Debt permitted by clause (2)(e)(i) (to the extent such guarantee is in respect of Debt otherwise permitted to be secured and is specified in this definition of "Permitted Collateral Liens"), (2)(k)(i) (covering only the shares and assets of the acquired Person the Debt of which is so secured), (2)(k)(ii) or (2)(p) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*" and Permitted Refinancing Debt in respect of the foregoing (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt); provided that (i) in the case of Debt of the SSN Issuer or a Restricted Subsidiary that is permitted to be Incurred under clause (2)(k)(i) or (2)(k)(ii) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*", after giving *pro forma* effect to such Incurrence (including *pro forma* application of the proceeds thereof), the Consolidated Net Senior Secured Leverage Ratio of the SSN Issuer would have been less than 6.0 to 1.0 or not greater than it was immediately prior to giving effect to the transaction and (ii) each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Debt secures the Senior Secured Notes and the Note Guarantees on a senior or *pari passu* basis;

(d) Liens on the Collateral to secure Hedging Obligations permitted by clause (2)(g) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*"; provided that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Debt secures the Senior Secured Notes or the Note Guarantees on a senior or *pari passu* basis, except that such Liens securing Interest Rate Agreements in respect of (x) Debt permitted by clause (2)(a) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*" or (y) the Senior Secured Notes or Pari Passu Debt secured by Liens on the Collateral on a *pari passu* basis with the Senior Secured Notes or the Note Guarantees may have priority to the Senior Secured Notes and the Note Guarantees with respect to distributions of proceeds of any enforcement of Collateral;

(e) Liens on the Collateral that secure Debt on a basis junior to the Senior Secured Notes; *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and provided further that the Collateral securing such Debt also secures the Senior Secured Notes and the Note Guarantees on a senior basis; and

(f) Liens described in clauses (d), (e), (f), (g), (h), (i), (j) (solely to the extent of the acquired property or assets that become Collateral), (k) (solely to the extent of the acquired property or assets that become Collateral), (n), (o), (p), (t), (u), (v) and (w) of the definition of "Permitted Liens".

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any Related Parties of such Initial Investors, (2) Management Investors and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of the SSN Issuer or any Parent Company, acting in such capacity. 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 SSN Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means any of the following:

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (c) of the definition of "Permitted Debt;"

(c) Investments in (i) the SSN Issuer other than a Restricted Payment of the type described in clause (1)(b) of the definition thereof, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the SSN Issuer or a Restricted Subsidiary;

(d) Investments made by the SSN Issuer or any Restricted Subsidiary as a result of or retained in connection with an Asset Sale permitted under or made in compliance with the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) expenses or advances to cover payroll, travel, entertainment, moving, other relocation and similar matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;

(f) Investments in the Senior Secured Notes and any Debt of the SSN Issuer or any Restricted Subsidiary;

(g) Investments existing on the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the SSN Indenture;

(h) Investments in Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt*;"

(i) any Investments received in settlement, compromise or resolution of debts, litigation, arbitration or other disputes or as a result of foreclosure, perfection or enforcement of any Lien;

(j) Investments in receivables owing to the SSN Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(k) 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 Sale, in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sale of Certain Assets*";

(l) any Investment to the extent made using Qualified Capital Stock or Deeply Subordinated Funding of the SSN Issuer or any Parent Company as consideration;

(m) any guarantee of Debt permitted to be incurred by the covenant entitled "*—Certain Covenants—Limitation on Debt*", performance guarantees and contingent obligations Incurred in the ordinary course of business and the creation of Liens on the assets of the SSN Issuer or any Restricted Subsidiary, in compliance with the covenant described under "*—Certain Covenants—Limitation on Liens*;"

(n) Management Advances;

(o) guarantees, keepwells and similar arrangements not prohibited by the covenant described under "*—Certain Covenants—Limitation on Debt;*"

(p) other Investments in any Person 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 (p) that are at the time outstanding (net of any dividends, repayments or other monetary return on such investments (other than in the form of loans or other credit)) not to exceed the greater of (i) €22.5 million and (ii) 1.4% of Total Assets; 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 "*Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (c)(i) or (c)(ii) of the definition of "Permitted Investments" and not this clause;

(q) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;

(r) (i) stock, obligations or securities received in satisfaction of judgments, foreclosure of Liens or settlement of debts and (ii) any Investments received in compromise of obligations of trade creditors or customers that were Incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(s) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "*—Limitation on Transactions with Affiliates*" (except transactions described in clause (b), (g) or (k) of the second paragraph thereof);

(t) Investments consisting of purchases and acquisitions of inventory, supplies, materials, equipment or services or the licensing of intellectual property in the ordinary course of business;

(u) advances, loans or extensions of trade credit in the ordinary course of business by the SSN Issuer or any Restricted Subsidiary;

(v) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business; and

(w) Investments in joint ventures in a Permitted 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 (w) that are at the time outstanding (net of any dividends, repayments or other monetary return on such investments (other than in the form of loans or other credit)) not to exceed the greater of (i) €30.0 million and (ii) 1.9% of Total Assets; *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 (c)(i) or (c)(iii) of the definition of "Permitted Investments" and not this clause.

"*Permitted Liens*" means the following types of Liens:

(a) Liens existing on the Issue Date;

(b) Liens in favor of the SSN Issuer or any Restricted Subsidiary;

(c) Liens created for the benefit of (or to secure) the Senior Secured Notes and the Guarantees;

(d) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the SSN Issuer or any Restricted Subsidiary in the ordinary course of business;

(e) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith or Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;

(f) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS, shall have been made;

(g) Liens incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business (other than obligations for the payment of money);

(h) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects and incurred in the ordinary course of business that do not in the aggregate interfere in any material respect with the ordinary conduct of the business of the SSN Issuer and the Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(i) Liens arising by reason of any judgment, decree or order of any court not constituting an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(j) Liens on property or assets of, or on shares of Capital Stock or on Debt of, any Person existing at the time such Person becomes a Restricted Subsidiary or is merged with, or into, or consolidated with, the SSN Issuer or any Restricted Subsidiary; provided that such Liens (i) do not extend to or cover any property or assets of the SSN Issuer or any Restricted Subsidiary other than the original property or assets of, or shares of Capital Stock or Debt of, such Person that is acquired by or merged with, or into, or consolidated with, the SSN Issuer or any Restricted Subsidiary and (ii) were not created in connection with or in contemplation of such acquisition, merger or consolidation;

(k) Liens on property or assets existing at the time such property or assets are acquired, including any acquisition by means of a merger with or into or consolidation with, the SSN Issuer or any Restricted Subsidiary; provided that such Liens (i) do not extend to or cover any property or assets of the SSN Issuer or any Restricted Subsidiary other than (A) the property or assets acquired or (B) the property or assets of the Person merged with or into or consolidated with the SSN Issuer or Restricted Subsidiary and (ii) were not in connection with or in contemplation of such acquisition, merger or consolidation;

(l) Permitted Collateral Liens;

(m) Liens securing the SSN Issuer's or any Restricted Subsidiary's Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt*;"

(n) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance) or deposits to secure public or statutory obligations of such Person or deposits of cash or government bonds to secure performance, bid, surety or appeal bonds and completion bonds and guarantees to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent or amounts owed to utilities, in each case incurred in the ordinary course of business;

(o) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(p) Liens incurred in connection with a cash management program or cash pooling established in the ordinary course of business;

(q) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Debt of any Restricted Subsidiary that is not a Guarantor;

(r) Liens on any property or assets of the SSN Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt, in each case, incurred in connection with the financing of all or any part of the purchase price, lease expense, rental payment or cost of design, construction, installation or improvement of assets or property (including Capital Stock of a Person); provided, that any such Lien may not extend to any assets or property owned by the SSN Issuer or any Restricted Subsidiary at the time the Lien is incurred other than the assets and property acquired, improved, constructed, leased or financed and any improvements or accessions to such assets and property (provided that to the extent that any such Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt relates to multiple assets or properties, then all such assets or properties may secure any such Capitalized Lease Obligation, Purchase Money Obligations, mortgage financings or other Debt); provided, further, that the aggregate principal amount of Debt secured by such Liens is otherwise permitted to be incurred under the SSN Indenture;

(s) Liens incurred to secure Permitted Refinancing Debt permitted to be incurred under the SSN Indenture; provided that the new Lien shall be limited to all or part of the same property and assets that secured the original Lien (plus improvements and accessions to such property and assets and proceeds or distributions thereof);

(t) 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;

(u) leases, licenses, franchises, subleases and sublicenses of assets in the ordinary course of business;

(v) 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;

(w) 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;

(x) any interest or title of a lessor under any operating lease;

(y) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the SSN Issuer 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 cash proceeds of such disposal;

(z) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures that are not Restricted Subsidiaries securing obligations of such joint ventures;

(aa) Liens over treasury stock of the SSN Issuer or a Restricted Subsidiary purchased or otherwise acquired for value by the SSN Issuer or such Restricted Subsidiary pursuant to a stock buy-back scheme or other similar plan or arrangement;

(bb) other Liens securing obligations in an aggregate amount at any one time outstanding not to exceed the greater of €50.0 million and 30% of Consolidated EBITDA;

(cc) Liens (including put and call arrangements) on the Capital Stock or other securities of an Unrestricted Subsidiary that secure Debt or other obligations of such Unrestricted Subsidiary;

(dd) deposits constituting retainers for legal fees;

(ee) Liens Incurred on Securitization Assets and related assets in connection with a Qualified Securitization Financing;

(ff) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Debt (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Debt or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Debt and are held in escrow accounts or similar arrangement to be applied for such purpose;

(gg) Liens securing Debt of the SSN Issuer or any Restricted Subsidiary permitted to be Incurred pursuant to clause (2)(a) under "*—Certain Covenants—Limitation on Debt*" in an aggregate principal amount at any one time outstanding not to exceed the greater of €37.5 million and 20.0% of Consolidated EBITDA; and

(hh) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (hh); provided that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

"*Permitted Refinancing Debt*" means any renewals, extensions, substitutions, refinancings or replacements of any Debt of the SSN Issuer or a Restricted Subsidiary incurred pursuant to this definition, including any successive renewals, extensions, substitutions, refinancings or replacements, so long as:

(a) such Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value and in the case of pay-in-kind Debt, the value of such Debt including any interest paid in the form of additional Debt) then outstanding of the Debt being renewed, extended, substituted, refinanced or replaced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such renewal, extension, substitution, refinancing or replacement);

(b) if the Debt being renewed, extended, substituted, refinanced or replaced is expressly or contractually subordinated in right of payment to the obligations of the Senior Secured Notes or any Guarantee, such Permitted Refinancing Debt is subordinated in right of payment to such obligations on terms at least as favorable to the holders of the Senior Secured Notes or relevant Guarantee, as those contained in the documentation governing the Debt being renewed, extended, substituted, refinanced or replaced;

(c) such Permitted Refinancing Debt has (x) a final maturity date that is either (i) no earlier than the final maturity date of the Debt being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Senior Secured Notes and (y) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Debt being renewed, refunded, refinanced, replaced, defeased or discharged; and

(d) such Debt does not include (x) Debt of a Restricted Subsidiary of the SSN Issuer that is not a Guarantor that refinances Debt of the SSN Issuer or a Guarantor or (y) Debt of the SSN Issuer or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

"*Permitted Reorganization*" means (1) the Post-Closing Merger, *provided* that the financial securities accounts on which the shares of the SSN Issuer to be received by Midco GB as a result of the completion of the Post-Closing Merger are credited shall be immediately subject to a first-ranking Lien for the benefit of the holders of the Senior Secured Notes, or (2) any amalgamation, demerger, merger, sale, contribution, or other disposition, voluntary liquidation, consolidation, reorganization, winding up, corporate reconstruction or other reorganization involving the SSN Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intragroup receivables and payables, among or between the SSN Issuer and its Restricted Subsidiaries in connection therewith (a "*Reorganization*") that is made on a solvent basis; provided that, in the case of this clause (2), immediately after giving effect to such Reorganization: (a) all of the business and property or assets of the SSN Issuer or such Restricted Subsidiary are owned by the SSN Issuer or its Restricted Subsidiaries (and if such Restricted Subsidiary was a Guarantor immediately prior to such Reorganization, (x) all the business and property or assets of such Restricted Subsidiary are retained by one or more Guarantors or (y) the condition in clause (c) of this definition is satisfied), (b) any payments or property or assets distributed, sold, contributed or disposed of in connection with such Reorganization remain within the SSN Issuer and its Restricted Subsidiaries, (c) if any shares or property or other assets that are subject to such Reorganization form part of the Collateral, substantially equivalent (as determined in good faith by the Board of Directors of the SSN Issuer) Liens must be granted over such shares or property or assets of the recipient such that they form part of the Collateral, subject to the Agreed Security Principles, and (d) the SSN Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that such Reorganization is permitted under the SSN Indenture and that no Default is continuing or would arise as a result of such Reorganization.

"*Person*" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*Post-Closing Merger*" means any consolidation or merger of NewCo GB with or into the SSN Issuer (where the SSN Issuer is the surviving Person) which is intended to be implemented after the Issue Date as further described in the Offering Memorandum.

"*Preferred Stock*" means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding or issued after the Issue Date, and including, without limitation, all classes and series of preferred or preference stock of such Person; provided that accrued non-cash dividends with respect to any Preferred Stock shall not constitute Preferred Stock for the purposes of "*—Certain Covenants—Limitation on Debt*".

"*Public Market*" means any time after:

(a) a Public Offering of the IPO Entity has been consummated; and

(b) at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the SSN Issuer as of the Issue Date.

"*Public Offering*" means (1) any offering of Qualified Capital Stock of the SSN Issuer that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act) or (2) any offering of Capital Stock of any Parent Company that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act), provided that (i) in the case of this clause (2), the proceeds of such offering are contributed as Deeply Subordinated Funding or to the equity of the SSN Issuer and (ii) in the case of (1) and (2), the proceeds of such offering or contribution are not utilized for Contribution Debt or Excluded Contributions or to make Restricted Payments pursuant to clauses (3)(b) or 3(k) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*".

"*Purchase Money Obligations*" means any Debt 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 Capital Stock*" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"*Qualified* Securitization *Financing*" means any financing pursuant to which the SSN Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in any accounts receivable (and related assets) in any aggregate principal amount at least equal to the Fair Market Value of such accounts receivable (and related assets) of the SSN Issuer or any Restricted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Board of Directors or a member of senior management of the SSN Issuer) at the time such financing is entered into and (b) such financing shall be non-recourse to the SSN Issuer and the Restricted Subsidiaries, except to a limited extent customary for such transactions.

"*Rating Agencies*" means Moody's and S&P or, in the event that Moody's or S&P no longer assigns a rating to the Senior Secured Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the SSN Issuer as a replacement agency.

"*Recognized Stock Exchange*" means a regulated market operated by any of Euronext, the New York Stock Exchange, NASDAQ, the Deutsche Börse, the Toronto Stock Exchange, TSX Venture Exchange, the Hong Kong Stock Exchange, the Singapore Exchange or such other similar regulated national securities exchange.

"*Redeemable Capital Stock*" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable, or by contract or otherwise, matures or is, or upon the happening of an event or passage of time would, mature or be, required to be redeemed, pursuant to a sinking fund obligation or otherwise, in whole or in part, prior to the six-month anniversary of the final Stated Maturity of the Senior Secured Notes or is redeemable at the option of the holder thereof at any time prior to the six-month anniversary of such final Stated Maturity, or is convertible into or exchangeable for debt securities at any time prior to the six-month anniversary of such final Stated Maturity; provided that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the six-month anniversary of the Stated Maturity of the Senior Secured Notes will not constitute Redeemable Capital 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—Restricted Payments*".

"*Related Parties*" with respect to any Permitted Holder, means:

(a) any controlling equity holder or majority or wholly owned Subsidiary of such Person; or

(b) 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

(c) any trust, corporation, partnership or other Person for whom the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a 50.1% or more controlling interest therein, consist of such individuals or such other Persons referred to in the immediately preceding clauses (a) and (b); or

(d) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, with respect to any Person, any Subsidiary of such Person that is not an Unrestricted Subsidiary; provided that, solely for the purposes of the definitions of each of Consolidated Adjusted Net Income, Consolidated EBITDA, Consolidated Fixed Charge Coverage Ratio, Consolidated Net Leverage, Consolidated Net Leverage Ratio and Fixed Charges, the term "Restricted Subsidiary" shall be deemed to include Agaquick S.A.S if (i) the SSN Issuer owns directly or indirectly no less than 49% of the Capital Stock of Agaquick S.A.S, (ii) the SSN Issuer fully consolidates Agaquick S.A.S in accordance with IFRS and otherwise controls Agaquick S.A.S and (iii) the combination of all distributions, fees or contracts made, paid or entered into by Agaquick S.A.S deliver the majority of the economic benefits (in monetary terms) of its operations to the SSN Issuer and its Restricted Subsidiaries.

"*S&P*" means S&P Global Ratings.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"*Securitization* Assets" means any accounts receivable subject to a Qualified Securitization Financing.

"*Securitization Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the SSN Issuer or a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

"*Securitization Repurchase Obligation*" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or a 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.

"*Senior Secured Debt*" means, as of any date of determination, (i) Debt of the SSN Issuer or any Restricted Subsidiary (other than Debt Incurred pursuant to clauses (2)(c), (2)(f), (2)(g), (2)(i), (2)(j) and (2)(n) of the "*—Limitation on Debt*" covenant) that is secured by a Lien (other than Debt secured by a Lien on the Collateral on a junior priority basis to the Senior Secured Notes and the Note Guarantees) and (ii) Debt of a Restricted Subsidiary that is not a Guarantor. For the avoidance of doubt, any Debt Incurred pursuant to clause (r) of the "*—Limitation on Debt*" covenant shall be deemed to be secured by a Lien and as such deemed to be Senior Secured Debt for purposes of the SSN Indenture.

"*Significant Subsidiary*" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 5% of the consolidated revenues of the SSN Issuer or (ii) as of the end of the most recent fiscal quarter, was the owner of more than 5% of the Total Assets.

"*SSN Holdco Security Providers*" means each of NewCo GB SAS, BK (UK) Company Ltd., Midco GB and any other Person that provides a pledge of any Capital Stock of the SSN Issuer or the Surviving Entity securing the obligations of the SSN Issuer under the Senior Secured Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of Senior Secured Notes.

"*Stated Maturity*" means, when used with respect to any Senior Secured Note or any installment of interest thereon, the date specified in such Senior Secured Note as the fixed date on which the principal of such note or such installment of interest, respectively, is due and payable, and, when used with respect to any other debt, means the date specified in the instrument governing such debt as the fixed date on which the principal of such debt, or any installment of interest thereon, is due and payable.

"*Subordinated Debt*" means Debt of the SSN Issuer or any Guarantor that is expressly subordinated in right of payment to the Senior Secured Notes or the Guarantees of, or Proceeds Loans owed by, such Guarantor pursuant to a written agreement, as the case may be; provided, that no Debt will be deemed to be subordinated in right of payment to any other Debt solely by virtue of being unsecured or by virtue of being secured on a junior Lien basis.

"*Subsidiary*" means, with respect to any specified Person:

(a) any corporation, association or other business entity of which more than 50% of the total voting power of Voting Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(b) any partnership or limited liability company (other than entities covered by clause (a) of this definition) of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and 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 (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person more than 50% of the total voting power of the Voting Stock 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 of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially owned" has a meaning correlative to the term "beneficial owner," as such term is defined in Rule 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Tax*" means any tax, duty, levy, impost, assessment or other similar governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "Taxes" and "Taxation" shall be construed to have corresponding meanings.

"*Total Assets*" means the consolidated total assets of the SSN Issuer and the Restricted Subsidiaries as shown on the most recent consolidated balance sheet of the SSN Issuer.

"*Transactions*" means the Offering, the entering into of the New Revolving Credit Facility, the entering into of the Security Documents and the Intercreditor Agreement, the incurrence of the Upstream Proceeds Loan by NewCo GB and of the Proceeds Loans by each Proceeds Loan Borrower, the entry into any agreement by the SSN Issuer or any Affiliate in connection with the Offering and the application of proceeds therefrom as described under "*Use of Proceeds*" section of the Offering Memorandum, including the repayment or extinguishment of any indebtedness, payment or reimbursement of any fees and expenses and any other transactions incidental to the above.

"*Unrestricted Subsidiary*" means:

(a) any Subsidiary of the SSN Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the SSN Issuer's Board of Directors pursuant to the "—*Designation of Unrestricted and Restricted Subsidiaries*" covenant); and

(b) any Subsidiary of an Unrestricted Subsidiary.

"*Voting Stock*" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"*Weighted Average Life to Maturity*" means, when applied to any Debt at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (1) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Debt (not including, for the avoidance of doubt, any additional principal amount arising from interest payments in respect of pay-in-kind Debt), by (2) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal.

DESCRIPTION OF THE PIK NOTES

Midco GB, a *société par actions simplifiée* organized under the laws of France (the "*PIK Issuer*"), will issue €235.0 million in aggregate principal amount of 7.75% / 8.50% senior PIK toggle notes due 2027 (the "*PIK Notes*"), under an indenture to be dated on or about November 2, 2021 (the "*PIK Indenture*"), among, *inter alios*, the PIK Issuer, Topco GB and U.S. Bank Trustees Limited as trustee (the "*Trustee*") and as security agent (the "*Security Agent*"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended. The term "*PIK Notes*" refers also to Book-Entry Interests (as defined below) in the PIK Notes. Except as set forth herein, the terms of the PIK Notes include those set forth in the PIK Indenture.

The definitions of certain terms used in this description are set forth under the subheading "—*Certain Definitions*". Certain defined terms used in this description but not defined below under "—*Certain Definitions*" have the meanings assigned to them in the PIK Indenture. In this "*Description of the PIK Notes*," references to (i) the "PIK Issuer" refer only to Midco GB and not to any of its Subsidiaries; (ii) "we," "our," "us" refer to the PIK Issuer and its Restricted Subsidiaries; and (iii) "Company" refers only to Burger King France SAS and not to any of its Subsidiaries.

The terms of the PIK Notes include those set forth in the PIK Indenture. The PIK Indenture will not be qualified under, and will not be subject to, the U.S. Trust Indenture Act of 1939, as amended (the "*TIA*"). Consequently, the holders of the PIK Notes generally will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the holders of the PIK Notes of certain relationships between it and the PIK Issuer. The Security Documents referred to below under the caption "—*Security*" define the terms of the security that will secure the PIK Notes.

The following description is a summary of the material terms of the PIK Indenture and the PIK Notes and refers to the Security Documents and certain other agreements relating to the PIK Notes. It does not, however, restate any of those agreements in their entirety. You should read the PIK Indenture, the PIK Notes and the Security Documents because they, and not this description, define your rights as a holder of the PIK Notes. Copies of the PIK Indenture, the form of the PIK Global Notes (as defined below) and the Security Documents may be obtained upon request from the PIK Issuer as set forth below under "*Listing and General Information*".

The PIK Issuer will make an application for the PIK Notes to be admitted to the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "*Euro MTF Market*"). Please see "*—Payments on the PIK Notes; Paying Agent, Registrar and Transfer Agent for the PIK Notes*".

Additional PIK Notes

From time to time, the PIK Issuer is permitted to issue Additional PIK Notes. The PIK Issuer will only be permitted to issue Additional PIK Notes in compliance with the covenants described under the headings "*—Certain Covenants — Limitation on Indebtedness*" and "*—Certain Covenants — Limitation on Liens*," and as described in "*—Terms of the PIK Notes*" and "*Additional Amounts*". Except as otherwise provided for in the PIK Indenture, the PIK Notes and, if issued, Additional PIK Notes will be treated as a single class for all purposes under the PIK Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase; *provided*, however, that a series of Additional PIK Notes that is not, in the reasonable judgment of the PIK Issuer, fungible with the PIK Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the PIK Notes of such series. Unless the context otherwise requires, references to the "*PIK Notes*" for all purposes of the PIK Indenture and this "*Description of the PIK Notes*" includes references to any Additional PIK Notes that are actually issued under the PIK Indenture.

The registered holder of a PIK Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the PIK Indenture.

Terms of the PIK Notes

The PIK Notes will be senior obligations of the PIK Issuer and will mature on November 1, 2027. Each PIK Note will bear interest at a rate of 7.75% per annum in the case of Cash Interest (as defined below) or, if PIK Interest (as defined below) is payable, at a rate of 8.50% per annum. Interest will accrue from the Issue Date or from the most recent date to which interest has been paid or provided for payable semi-annually to holders of record at the close of business on April 15 or October 15 immediately preceding the interest payment date on May 1 or November 1 of each year, commencing on May 1, 2022. Interest will be computed on the basis of a 360 day year comprised of twelve 30-day months.

In the case of payment of PIK Interest, including in the event of payment of Additional Amounts, the PIK Issuer may elect to either increase the outstanding principal amount of the PIK Notes or issue Additional PIK Notes under the PIK Indenture having the same terms as the PIK Notes offered hereby (in each case a "*PIK Payment*"). The PIK Notes and the Additional PIK Notes that are actually issued will be treated as a single class for all purposes of the PIK Indenture, including waivers, amendments, redemptions and offers to purchase.

Except as provided in the immediately succeeding sentence and the definition of "*Cash Available for Debt Service*", interest on the PIK Notes shall be payable entirely in cash ("*Cash Interest*"). For any interest period after the first two interest periods (other than the final interest period ending at stated maturity), if Cash Available for Debt Service as determined by the PIK Issuer or a relevant Restricted Subsidiary on the Determination Date for such interest period:

(i) equals or exceeds 75%, but is less than 100%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the PIK Issuer may, at its option, elect to pay interest on up to 25% of the then outstanding principal amount of the PIK Notes by increasing the principal amount of the outstanding PIK Notes or by issuing Additional PIK Notes in a principal amount equal to such interest ("*PIK Interest*");

(ii) is equal to or exceeds 50%, but is less than 75%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the PIK Issuer may, at its option, elect to pay interest on up to 50% of the then outstanding principal amount of the PIK Notes as PIK Interest;

(iii) is equal to or exceeds 25%, but is less than 50%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the PIK Issuer may, at its option, elect to pay interest on up to 75% of the then outstanding principal amount of the PIK Notes as PIK Interest; or

(iv) is less than 25% of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the PIK Issuer may, at its option, elect to pay interest on up to 100% of the then outstanding principal amount of the PIK Notes as PIK Interest,

provided that if, for the period starting on the 45th day preceding the relevant interest payment date and ending on the 15th day preceding such interest payment date, the aggregate amount of cash and Cash Equivalents of the PIK Issuer and its Restricted Subsidiaries has an average daily balance which is less than the sum of (i) the greater of €75.0 million and 43.0% of Consolidated EBITDA of the Company, (ii) any amount which cannot be, or which it is uneconomical to be, upstreamed to the PIK Issuer due to local limitations (including foreign exchange controls or tax cost) or which is required to be retained by law or regulation or to maintain the corporate existence or tax basis of the PIK Issuer or any of its Restricted Subsidiaries or debt service (including pursuant to cash sweep requirements), (iii) any declared but unpaid dividends or other distributions and (iv) any amounts payable to or in connection with any management or employee equity or incentive arrangement of the PIK Issuer or any of its Restricted Subsidiaries (the "*Minimum Free Cash Balance*"), determined on a *pro forma* basis giving effect to the payment of any Cash Interest payable under the PIK Notes on such interest payment date and, pro rata for the economic interest of the PIK Issuer in the Capital Stock of the Company or the IPO Entity, as applicable, then the PIK Issuer may, at its option, elect to pay PIK Interest on the PIK Notes in such amount so that the Minimum Free Cash Balance would have been maintained over the same period and determined on the same basis. In such circumstances the PIK Issuer or a relevant Restricted Subsidiary shall deliver an Officer's Certificate to the Trustee and the Paying Agent on or prior to the date falling five days prior to the relevant interest payment date, which certificate shall state the total amount of interest to be paid on such interest payment date and the amount of such interest to be paid as PIK Interest and reasonable details of the determination of such calculation. The Trustee or the Paying Agent, as the case may be, shall promptly deliver the same notice to the holders of record. Notwithstanding anything else to the contrary, the PIK Issuer may, at its option, elect to pay Cash Interest even if it would be entitled to pay PIK Interest.

The Minimum Cash Balance shall be calculated and determined in each case, without duplication, (i) excluding amounts drawn in cash and outstanding under (A) the New Revolving Credit Facility and (B) any factoring, local working capital or overdraft facilities, and (ii) on a *pro forma* basis to give effect to the payment of the anticipated cash purchase price for any acquisitions committed to but not yet funded (excluding any portion of the purchase price for such acquisitions that is expected to be funded by way of the incurrence of Debt for which a commitment is outstanding on the Determination Date). The insufficiency or lack of funds available to the PIK Issuer to pay Cash Interest as required by the immediately preceding paragraph shall not permit the PIK Issuer to pay PIK Interest in respect of any interest period, and the sole right of the PIK Issuer to elect to pay PIK Interest shall be as (and to the extent) provided in the immediately preceding paragraph.

For the purposes of the PIK Indenture:

"*Cash Available for Debt Service*" shall be the amount equal to the sum (without duplication) of:

(a) (i) all cash and Cash Equivalents on hand at the PIK Issuer as of such Determination Date (other than any cash and Cash Equivalents the distribution of which was conditioned upon such cash and Cash Equivalents being used for a purpose other than paying Cash Interest and other than an amount necessary to be retained by the PIK Issuer by law or regulation or to maintain the corporate existence or tax basis of the PIK Issuer and its Subsidiaries and to carry out activities not prohibited by the PIK Notes or the PIK Indenture (including, for the avoidance of doubt, the payment of interest on any Debt of the PIK Issuer that is permitted to be Incurred under the covenant "*—Certain Covenants—Limitation on Debt*")) (which amount shall in no event be less than zero), *provided* that there shall be excluded from this clause (i) any cash and Cash Equivalents at the PIK Issuer or any Restricted Subsidiary (other than a Permitted Subsidiary) as at the Issue Date, the proceeds from the PIK Notes (other than, to the extent otherwise included, amounts deposited in the Cash Interest Account) and any cash and Cash Equivalents to be used for payment of interest on the PIK Notes on the interest payment date immediately succeeding such Determination Date; and

(b) (ii) the maximum amount of all dividends and other distributions that, as of the applicable Determination Date, would be lawfully permitted to be paid to the PIK Issuer as cash and Cash Equivalents for the purposes of paying Cash Interest on the PIK Notes by the Company and its Restricted Subsidiaries (calculated (x) excluding any amounts payable to or in connection with any management or employee equity or incentive arrangement and (y) pro rata for the economic interest of the PIK Issuer in the Capital Stock of Company or the IPO Entity), if any (after giving effect to all corporate, shareholder or other comparable actions (including fiduciary and other directors' duties) required in order to make such payment, requirements under applicable law and regulation, the maintenance of corporate existence or tax basis and all restrictions or limitations on the ability to make such dividends or distributions that are otherwise permitted by the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" (including, without limitation, any restrictions and limitations in any Credit Facility, the Senior Secured Notes Indenture, other Indebtedness of the PIK Issuer and its Restricted Subsidiaries and any related documents and any other financing or other contractual arrangements of any Restricted Subsidiary of the PIK Issuer or any agreement that amends, modifies, renews, increases, supplements, refunds, replaces or refinances such debt or such financing or contractual arrangements) pursuant to the "consolidated net income", "general basket" or "leverage ratio-based basket" under the "restricted payments" covenant (but excluding all other carve-outs and baskets) and similar restrictive covenants and provisions contained in any Credit Facility, the Senior Secured Notes Indenture or any other agreement or instrument governing Indebtedness of the PIK Issuer or any of its Restricted Subsidiaries the terms of which do not violate the PIK Indenture, and any other financing or other contractual arrangements of any Restricted Subsidiaries of the PIK Issuer or any agreement that amends, modifies, renews, increases, supplements, refunds, replaces or refinances such debt or such financing or contractual arrangements), net of all fees, costs, expenses and taxes attributable to such dividend or distribution or payment, if any.

The amount of cash and Cash Equivalents of, or on hand at, the PIK Issuer and its Restricted Subsidiaries as of any Determination Date for purposes of determining whether such amount exceeds the Minimum Free Cash Balance or calculating the amount of Cash Available for Debt Service shall include, for the avoidance of doubt, cash and Cash Equivalents held by BH on behalf of the Company and its Restricted Subsidiaries on such date pursuant to the BH Cash Management Agreement, but only if and to the extent recorded as cash and Cash Equivalents on the balance sheet of the PIK Issuer at the time of such determination or calculation.

To the extent the PIK Issuer is required to pay Cash Interest for all or any portion of the interest due on any interest payment date, the PIK Issuer shall, including by exercising all its voting and other rights and powers as direct or indirect shareholder of its Restricted Subsidiaries and by causing each director thereof nominated by it to exercise all such person's rights as director to cause each of its Restricted Subsidiaries to, but subject to fiduciary or other directors' duties or any legal or regulatory impediments, permit the making of any such dividends or other distribution or other form of return on capital, provided that any such shareholder and corporate and other actions would not violate applicable law or regulation.

"*Determination Date*"' shall mean, with respect to each interest period (excluding the first two interest periods and the final interest period ending at the stated maturity of the PIK Notes), the day falling 10 calendar days immediately prior to the first day of the relevant interest period.

In the event that the PIK Issuer is entitled to pay PIK Interest for any interest period, then the PIK Issuer or a relevant Restricted Subsidiary shall deliver a notice to the Trustee and the Paying Agent following the Determination Date but not less than five calendar days prior to the commencement of the relevant interest period, which notice shall state the total amount of interest to be paid on such interest payment date and the amount of such interest to be paid as PIK Interest. The Trustee or the Paying Agent, as the case may be, shall promptly deliver the same notice to the holders of the PIK Notes. Notwithstanding the foregoing, the delivery of such notice to the Trustee and the Paying Agent shall not restrict the PIK Issuer's ability to pay, at its option, a greater portion of the interest on the PIK Notes with respect to such interest period as Cash Interest, in which case the PIK Issuer or a relevant Restricted Subsidiary shall deliver a notice to that effect to the Trustee and each Paying Agent no later than five calendar days prior to the interest payment date of the relevant interest period.

Interest for the first two interest periods shall be payable entirely in Cash Interest. Interest for the final interest period ending at the stated maturity of the PIK Notes shall be payable entirely in Cash Interest.

The PIK Issuer will make all interest payments, if payable in the form of Cash Interest, by wire transfer of immediately available funds to the Paying Agent, for onward payment to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the PIK Global Notes and credited by such participants to indirect participants. Interest, if payable in the form of Additional PIK Notes, on the PIK Global Notes will be payable by the PIK Issuer delivering an order to increase the principal amount of any such PIK Global Note by the relevant amount (rounded up to the nearest whole euro) or, if necessary, by issuing a new PIK Global Note executed by the PIK Issuer and an order to the Trustee (or its authenticating agent) to authenticate such new PIK Global Note under the PIK Indenture. Interest, if payable in the form of Additional PIK Notes, on any PIK Definitive Registered Notes will be payable by the PIK Issuer delivering to the Trustee and the Paying Agent such Additional PIK Notes in the relevant amount (rounded up to the nearest whole euro) as definitive registered PIK Notes and an order to authenticate such PIK Notes. If the PIK Issuer pays a portion of the interest on the PIK Notes as Cash Interest and the remainder as PIK Interest, such Cash Interest and PIK Interest shall be paid to Holders *pro rata* in accordance with their interests. Following an increase in the principal amount of the outstanding PIK Global Notes as a result of a payment as PIK Interest, the PIK Notes will bear interest on such increased principal amount from and after the date of such payment.

The rights of holders of beneficial interests in the PIK Notes to receive the payments of interest on the PIK Notes are subject to applicable procedures of Euroclear and Clearstream, as applicable. If the due date for any payment in respect of any PIK Note 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.

Brief Description of the PIK Notes

The PIK Notes:

- will be general obligations of the PIK Issuer;
- will be *pari passu* in right of payment with all existing and future Debt of the PIK Issuer that is not subordinated in right of payment to the PIK Notes;
- will be senior in right of payment to all existing and future Debt of the PIK Issuer that is subordinated in right of payment to the PIK Notes;
- will not be guaranteed;
- will be secured by senior Liens over the Collateral as described below under "*—Security*";
- will be effectively subordinated to any existing and future Debt of the PIK Issuer that is secured by property or assets that do not secure the PIK Notes, to the extent of the value of the property and assets securing such Debt; and
- will be structurally subordinated to all obligations of the PIK Issuer's Subsidiaries.

The operations of the PIK Issuer are conducted through its Subsidiaries and, therefore, the PIK Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the PIK Notes. Holders of the PIK Notes do not have a direct claim on the cashflow or assets of the PIK Issuer's Subsidiaries and the PIK Issuer's Subsidiaries do not have any obligation, contingent or otherwise, to pay amounts due under the PIK Notes or to make funds available to the PIK Issuer for those purposes. Certain legal and contractual restrictions limit the PIK Issuer's ability to access the cashflow of its Subsidiaries, including legal restrictions on the payment of corporate dividends as well as restrictions on the payment of corporate dividends under the Senior Secured Notes Indenture and the New Revolving Credit Facility. In addition, the PIK Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the PIK Issuer's Subsidiaries. Any right of the PIK Issuer to receive assets of any of its Subsidiaries upon that Subsidiary's liquidation or reorganization (and the consequent right of the holders of the PIK Notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors, except to the extent that the PIK Issuer is itself recognized as a creditor of the Subsidiary, in which case the claims of the PIK Issuer would still be subordinated in right of payment to any security in the assets of the Subsidiary and any Indebtedness of the Subsidiary that is senior to that owing to the PIK Issuer.

None of the PIK Issuer's Subsidiaries will provide a guarantee of the PIK Notes.

At August 31, 2021, on a *pro forma* basis after giving effect to the Offering and the application of the proceeds therefrom as described under "*Use of Proceeds*," the PIK Issuer would have had total debt of €235.0 million. At August 31, 2021, the Company and its Restricted Subsidiaries would have had €1,135.4 million of indebtedness outstanding, all of which would have ranked structurally senior to the PIK Notes, and €80.0 million of undrawn availability under the New Revolving Credit Facility.

As of the Issue Date, all of the PIK Issuer's Subsidiaries will be "Restricted Subsidiaries" for purposes of the PIK Indenture. However, under the circumstances described below under the caption "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*," the PIK Issuer will be permitted to designate certain of its Subsidiaries as "*Unrestricted Subsidiaries*". Unrestricted Subsidiaries of the PIK Issuer will not be subject to any of the restrictive covenants in the PIK Indenture and will not guarantee the PIK Notes.

Cash Interest Account

The PIK Issuer will deposit into a segregated bank account in the name of the PIK Issuer (the "*Cash Interest Account*") a portion of the net proceeds of the issuance of the PIK Notes on the Issue Date in an amount sufficient to enable the PIK Issuer to pay Cash Interest on the PIK Notes for each of the first two interest periods following the Issue Date.

To secure payment of such Cash Interest on each applicable interest payment date and the PIK Issuer's other payment obligations under the PIK Notes, the PIK Issuer will grant security over the Cash Interest Account pursuant to an account pledge (the "*Account Pledge*").

The PIK Issuer shall be entitled, pursuant to the terms of the Account Pledge, at any time and from time to time, to require the release of all or any part of the funds deposited in the Cash Interest Account (including accrued interest on such amounts) in order to make certain payments, including payment of Cash Interest, on or in connection with the PIK Notes. The Account Pledge will be automatically released in certain circumstances.

Payments on the PIK Notes; Paying Agent, Registrar and Transfer Agent for the PIK Notes

The PIK Issuer will maintain one or more paying agents (each, a "*Paying Agent*") for the PIK Notes for so long as the PIK Notes are held in registered form. The initial Paying Agent will be Elavon Financial Services DAC.

The PIK Issuer will also maintain one or more registrars (each, a "*Registrar*") and one or more transfer agents (each, a "*Transfer Agent*"). The initial Registrar will be Elavon Financial Services DAC. The initial transfer agent will be Elavon Financial Services DAC. The Registrar and the Transfer Agent, as applicable, will maintain a register reflecting ownership of PIK Definitive Registered Notes (as defined herein) outstanding from time to time (the "*Register*") and will make payments on and facilitate transfer of PIK Definitive Registered Notes on the behalf of the PIK Issuer.

The PIK Issuer may change the Paying Agent, the Registrar or the Transfer Agent without prior notice to the holders of PIK Notes. For so long as the PIK Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, the PIK Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

No service charge will be made for any registration of a transfer, exchange or redemption of the PIK Notes, but the PIK Issuer may require payment of a sum sufficient to cover any transfer Tax or similar governmental charge payable in connection with any such registration of transfer or exchange (but not for a redemption).

Form of PIK Notes

The PIK Notes will be issued on the Issue Date only in fully registered form without coupons and only in minimum denominations of €100,000 and integral multiples of €1 in excess thereof.

PIK Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act ("*Rule 144A*") will initially be represented by a PIK Global Note (as defined below) in registered form without interest coupons attached (the "*144A PIK Global Note*"). The 144A PIK Global Note will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. PIK Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by a PIK Global Note in registered form without interest coupons attached (the "*Regulation S PIK Global Note*" and, together with the 144A PIK Global Note, the "*PIK Global Notes*"). The Regulation S PIK Global Note will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Please see "*Book-Entry, Delivery and Form*".

Transfer and Exchange

The PIK Global Notes may be transferred only in accordance with the PIK Indenture. Ownership of interests in the PIK Global Notes (the "*Book-Entry Interests*") will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. 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 "*Transfer Restrictions*". In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants. Book-Entry Interests in the 144A PIK Global Note (the "*Restricted Book-Entry Interests*") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S PIK Global Note (the "*Regulation S Book-Entry Interests*") only upon delivery by the transferor to the Registrar of a written certification (in the form provided in the PIK Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraph will, upon transfer, cease to be a Book-Entry Interest in the PIK Global Note from which it was transferred and will become a Book-Entry Interest in the PIK 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 PIK Global Note to which it was transferred.

If definitive notes in registered form ("*PIK Definitive Registered Notes*") are issued, they will be issued only in minimum denominations of €100,000 in principal amount and integral multiples of €1 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates and other documentation required by the PIK Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. PIK Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the PIK Indenture or as otherwise determined by the PIK 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 "*Transfer Restrictions*".

Subject to the restrictions on transfer referred to above, PIK Notes issued as PIK Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1 in excess thereof, to persons who take delivery thereof in the form of PIK Definitive Registered Notes. In connection with any such transfer or exchange, the PIK Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and 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 or exchange.

Notwithstanding the foregoing, the PIK Issuer is not required to register the transfer of any PIK Definitive Registered Notes:

(a) for a period of 15 days prior to any date fixed for the redemption of the PIK Notes;

(b) for a period of 15 days immediately prior to the date fixed for selection of PIK Notes to be redeemed in part;

(c) for a period of 15 days prior to the record date with respect to any interest payment date; or

(d) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, Excess Proceeds Offer or Notes Offer.

The PIK Notes will be subject to certain restrictions on transfer and certification requirements, as described under "*Transfer Restrictions*".

Additional Amounts

All payments made by or on behalf of the PIK Issuer on the PIK Notes will be made free and clear of and without withholding or deduction for, or on account of, any present or future 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 in which the PIK Issuer is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision or governmental authority thereof or therein having the power to tax or

(2) any jurisdiction from or through which payment is made by or on behalf of the PIK Issuer (including the jurisdiction of any paying agent for the PIK Notes) or any political subdivision or governmental authority thereof or therein having the power to tax

(each of clause (1) and (2), a "*Tax Jurisdiction*")

will at any time be required by law to be made from any payments made by or on behalf of the PIK Issuer on the PIK Notes, including payments of principal, redemption price, interest or premium, the PIK Issuer will pay such additional amounts in the form of (i) in the case of Cash Interest or other cash payments, cash or (ii) in the case of PIK Interest, Additional PIK Notes (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by each holder of PIK Notes after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts that would have been received by the holder in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

(a) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any actual or deemed present or former connection between the holder or the beneficial owner of the PIK Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder or beneficial owner, if the relevant holder or beneficial owner is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including, without limitation, being or having been a resident, citizen or national of such jurisdiction or being or having been present or engaged in a trade or business there or having or having had a permanent establishment therein for Tax purposes), but excluding any connection arising solely from the acquisition, ownership or holding of such PIK Note, the enforcement of rights under such PIK Note or the receipt of any payments in respect of such PIK Note;

(b) any Taxes to the extent such Taxes were imposed as a result of the presentation of a PIK 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 PIK Note been presented on the last day of such 30-day period);

(c) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes, or excise taxes imposed on the transfer of PIK Notes;

(d) any Taxes imposed on or with respect to a payment made to a holder or beneficial owner of PIK Notes who would have been able to avoid such withholding or deduction by presenting the relevant PIK Notes to, or otherwise accepting payment from, another Paying Agent;

(e) any Taxes payable other than by deduction or withholding from payments on the PIK Notes;

(f) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of PIK Notes, to comply with a reasonable written request by the PIK Issuer (or any person acting on its behalf) addressed to the holder or beneficial owner (and made at least 30 days before any such withholding or deduction at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to provide information concerning the nationality, residency or identity of such holder or beneficial owner of the PIK Notes or to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation;

(g) any Taxes imposed on or with respect to any payment by the PIK Issuer to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had the beneficial owner been the holder of such PIK Note;

(h) any Taxes imposed or withheld pursuant to Sections 1471 through 1474 of the Code, as of the Issue Date (or any amended or successor version of such sections that are substantively comparable), any current or future regulations promulgated thereunder or official interpretations thereof and any agreements (including any law implementing any such agreement or any intergovernmental agreements 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) entered into pursuant thereto; or

(i) any combination of items (a) through (h) above.

In addition to the foregoing, the PIK Issuer will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies (including penalties and interest) which are levied by any Tax Jurisdiction on the execution, delivery, issuance, initial resale, enforcement or registration of any of the PIK Notes, the PIK Indenture or any other document referred to therein (other than a transfer of PIK Notes other than the initial resale by the initial purchasers), or the receipt of any payments with respect thereto (limited, solely in the case of Taxes attributable to the receipt of any payments with respect thereto, to any such Taxes imposed in a Tax Jurisdiction that are not excluded under clauses (a) through (d) or (f) through (h) above or any combination thereof), or any such Taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the PIK Notes.

If the PIK Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment on the PIK Notes, the PIK Issuer will deliver to the Trustee (copied to the Paying Agent) on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the PIK Issuer shall notify the Trustee promptly thereafter) an Officer’s Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer’s Certificate must also set forth any other information reasonably necessary to enable the paying agents to pay such Additional Amounts to holders on the relevant payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officer’s Certificate as conclusive proof that such payments are necessary.

The PIK Issuer will make or cause to be made all withholdings and deductions required by law and will timely remit or cause to be remitted the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The PIK Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The PIK Issuer will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the PIK Issuer or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. If reasonably requested by the Trustee or the Paying Agent, the PIK Issuer will provide to the Trustee or the Paying Agent such information as may be in the possession of the PIK Issuer (and not otherwise in the possession of the Trustee or the Paying Agent) to enable the Trustee or the Paying Agent to determine the amount of withholding Taxes attributable to any particular holder; *provided, however*, that in no event shall the PIK Issuer be required to disclose any information that it reasonably deems to be confidential.

Whenever in the PIK Indenture or in this "*Description of the PIK Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the PIK Notes, of principal, redemption or purchase prices in connection with a redemption or purchase of the PIK Notes, of interest or of any other amount payable under, or with respect to, any of the PIK Notes, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the PIK Indenture or any transfer by a holder or beneficial owner of its PIK Notes, and will apply, *mutatis mutandi*s, to any jurisdiction in which any successor Person to the PIK Issuer is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the PIK Notes and any department or political subdivision thereof or therein.

Security

General

On the Issue Date, the PIK Notes will be secured by security interests granted on an equal and ratable first-ranking basis over the following property, rights and assets (collectively, the "*Collateral*"):

- the Cash Interest Account pursuant to the terms of the Account Pledge; and

- the financial securities account (*nantissement de compte-titres*) to which the shares and securities of the PIK Issuer owned by Topco GB are credited (amounting to 100% of the outstanding share capital of the PIK Issuer as of the Issue Date).

Under the Security Documents, the Collateral will be pledged by the PIK Issuer and Topco GB to secure the payment when due of the PIK Issuer's payment obligations under the PIK Notes and the PIK Indenture. The Security Documents with respect to the Collateral will be entered into by, *inter alios*, the Security Agent or its nominee(s), who will act as Security Agent for the Trustee and the holders of PIK Notes.

Due to the laws and other jurisprudence governing the creation and perfection of security interests in France, the relevant Security Documents will provide for the creation of "parallel debt" obligations in favor of the Security Agent, and the security interests in such jurisdictions will secure the parallel debt (and not the Debt under the PIK Notes and the other secured obligations). The parallel debt construct has not been fully tested under law in France. See "*Certain Insolvency Law*

Considerations and Limitations on Validity and Enforceability of the Security Interests—France—Parallel Debt—Trust".

Each holder of PIK Notes, by accepting a PIK Note, shall be deemed (i) to have authorized the Security Agent (and, if applicable, the Trustee) to enter into the Security Documents and (ii) to be bound thereby. Each holder of PIK Notes, by accepting a PIK Note, appoints the Trustee or the Security Agent, as the case may be, as its agent under the Security Documents and authorizes it to act as such.

The holders of the PIK Notes are not a party to the Security Documents, and therefore holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Trustee or the Security Agent (as creditor of the parallel debt, in respect of the Security Documents governed by French law), as applicable. The Security Agent will agree to any release of the security interest created by the Security Documents (the "*Security Interests*") that is in accordance with the PIK Indenture without requiring any consent of the holders. The Trustee will have the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the PIK Indenture.

Subject to the terms of the Security Documents and prior to enforcement of any such Collateral, the PIK Issuer and the PIK Holdco Security Providers, as the case may be, will have the right to remain in possession and retain exclusive control of the Collateral securing the PIK Notes, and, in respect of the shares that are part of the Collateral, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing).

The value of the Collateral securing the PIK Notes may not be sufficient to satisfy the PIK Issuer's obligations under the PIK Notes, and the Collateral securing the PIK Notes may be reduced or diluted in the event of the issuance of Additional PIK Notes (as described under "*—Additional PIK Notes*", "*—Terms of PIK Notes*" or "*—Additional Amounts*") and the disposition of assets comprising the Collateral, subject to the terms of the PIK Indenture. Please see "*Risk Factors—Risks Related to the Notes, the SSN Guarantees and the Collateral—The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations under the Notes*".

No appraisals of the Collateral have been prepared by or on behalf of the PIK Issuer in connection with this Offering. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the PIK Indenture and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the PIK Notes. By its nature, some or all the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

The Security Documents will be governed by the laws of France and provide that the rights with respect to the PIK Notes and the PIK Indenture must be exercised by the Security Agent and, in each case, in respect of the entire outstanding amount of the PIK Notes. The term "Security Interests" refers to the Liens on the Collateral.

The PIK Issuer shall, and shall procure that the PIK Holdco Security Providers shall, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent or the Trustee, as applicable, may require (i) for registering any Security Document relating to the Collateral in any required register and for perfecting or protecting the security intended to be afforded by such Security Document relating to the Collateral; and (ii) if such Security Document is enforced in accordance with the terms of the PIK Indenture and the relevant Security Document, for facilitating the realization of all or any part of the assets which are subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of the Collateral. Each of the PIK Issuer and the PIK Holdco Security Providers shall execute such transfers, conveyances, assignments and releases of that property whether to the

Security Agent or to its nominees and give such notices, orders and directions which the Security Agent may request.

Release of the Security

The Collateral will be released from the Liens over the Collateral under any one or more of the following circumstances:

(a) upon a release of the Lien (the "*Initial Lien*") that resulted in the creation of the Lien securing the PIK Notes (the "*Notes Lien*") under the covenant described under the caption "*—Certain Covenants—Limitation on Liens*" so long as immediately after the release of the Notes Lien there is no other Debt secured by a Lien on the property and assets that were the subject of the Initial Lien and Notes Lien that would result in the requirement for the PIK Notes to be secured equally and ratably with, or prior to, such Lien;

(b) upon the full and final payment and performance of all obligations of the PIK Issuer under the PIK Indenture and the PIK Notes;

(c) in accordance with the caption entitled "*—Amendments and Waivers*";

(d) as a result of a transaction permitted by the covenant described under the caption entitled "*—Certain Covenants—Consolidation, Merger and Sale of Assets*";

(e) upon legal defeasance, covenant defeasance or satisfaction and discharge of the PIK Indenture as provided below under the captions "*—Legal Defeasance or Covenant Defeasance of PIK Indenture*" and "*—Satisfaction and Discharge*";

(f) in the case of a security enforcement sale in the release of the property and assets subject to such enforcement sale;

(g) solely with respect to the Account Pledge, as described under "*—Cash Interest Account*"; and

(h) with respect to any Liens over Capital Stock of the PIK Issuer, in connection with or in contemplation or anticipation of an IPO Event or an issuance or sale of Capital Stock of the PIK Issuer, upon the delivery of an Officer's Certificate to the Trustee and the Security Agent confirming that such release would be reasonably necessary (in the good faith judgment of the signing Officer) to enable the prompt and expeditious release of such Liens prior to the settlement of the relevant transaction pursuant to the procedures and customs of the relevant securities exchange, having regard (among other things) to the clearing, settlement and custodial arrangements and procedures of the relevant securities exchange, provided that in the event that Liens over such Capital Stock are released pursuant to this paragraph and such IPO Event or sale does not occur within the time period contemplated in the associated underwriting, sale, purchase or other relevant agreement or within a reasonable time period thereafter, the PIK Issuer shall cause the PIK Holdco Security Providers to grant a similar Lien in favor of the Security Agent for the benefit of the holders of the PIK Notes as soon as reasonably practicable thereafter.

Following written request by the PIK Issuer, and at the expense of the PIK Issuer, the Security Agent and, if necessary, the Trustee will take all necessary action required to effect any release of

Collateral securing the PIK Notes, in accordance with the provisions of the PIK Indenture and the relevant Security Documents, 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. The Security Agent and the Trustee shall be entitled to request and rely conclusively upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to a release of the Security Interests has occurred and that such release complies with the PIK Indenture.

Optional Redemption

On and after May 1, 2024 the PIK Issuer may redeem all or, from time to time, part of the PIK Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), 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 May 1 of the years indicated below:

Year	Redemption Price
2024	103.8750%
2025	101.9375%
2026 and thereafter	100.000%

Prior to May 1, 2024, the PIK Issuer may redeem all or, from time to time, a part of the PIK Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the PIK Notes so redeemed plus the Applicable Redemption 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).

Special Mandatory Redemptions—IPO Event

At any time prior to November 1, 2023, if an IPO Event has occurred the PIK Issuer shall redeem the PIK Notes with the net cash proceeds received by the PIK Issuer from sales by the PIK Issuer or any of its Restricted Subsidiaries in the secondary market of Capital Stock (other than Disqualified Stock) of the IPO Entity (net of the aggregate amount of all Restricted Payments made by the PIK Issuer pursuant to clause 3(r) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" prior to the date of such redemption (excluding amounts of such Restricted Payments that were already netted against the amounts to be paid for redemptions under this paragraph that occurred prior to such redemption), such redemption to occur within 120 days of receipt thereof, and upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 103% of the aggregate principal amount of the PIK Notes being redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, 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, between November 1, 2023 and May 1, 2024 if an IPO Event has occurred the PIK Issuer shall redeem the PIK Notes with the net cash proceeds received by the PIK Issuer from sales by the PIK Issuer or any of its Restricted Subsidiaries in the secondary market of Capital Stock (other than Disqualified Stock) of the IPO Entity (net of the aggregate amount of all Restricted Payments made by the PIK Issuer pursuant to clause 3(r) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" prior to the date of such redemption (excluding amounts of such Restricted Payments that were already netted against the amounts to be paid for redemptions under this paragraph that occurred prior to such redemption)), such redemption to occur within 120 days of receipt thereof, and upon not less than 10 nor more than 60 days' notice, at (i) a redemption price equal to 104% of the aggregate principal amount of the PIK Notes being redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, 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) for up to 40% of the aggregate principal amount of the PIK Notes originally issued and (ii) a redemption price equal to 100% of the aggregate principal amount of the PIK Notes being redeemed plus the Applicable Premium and accrued and unpaid interest, if any, to but excluding the applicable redemption date for the remaining principal amount of the PIK Notes (subject to the right of holders of record on the relevant record date that is prior to the redemption date to receive interest due on the relevant interest payment date).

Finally, on and after May 1, 2024, if an IPO Event has occurred the PIK Issuer shall redeem the PIK Notes with the net cash proceeds received by the PIK Issuer from sales by the PIK Issuer or any of its Restricted Subsidiaries in the secondary market of Capital Stock (other than Disqualified Stock) of the IPO Entity (net of the aggregate amount of all Restricted Payments made by the PIK Issuer pursuant to clause 3(r) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" prior to the date of such redemption (excluding amounts of such Restricted Payments that were already netted against the amounts to be paid for redemptions under this paragraph that occurred prior to such redemption), such redemption to occur within 120 days of receipt thereof and upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and Additional Amounts, if any, to but excluding, the 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 May 1 of the years indicated below:

Year	**Redemption Price**
2024	103.8750%
2025	101.9375%
2026 and thereafter	100.0000%

Any such redemption may, at the PIK Issuer's discretion, be subject to one or more conditions precedent, including the completion of and receipt of funds from the sale of such Capital Stock. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the PIK Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the PIK Issuer in its sole discretion), 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 by the redemption date, or by the redemption date so delayed. In addition, the PIK Issuer may provide in such notice that payment of the redemption price and performance of the PIK Issuer's obligations with respect to such redemption may be performed by another Person.

Notice of redemption will be provided as set forth under "*—Selection and Notice*" below. If the PIK Issuer effects an optional redemption of PIK Notes, it will, for so long as the PIK Notes of such series are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the PIK Notes of such series that will remain outstanding immediately after such redemption.

If the 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 PIK Note is registered at the close of business on such record date, and no additional interest will be payable to holders whose PIK Notes will be subject to redemption by the PIK Issuer.

Sinking Fund; Offers to Purchase; Open Market Purchases

Other than a Special Mandatory Redemption or as set forth above under the caption "*—Special Mandatory Redemption—IPO Event*," the PIK Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the PIK Notes. However, under certain circumstances, the PIK Issuer may be required to offer to purchase the PIK Notes as described under the captions "*—Purchase of PIK Notes upon a Change of Control*" and "*—Certain Covenants—Limitation on Sale of Certain Assets*". The PIK Issuer and any Restricted Subsidiary may at any time and from time to time purchase PIK Notes in the open market or otherwise.

Tax Redemption

The PIK Issuer may redeem the PIK Notes of any series, in whole but not in part, at the PIK Issuer's discretion at any time upon giving not less than 10 nor more than 60 days' prior written notice to the holders of such series of the PIK Notes (which notice will be irrevocable), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the PIK Issuer for redemption (a "*Tax Redemption Date*") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the PIK Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the PIK Notes, the PIK Issuer under or with respect to the PIK Notes is or would be required to pay Additional Amounts, and the PIK Issuer cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a paying agent located in another jurisdiction where that would be reasonable), and the requirement arises as a result of:

(a) any amendment to, or change in, the laws or treaties (or any regulations, protocols or rulings promulgated thereunder) of a relevant Tax Jurisdiction which change or amendment becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or

(b) any amendment to, or change in, any existing official written interpretation or application of such laws, treaties, regulations, protocols or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date)

(each of the foregoing clauses (a) and (b), a "*Change in Tax Law*").

The PIK Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the PIK Issuer would be obligated to make such payment or withholding if a payment in respect of such series of the PIK Notes was then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the PIK Notes pursuant to the foregoing, the PIK Issuer will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that the PIK Issuer is required to pay such Additional Amounts as a result of a Change in Tax Law. In addition, before the PIK Issuer publishes or mails notice of redemption of the PIK Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and that it is entitled to redeem such PIK Notes pursuant to their terms.

The Trustee will accept and shall be entitled to conclusively rely on such Officer's Certificate and Opinion of Counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the PIK Notes.

The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the PIK Indenture, with respect to a Change in Tax Law occurring on or after the date on which such successor Person becomes a party to the PIK Indenture.

Purchase of PIK Notes upon a Change of Control

If a Change of Control (as defined below) occurs at any time, then the PIK Issuer must make an offer (a "*Change of Control Offer*") to each holder of PIK Notes to repurchase all or any part (equal to €100,000 or in integral multiples of €1 in excess thereof) of such holder's PIK Notes, at a purchase price (the "*Change of Control Purchase Price*") in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of purchase (the "*Change of Control Purchase Date*") (subject to the rights of holders of record on relevant regular record dates that are prior to the Change of Control Purchase Date to receive interest due on an interest payment date). Purchases made under a Change of Control Offer will also be subject to other procedures set forth in the PIK Indenture.

Unless the PIK Issuer has unconditionally exercised its right to redeem all the PIK Notes in accordance with the PIK Indenture, all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the PIK Issuer will deliver a notice to each holder of the PIK Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "*—Selection and Notice*," stating that a Change of Control Offer is being made and offering to repurchase PIK Notes on the Change of Control Purchase Date, and the notice will state:

(a) that a Change of Control has occurred, and the date it occurred and offering to purchase the PIK Notes on the date specified in the notice;

(b) the circumstances and relevant facts and financial information regarding the transaction or transactions that constitute a Change of Control;

(c) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;

(d) that any PIK Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid;

(e) that any PIK Note (or part thereof) not tendered will continue to accrue interest; and

(f) any other procedures that a holder of PIK Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

An agent of the PIK Issuer (expected to be the Paying Agent) will at the written direction of the PIK Issuer promptly mail (or cause to be delivered) to each holder of PIK Notes properly tendered the Change of Control Purchase Price for such PIK Notes. The Trustee (or the authenticating agent appointed by it) will promptly authenticate and deliver (or cause to be transferred by book-entry) to each holder a new PIK Note or PIK Notes equal in principal amount to any unpurchased portion of PIK Notes surrendered, if any, to the holder of PIK Notes in global form or to each holder of certificated PIK Notes; provided that each new PIK Note will be in a principal amount of €100,000 or in integral multiples of €1 in excess thereof. The PIK Issuer will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The ability of the PIK Issuer to repurchase PIK Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control could trigger a mandatory repayment and cancellation of the New Revolving Credit Facility Agreement. In addition, certain events that may constitute a change of control under the New Revolving Credit Facility Agreement may not constitute a Change of Control under the PIK Indenture. The Senior Secured Notes Indenture and the terms of the PIK Issuer's future indebtedness and the future indebtedness of its Subsidiaries may also require the Senior Secured Notes or such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the PIK Notes of their right to require a repurchase of the PIK Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on the PIK Issuer of such repurchase.

If a Change of Control Offer is made, the PIK Issuer cannot provide any assurance that it will have available funds sufficient to pay the Change of Control Purchase Price for all the PIK Notes that might be delivered by holders of the PIK Notes seeking to accept the Change of Control Offer. The terms of the existing indebtedness of the PIK Issuer's subsidiaries (including the Senior Secured Notes and the New Revolving Credit Facility Agreement) and future indebtedness of such subsidiaries may prevent such subsidiaries from paying dividends or making other payments or distributions to the PIK Issuer to enable it to pay such Change of Control Purchase Price. If the PIK Issuer fails to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Trustee and the holders of the PIK Notes the rights described under "*—Events of Default*".

Even if sufficient funds were otherwise available, the terms of the other indebtedness of the PIK Issuer and its subsidiaries may prohibit the prepayment of the PIK Notes prior to their scheduled maturity. If the PIK Issuer was so prohibited from conducting a Change of Control Offer and not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, the PIK Issuer would be unable to fulfill its repurchase obligations to holders of the PIK Notes who exercise their right to have their PIK Notes repurchased following a Change of Control, which would cause a Default or Event of Default under the PIK Indenture. A Default or Event of Default under the PIK Indenture, unless waived by holders of the PIK Notes, could result in a cross-default under certain of the financing arrangements described under "*Description of Certain Financing Arrangements*".

The Change of Control purchase feature of the PIK Notes may in certain circumstances make more difficult or discourage a sale or takeover of the PIK Issuer and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the PIK Issuer and the initial purchasers of the PIK Notes. The PIK Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the PIK Issuer could decide to do so in the future. Subject to limitations discussed below, the PIK Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the PIK Indenture, but that could increase the amount of Debt outstanding at such time or otherwise affect the PIK Issuer's capital structure or credit ratings. Restrictions on the PIK Issuer's ability to Incur additional Debt are contained in the covenants described below under "*—Certain Covenants—Limitation on Debt*" and "*—Limitation on Liens*". Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the PIK Notes then outstanding (subject to the provisions described under "*—Amendments and Waivers*"). Except for the limitations contained in such covenants, however, the provisions of the PIK Indenture will not require the PIK Issuer to make a Change of Control Offer in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction that may adversely affect holders of the PIK Notes, if such transaction is not a transaction defined as a Change of Control.

The PIK Issuer will not be required to make a Change of Control Offer if (1) 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 PIK Indenture applicable to a Change of Control Offer made by the PIK Issuer and purchases all PIK Notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption has been given pursuant to the PIK Indenture as described above under the caption "*—Optional Redemption*" or "*—Special Mandatory Redemption—IPO Event*", unless and until there is a default in payment of the applicable redemption price. The Change of Control provisions described above will be applicable whether or not any other provisions of the PIK Indenture are applicable. Any such transaction, however, would have to comply with the applicable provisions of the PIK Indenture, including the "*—Limitation on Debt*" covenant.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The PIK Issuer will comply with the requirements of applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the PIK Indenture, the PIK Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the PIK Indenture by virtue of such conflict.

If holders of not less than 90% in aggregate principal amount of the outstanding PIK Notes of any series validly tender and do not withdraw such PIK Notes in a Change of Control Offer and the PIK Issuer, or any third party making a Change of Control Offer in lieu of the PIK Issuer as described above, purchases all of the PIK Notes of such series validly tendered and not withdrawn by such holders, the PIK Issuer or such third party will have the right, upon not less than 10 days nor more than 60 days' prior notice (*provided* that such notice is given not more than 30 days following such purchase pursuant to the Change of Control Offer described above), to redeem all PIK Notes of such series that remain outstanding following such purchase at a redemption price in cash equal to the Change of Control Purchase Price plus, to the extent not included in the Change of Control Purchase Price, accrued and unpaid interest, if any, to, but not including, the date of the date of redemption.

"*Change of Control*" means the occurrence of any of the following events:

(a) the PIK Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, being or becoming the "beneficial owner" (as defined in 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 PIK Issuer (or any successor entity permitted by the covenant described under the caption "*—Certain Covenants—Consolidation, Merger and Sale of Assets*"); provided that, for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the PIK Issuer becoming a Subsidiary of a Successor Parent;

(b) the direct or indirect 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 PIK Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than or one or more Permitted Holders; or

(c) the PIK Issuer is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction that complies with the provisions described under the caption "*—Certain Covenants—Consolidation, Merger and Sale of Assets*."

The provisions under the PIK Indenture relating to the PIK Issuer's obligation to make an offer to repurchase the PIK Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the PIK Notes if made prior to the occurrence of the Change of Control.

For so long as the PIK Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the PIK Issuer will publish notices relating to a Change of Control Offer on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

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 "all or substantially all" of the property or assets of a Person.

Selection and Notice

If fewer than all the PIK Notes of a series are to be redeemed at any time, the Trustee or the Registrar will select the PIK Notes of such series for redemption by a method that complies with the requirements, as certified to the Trustee and the Registrar by the PIK Issuer, of the principal securities exchange, if any, on which the PIK Notes of such series are listed at such time or, if the PIK Notes of such series are not listed on a securities exchange, *pro rata*, by such method as the Trustee or the Registrar in its sole discretion shall deem fair and appropriate unless otherwise required by law; provided, however, that no such partial redemption shall reduce the portion of the principal amount of a PIK Note not redeemed to less than €100,000. Neither the Trustee nor the Registrar shall be liable for any selections made by it in accordance with this paragraph.

No PIK Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of PIK Notes to be redeemed at its registered address, 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 PIK Notes or a satisfaction and discharge of the PIK Indenture.

If any PIK Note is to be redeemed in part only, the notice of redemption that relates to that PIK Note will state the portion of the principal amount of that PIK Note that is to be redeemed. While the PIK Notes are held in certificated form, a new PIK Note in principal amount equal to the unredeemed portion of the original PIK Note will be issued in the name of the holder of PIK Notes upon cancellation of the original PIK Note. PIK Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on PIK Notes or portions of PIK Notes redeemed.

For PIK Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any PIK Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant PIK Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the PIK Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of PIK Notes outstanding.

Suspension of Certain Covenants when PIK Notes Rated Investment Grade

If on any date following the Issue Date, the PIK Notes attain an Investment Grade Rating from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing under the PIK Indenture (a "*Suspension Event*"), beginning on the day of the Suspension Event and continuing until such time (the "*Suspension Period*"), if any, at which the PIK Notes cease to have an Investment Grade Rating from each Rating Agency (the "*Reversion Date*") (whereupon the PIK Issuer shall promptly notify the Trustee in writing that the PIK Notes no longer have an Investment Grade Rating), the covenants summarized under the following captions will not apply to the PIK Notes and any related default provisions of the PIK Indenture will cease to be effective and will not be applicable to the PIK Issuer and its Restricted Subsidiaries:

(1) "*—Certain Covenants—Limitation on Debt*;"

(2) "*—Certain Covenants—Limitation on Restricted Payments*;"

(3) "*—Certain Covenants—Limitation on Transactions with Affiliates*;"

(4) "*—Certain Covenants—Limitation on Sale of Certain Assets*;"

(5) "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*;"

(6) "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*;"

(7) "*—Certain Covenants—Consolidation, Merger and Sale of Assets" (but only clause (c) of the first paragraph of such covenant); and*

(8) "*—Certain Covenants—Lines of Business*".

Such covenants and any related default provisions will again apply according to their terms on and after the Reversion Date. Such covenants will not, however, be of any effect with regard to actions of the PIK Issuer or the Restricted Subsidiaries properly taken during the Suspension Period, and the "*—Certain Covenants—Limitation on Restricted Payments*" covenant will be interpreted as if it had been in effect since the Issue Date, except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made during the Suspension Period. On the Reversion Date, all Debt Incurred during the continuance of the Suspension Period will be classified as having been Incurred pursuant to clause (2)(d) of the covenant described under "*—Certain Covenants—Limitation on Debt*". Any transactions prohibited by the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*" entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (c) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*". Any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (a) through (d) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (2)(c) of the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*". Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

Upon the occurrence of a Suspension Event, the PIK Issuer will promptly deliver to the Trustee an Officer's Certificate notifying it of each occurrence hereunder. The Trustee shall have no duty to monitor the ratings of the PIK Notes, shall not be deemed to have any knowledge of the ratings of the PIK Notes and shall have no duty to notify Holders if the PIK Notes achieve an Investment Grade Rating or upon the occurrence of a Suspension Event or Reversion Date, as applicable.

Certain Covenants

Holdco Ownership

The PIK Indenture will provide that (i) prior to an IPO Event, the PIK Issuer shall beneficially own, directly or indirectly, at least 85% of each of the total voting power and economic rights attributable to the Qualified Capital Stock of the Company, and (ii) following an IPO Event, the PIK Issuer shall beneficially own, directly or indirectly, at least 40% of each of the total voting power and economic rights attributable to the Qualified Capital Stock of the IPO Entity.

Limitation on Debt

(1) The PIK Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually or collectively, to "*Incur*" or, as appropriate, an "*Incurrence*") any Debt (including Acquired Debt); *provided, however*, that any Permitted Subsidiary will be permitted to Incur Debt (including Acquired Debt) if:

(a) on the date of such Incurrence and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a *pro forma* basis, the Consolidated Fixed Charge Coverage Ratio of the Company for the four full fiscal quarters for which internal consolidated financial statements of the PIK Issuer are available immediately preceding the Incurrence of such Debt, taken as one period, would have been at least 2.0 to 1.0; and

(b) solely if the PIK Issuer or its Restricted Subsidiaries shall have made (and not rescinded) Restricted Payments pursuant to clause (3)(r) of the covenant described under the caption "*—Limitation on Restricted Payments*" and/or Incurred Debt pursuant to clause 2(s) of this covenant and the sum of the aggregate amount of such Restricted Payments and the aggregate principal amount outstanding of such Debt equals at least €15.0 million, on the date of such Incurrence and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a *pro forma* basis, the Consolidated Net Leverage Ratio of the PIK Issuer for the four full fiscal quarters for which internal consolidated financial statements of the PIK Issuer are available immediately preceding the Incurrence of such Debt, taken as one period, would have been less than 7.3 to 1.0.

(2) The first paragraph of this covenant will not, however, prohibit the following (collectively, "*Permitted Debt*"):

(a) the Incurrence by any Permitted Subsidiary of Debt under Credit Facilities (including in respect of letters of credit or banker's acceptances issued or created thereunder) in an aggregate principal amount at any time outstanding not to exceed the greater of (i) €110.0 million and (ii) 65.0% of Consolidated EBITDA of the Company, plus, in the case of any refinancing of any Debt permitted under this clause (a) or any portion thereof, the aggregate amount of fees, accrued and unpaid interest, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(b) the Incurrence by the PIK Issuer and any Permitted Subsidiary of Debt represented by (i) the Senior Secured Notes and any guarantees thereof and any proceeds loans related thereto, (ii) the PIK Notes issued on the Issue Date and (iii) Additional PIK Notes issued from time to time in payment of PIK Interest or Additional Amounts in accordance with the PIK Indenture;

(c) the Incurrence by the PIK Issuer or any Permitted Subsidiary of intercompany Debt between the PIK Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; provided that (i) any disposition, pledge or transfer of any such Debt to a Person (other than a disposition, pledge or transfer to the PIK Issuer or a Permitted Subsidiary) and (ii) any transaction pursuant to which any Permitted Subsidiary that has Debt owing by the PIK Issuer or another Permitted Subsidiary ceases to be a Permitted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt not permitted by this clause (c);

(d) any Debt of the PIK Issuer or any Restricted Subsidiary (other than Debt described in clauses (a) and (b) of this paragraph) outstanding on the Issue Date after giving effect to the Transactions on the Issue Date;

(e) (i) guarantees of Debt of any Restricted Subsidiary that is not a Permitted Subsidiary by any Restricted Subsidiary that is not Permitted Subsidiary and guarantees of Debt of a Permitted Subsidiary by a Permitted Subsidiary, in each case, provided that the Incurrence of the Debt being guaranteed was permitted by another provision of this covenant; or (ii) without limiting the covenant described under "*—Limitation on Liens*," Debt arising by reason of any Lien granted by or applicable to such Person securing Debt of the PIK Issuer or any Restricted Subsidiary so long as the Incurrence of such Debt and Lien is permitted under the terms of the PIK Indenture;

(f) the Incurrence by the PIK Issuer or any Restricted Subsidiary of Debt arising from customary agreements providing for guarantees, indemnities or obligations in respect of earn-outs or other purchase price adjustments or, in each case, similar obligations, in connection with the acquisition or disposition of any business or assets or Person or any shares of Capital Stock of a Subsidiary, other than guarantees or similar credit support given by the PIK Issuer or any Restricted Subsidiary of Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (f) will at no time exceed the net proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received from such disposition;

(g) the Incurrence by any Permitted Subsidiary of Hedging Obligations, in each case, entered into not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer);

(h) the Incurrence by any Permitted Subsidiary of Debt represented by (i) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other Debt, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Permitted Business or (ii) Debt 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 Permitted Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Debt which refinances, replaces or refunds such Debt, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Debt Incurred pursuant to this clause (2)(h) and then outstanding, will not exceed at any time outstanding the greater of €37.5 million and 20.0% of Consolidated EBITDA of the Company; provided that the Debt exists on the date of such purchase, lease, rental or improvement or is created within 180 days thereafter;

(i) the Incurrence by the PIK Issuer or any Restricted Subsidiary of Debt in respect of (i) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other Tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the PIK Issuer or a Restricted Subsidiary in the ordinary course of business or in respect of any governmental requirement, (ii) 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 similar instruments, the obligations are reimbursed within 30 days following such drawing, (iii) the financing of insurance premiums in the ordinary course of business and (iv) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(j) the Incurrence by the PIK Issuer or any Restricted Subsidiary of Debt arising from (i) 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 Debt is extinguished within 30 days of Incurrence; (ii) take-or-pay obligations, customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business; and (iii) Debt 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 PIK Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the PIK Issuer and its Restricted Subsidiaries;

(k) Debt (i) of any Person Incurred and outstanding on the date on which such Person becomes a Permitted Subsidiary of the PIK Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) any Permitted Subsidiary or (ii) Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which a Person became a Permitted Subsidiary or was otherwise acquired by a Permitted Subsidiary or that was otherwise Incurred in connection with or contemplation of such acquisition; provided, however, that, with respect to clauses (2)(k)(i) and (2)(k)(ii), at the time of such acquisition or other transaction pursuant to which such Debt is Incurred or deemed to be Incurred, (x) a Permitted Subsidiary could incur at least €1.00 of additional Debt under clause (1)(a) of this covenant after giving *pro forma* effect to such acquisition or other transaction and the Incurrence of such Debt or (y) the Consolidated Fixed Charge Coverage Ratio of the Company immediately after giving effect to the Incurrence of such Debt pursuant to this clause (2)(k) would not be less than it was immediately prior to giving effect to such acquisition or other transaction;

(l) the Incurrence by the PIK Issuer or any Restricted Subsidiary of Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge Debt Incurred by it pursuant to, or described in, paragraph (1) or clause (2)(b), (2)(d) (including, in the case of (2)(d), any Debt that renews, refunds, replaces (whether upon or after termination or otherwise) or refinances any such Debt that has been repaid, prepaid, purchased, repurchased, redeemed, defeased or otherwise extinguished, in whole or in part), (2)(k) or (2)(m) or this (2)(l) of this covenant, as the case may be;

(m) Contribution Debt;

(n) the Incurrence by the PIK Issuer or any Restricted Subsidiary of Debt represented by guarantees of any Management Advances;

(o) Debt under daylight borrowing facilities Incurred by any Permitted Subsidiary in connection with any refinancing of Debt (including by way of set-off or exchange) so long as any such Debt is repaid within three days of the date on which such Debt is Incurred;

(p) the Incurrence by any Permitted Subsidiary of Debt (other than and in addition to Debt permitted under clauses (a) through (o) above) in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge any Debt Incurred pursuant to this clause (p), in an aggregate amount not to exceed the greater of €50.0 million and 30.0% of Consolidated EBITDA of the Company;

(q) the Incurrence of Debt by any Permitted Subsidiary under any Qualified Securitization Financing;

(r) the Incurrence by the PIK Issuer of Debt in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge any Debt Incurred pursuant to this clause (r), not to exceed €4.5 million; or

(s) the Incurrence by the PIK Issuer of Debt in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Debt Incurred to renew, refund, replace, refinance, defease or discharge any Debt Incurred pursuant to this clause (s), not to exceed €100.0 million; provided that on the date of such Incurrence and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, the Consolidated Net Leverage Ratio of the PIK Issuer for the four full fiscal quarters for which internal consolidated financial statements are available immediately preceding the Incurrence of such Debt, taken as one period, would have been less than 6.0 to 1.0; *provided*, *further*, that any amount Incurred pursuant to this clause (s) shall reduce by the same amount the total amount of Restricted Payments available to be made by the PIK Issuer pursuant to clause (3)(r) of the covenant described under the caption "—*Limitation on Restricted Payments*;"

(t) Debt of any Permitted Subsidiary consisting of leases (including Capitalized Lease Obligations) or other obligations existing on the Issue Date or Incurred thereafter that would have been treated as operating leases under IAS 17 (Leases), as in effect on September 30, 2019, before the implementation of IFRS 16 (Leases).

(3) 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 Debt, the payment of dividends on Preferred Stock or Redeemable Capital Stock in the form of additional shares of Preferred Stock or Redeemable Capital Stock or the reclassification of commitments or obligations not treated as Debt due to a change in IFRS will not be deemed to be an Incurrence of Debt for purposes of this covenant. For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Debt, the euro equivalent of the aggregate principal amount of Debt denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred, in the case of term Debt, or, at the option of the PIK Issuer, first committed, in the case of Debt Incurred under a revolving credit facility; provided that (a) if such Debt is Incurred to refinance other Debt 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 aggregate principal amount of such refinancing Debt does not exceed the aggregate principal amount of such Debt being refinanced; (b) the euro equivalent of the aggregate principal amount of any such Debt outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Debt is subject to a Currency Agreement with respect to the currency in which such Debt is denominated covering principal and interest on such Debt, the amount of such Debt, if denominated in euro, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the euro equivalent of such amount plus the euro equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement. Notwithstanding any other provision of this covenant, for purposes of determining compliance with this "*—Limitation on Debt*" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies or currency values will not be deemed to exceed the maximum amount that the PIK Issuer or a Restricted Subsidiary may Incur under the "*—Limitation on Debt*" covenant.

(4) For purposes of determining any particular amount of Debt under this "*—Limitation on Debt*" covenant (a) obligations with respect to letters of credit, bankers' acceptances or similar instruments, guarantees or Liens or "parallel debt," in each case supporting Debt otherwise included in the determination of such particular amount will not be included and (b) any Liens granted pursuant to the equal and ratable provisions referred to in the "*—Certain Covenants—Limitation on Liens*" covenant will not be treated as Debt.

(5) The amount of any Debt outstanding as of any date will be:

(a) in the case of any Debt issued with original issue discount, the accreted value of such Debt and in the case of pay in kind Debt, the amount of such Debt shall include any interest paid in the form of additional Debt;

(b) the principal amount of the Debt or the liquidation preference thereof, as applicable, in the case of any other Debt determined in accordance with IFRS;

(c) in respect of Debt of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the Fair Market Value of such assets at the date of determination; and

(ii) the amount of the Debt of the other Person;

(d) in respect of any Redeemable Capital Stock of the PIK Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, 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; and

(e) for the avoidance of doubt and in accordance with IFRS, the principal amount of Debt shall be determined net of any unamortized portion of capitalized debt issuance costs.

(6) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Debt of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Debt is not permitted to be Incurred as of such date under this "—*Limitation on Debt*" covenant, the Restricted Subsidiary shall be in Default of this covenant).

(7) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in clauses (2)(a) through (s) of this covenant or is entitled to be Incurred pursuant to clause (1) of this "—*Limitation on Debt*" covenant, the PIK Issuer or the relevant Restricted Subsidiary will, in its sole discretion, be permitted to classify items of Debt on the date of its Incurrence and will only be required to include the amount and type of such Debt in one of such clauses or paragraphs, and the PIK Issuer will be entitled to divide and classify an item of Debt in more than one of the types of Debt described in clauses (1) and (2) of this covenant, and may change the classification of an item of Debt (or any portion thereof) to any other type of Debt described in this "—*Limitation on Debt*" covenant at any time; provided that all Debt Incurred under the New Revolving Credit Facility will be deemed to have been Incurred in reliance on the exception provided in clause (2)(a) above and may not be reclassified.

(8) Debt permitted by this covenant need not be permitted solely by reference to one provision permitting such Debt but may be permitted in part by one such provision and in part by one or more provisions of this covenant permitting such Debt.

Financial Calculations for Limited Condition Acquisitions

Anything to the contrary herein notwithstanding, when calculating the availability under any basket or ratio under the "—*Limitation on Debt*" covenant or for the purposes of the definitions of Permitted Liens or Permitted Collateral Liens, in each case, in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the PIK Issuer or the relevant Restricted Subsidiary 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 Debt 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 EBITDA of the PIK Issuer 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 PIK Issuer or the relevant Restricted Subsidiary 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 PIK Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition.

Limitation on Restricted Payments

(1) The PIK Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "*Restricted Payment*" and which are collectively referred to as "*Restricted Payments*"):

(a) declare or pay any dividend on or make any other payment or distribution (whether made in cash, securities or other property) with respect to any of the PIK Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the PIK Issuer or any Restricted Subsidiary) to the direct or indirect holders of the PIK Issuer's or any Restricted Subsidiary's Capital Stock (including any Parent Company) in their capacity as holders (other than (i) to the PIK Issuer or any Restricted Subsidiary, (ii) for dividends or distributions payable solely in Qualified Capital Stock of the PIK Issuer or in Deeply Subordinated Funding, or (iii) to all holders of Capital Stock of a Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by the PIK Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the PIK Issuer or such Restricted Subsidiary would have received on such *pro rata* basis);

(b) purchase, repurchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any Capital Stock of the PIK Issuer or of any Parent Company held by persons other than the PIK Issuer or a Restricted Subsidiary (other than in exchange for Qualified Capital Stock of the PIK Issuer);

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value any Debt of the PIK Issuer that is Subordinated Debt (excluding any intercompany Debt between or among the PIK Issuer and any Restricted Subsidiary), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Debt purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case, due within one year of the date of such purchase, repurchase or other acquisition;

(d) make any cash interest payment or principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, any Deeply Subordinated Funding; or

(e) make any Investment (other than any Permitted Investment) in any Person.

(2) Notwithstanding the foregoing, the PIK Issuer or any Restricted Subsidiary may make a Restricted Payment (A) that is a Restricted Investment (other than, prior to the occurrence of an IPO Event, a Restricted Investment in a Parent Company of the PIK

Issuer (in its capacity as an equity holder) for the purposes of paying a dividend or making a distribution on account of the PIK Issuer's Capital Stock or for the purpose of purchasing, redeeming or otherwise acquiring or retiring for value any Capital Stock of the PIK Issuer (an "*Indirect Restricted Payment*")) or (B) made on or following the occurrence of an IPO Event, in each case, if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) a Permitted Subsidiary could Incur at least €1.00 of additional Debt under clause (1)(a) of the "*—Certain Covenants—Limitation on Debt*" covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the Issue Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (3)(a) (unless already so included at the time of its declaration), (d)(ii), (j), (k), (q), (r) and (s) below, but excluding all other Restricted Payments described in paragraph (3) below) does not exceed the sum of (without duplication):

(i) 50% of aggregate Consolidated Adjusted Net Income of the PIK Issuer on an accumulative basis during the period beginning on July 1, 2021, and ending on the last day of the PIK Issuer's most recently ended fiscal quarter for which internal consolidated financial statements of the PIK Issuer are available prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); plus

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received by the PIK Issuer after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary of the PIK Issuer) of shares of Qualified Capital Stock of the PIK Issuer or Deeply Subordinated Funding (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase, the shares of the PIK Issuer's Qualified Capital Stock or Deeply Subordinated Funding (except, in each case, for Excluded Contributions or Cash Contributions for Contribution Debt) (excluding the net cash proceeds from the issuance of the PIK Issuer's Qualified Capital Stock or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the PIK Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); plus

(iii) (x) the amount by which the PIK Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the PIK Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by the PIK Issuer or any Restricted Subsidiary) of such Debt into the Qualified Capital Stock of the PIK Issuer or Deeply Subordinated Funding and (y) the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received after the Issue Date by the PIK Issuer or any Restricted Subsidiary from the issuance or sale (other than to any Restricted Subsidiary) of Redeemable Capital Stock of the PIK Issuer or any Restricted Subsidiary that has been converted into or exchanged for the Qualified Capital Stock of the PIK Issuer or Deeply Subordinated Funding to the extent such Redeemable Capital Stock of the PIK Issuer was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate net cash proceeds and the Fair Market Value of property of assets or marketable securities received by the PIK Issuer or any Restricted Subsidiary at the time of such conversion or exchange (excluding Cash Contributions for Contribution Debt, Excluded Contributions and the net cash proceeds or property or assets or marketable securities from the issuance of the Qualified Capital Stock of the PIK Issuer or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the PIK Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); *plus*

(iv) (x) in the case of any Investment that is sold, disposed of or otherwise cancelled, liquidated or repaid, constituting a Restricted Payment made after the Issue Date, an amount equal to 100% of the aggregate amount received in cash and the Fair Market Value of property or assets or marketable securities received by the PIK Issuer or any Restricted Subsidiary and (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or if an Unrestricted Subsidiary is merged or consolidated into the PIK Issuer or a Restricted Subsidiary or the assets of an Unrestricted Subsidiary are transferred to the PIK Issuer or a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the PIK Issuer's interest in such Subsidiary as of the date of such designation or at the time of such merger, consolidation or transfer of assets; *plus*

(v) to the extent that any Investment constituting a Restricted Payment that was made after the Issue Date is made in an entity that subsequently becomes a Restricted Subsidiary, the Fair Market Value of such Investment of the PIK Issuer and the Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

(vi) 100% of any dividends or distributions received by the PIK Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Adjusted Net Income of the PIK Issuer for such period.

(3) Clauses (1) and (2) above will not prohibit (so long as with respect to clauses (q) and (r) below no Default or Event of Default has occurred and is continuing) any of the following (collectively "*Permitted Payments*"):

(a) the payment of any dividend within 60 days after the date of its declaration if at such date of its declaration such payment would have been permitted by the provisions of this covenant;

(b) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary of the PIK Issuer) of, shares of the PIK Issuer's Qualified Capital Stock or Deeply Subordinated Funding, or from the substantially concurrent contribution of common equity capital to the PIK Issuer; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clauses (2)(c)(ii) and (2)(c)(iii) above and will not be considered Excluded Contribution or to be net cash proceeds from an

Equity Offering for purposes of the “Optional Redemption” provisions of the PIK Notes;

(c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt in exchange for, or out of the net cash proceeds of an Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(d) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt (other than any Subordinated Debt held by Affiliates of the PIK Issuer) (i) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Debt; provided that the PIK Issuer shall have complied with the “*—Purchase of PIK Notes upon a Change of Control*” or “*—Limitation on Sale of Certain Assets*” covenant, as the case may be, and the PIK Issuer repurchased all PIK Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Debt; provided further that the purchase price for such Subordinated Debt shall not be greater than 101% of the principal amount thereof in respect of a Change of Control or 100% of the principal amount thereof in respect of an Asset Sale, in each case plus accrued and unpaid interest; and (ii) consisting of Acquired Debt (other than Debt 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 PIK Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and at a purchase price not greater than 100% of the principal amount of such Subordinated Debt plus accrued and unpaid interest and any premium required by the terms of such Acquired Debt;

(e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represents a portion of the exercise price of those stock options or warrants;

(f) payments of cash, dividends, distributions, advances or other Restricted Payments by the PIK Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of issuing fractional shares upon (i) exercise of options or warrants or (ii) the exchange or conversion of Capital Stock of any such Person;

(g) cash payments, dividends, distributions, advances, loans or expense reimbursements made to or on behalf of any Parent Company to permit any such company to pay (i) general operating expenses, customary directors’ fees, accounting, legal, corporate reporting and administrative expenses Incurred in the ordinary course of business to the extent such costs and expenses are attributable to the ownership or operation of the PIK Issuer and the Restricted Subsidiaries, (ii) any taxes, duties or similar governmental fees of any such Parent Company, to the extent such tax obligations are directly attributable to its ownership of the PIK Issuer and the Restricted Subsidiaries or its funding or holding Deeply Subordinated Funding, (iii) costs (including all professional fees and expenses) Incurred by any Parent Company 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 PIK Indenture or any other agreement or instrument relating to Debt of the PIK Issuer or any Restricted Subsidiary and (iv) fees and expenses of any Parent Company Incurred in relation to any public offering or other sale of Capital Stock or Debt

(x) where the net proceeds of such offering or sale are received by or contributed to the PIK Issuer or any Restricted Subsidiary or (y) in a prorated amount of such expenses in proportion to the amount of such net proceeds received or contributed;

(h) [Reserved];

(i) Restricted Payments that are made with Excluded Contributions;

(j) advances or loans to (i) either any future, present or former officer, director, employee, consultant or independent contractor of the PIK Issuer or a Restricted Subsidiary or any Management Investor or Management Investment Company to pay for the purchase or other acquisition for value of Capital Stock of the PIK Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company 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 (ii) 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 PIK Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company; provided that the total aggregate amount of Restricted Payments made under this clause (j), when aggregated with the total amount of Restricted Payments made under clause (k), does not exceed €3.0 million in any calendar year (with any unused amounts in any calendar year carried over to the next two succeeding calendar years);

(k) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Qualified Capital Stock of the PIK Issuer, Capital Stock of a Parent Company, a Management Investment Company or a Restricted Subsidiary held by either any current or former officer, director, employee, consultant or independent contractor of the PIK Issuer or any Restricted Subsidiary or any Management Investor or any Management Investment Company pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock, when aggregated with the total amount of Restricted Payments made under clause (j), does not exceed €3.0 million in any calendar year (with unused amounts in any calendar year being carried over to the next two succeeding calendar years); and provided further, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the PIK Issuer during such calendar year (including through receipt of proceeds from the issuance or sale of its Qualified Capital Stock to a Parent Company, a Management Investment Company or a Management Investor) from, or as a capital contribution from, the issuance or sale of Qualified Capital Stock of the PIK Issuer or Capital Stock of a Parent Company or Management Investment Company, in each case to Management Investors, other members of management, directors, consultants or independent contractors of the PIK Issuer or any of its Restricted Subsidiaries or any Parent Company to the extent the cash proceeds from the sale or issuance of such Capital Stock have not otherwise been designated as Excluded Contributions, applied to the making of Restricted Payments pursuant to clauses (2)(c)(ii) or (2)(c)(iii) or clause (b) of this paragraph or utilized for Contribution Debt and (B) the cash proceeds of key man life insurance policies;

(l) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Redeemable Capital Stock, or of any Preferred Stock of a Restricted Subsidiary, in each case Incurred in accordance with the terms of the "—*Limitation on Debt*" covenant;

(m) without duplication of any payment made pursuant to clause (g) above, payments or other transactions pursuant to any tax sharing agreement or arrangement among the PIK Issuer or any Restricted Subsidiary and any other Person with which the PIK Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the PIK Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; provided, however, that such payments, and the value of such transactions, shall not exceed the amount of tax that the PIK Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(n) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(o) dividends, loans, advances or other distributions to any Parent Company used to, or the making of Investments in any Parent Company to, fund the payment of fees and expenses owed by the PIK Issuer or the Restricted Subsidiaries to Affiliates, to the extent permitted by clause (f), (h), (j), (k) or (l) of the second paragraph of the "—*Limitation on Transactions with Affiliates*" covenant;

(p) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;

(q) Restricted Payments (including loans and advances) in an aggregate amount outstanding at any time not to exceed €30.0 million; *provided*, *however*, that (i) prior to the consummation of an IPO Event, such Restricted Payments shall be limited to Restricted Investments (other than Indirect Restricted Payments) and (ii) following the consummation of an IPO Event, the PIK Issuer may make Restricted Payments (other than the Restricted Payments described in clause (i) above) provided that the total amount of such Restricted Payments (other than those described in clause (i) above) made pursuant to this clause (3)(q) does not exceed the lesser of (x) €22.5 million and (y) €30.0 million *minus* the amount of the Restricted Investments already made (and not rescinded) under (i) above under this clause (3)(q); and

(r) if an IPO Event has occurred, Restricted Payments made by the PIK Issuer with the proceeds from sales on the secondary market of the Capital Stock of the Company or any other IPO Entity in an aggregate amount at any time not to exceed €100.0 million; *provided* that, on the date of any such Restricted Payment and after giving effect thereto, the Consolidated Net Leverage Ratio of the PIK Issuer for the four full fiscal quarters for which internal consolidated financial statements are available immediately preceding the Restricted Payment, taken as one period, would have been less than 6.0 to 1.0; *provided*, *further*, that any amount of Restricted Payment made (and not rescinded) pursuant to this clause (r) shall reduce by the same amount the aggregate principal amount of Debt available to be Incurred by the PIK Issuer pursuant to clause (2)(s) of the covenant described under the caption "—*Limitation on Debt*".

(4) 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 PIK Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount, and the Fair Market Value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the PIK Issuer acting in good faith.

Limitation on Transactions with Affiliates

The PIK Issuer will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service) for the benefit of any Affiliate of the PIK Issuer (any such transaction or series of related transactions being an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of €6.0 million unless:

(a) such transaction or series of related transactions is on terms that, taken as a whole, are not materially less favorable to the PIK Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transaction with Persons that are not Affiliates; and

(b) the PIK Issuer delivers to the Trustee:

(i) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case, having a value greater than €10.0 million, a resolution of its Board of Directors set out in an Officer's Certificate certifying that such transaction or series of related transactions complies with this covenant and that such transaction or series of related transactions has been approved by a majority of the members of its Board of Directors; and

(ii) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case, having a value greater than €30.0 million, a written opinion (a "*Fairness Opinion*") of an Independent Financial Advisor stating that the transaction or series of transactions is (i) fair to the PIK Issuer or the relevant Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person who is not an Affiliate.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(a) any issuance 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, collective bargaining, consulting, employee benefit arrangement, agreement or program, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the PIK Issuer, any Restricted Subsidiary or any Parent Company, restricted stock plans, long-term incentive 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 employees, consultants, independent contractors, officers or directors approved by the Board of Directors of the PIK Issuer, in each case, in the ordinary course of business;

(b) any Restricted Payments permitted to be made pursuant to the "*—Limitation on Restricted Payments*" covenant, any Permitted Payment (other than pursuant to clause 3(o) of such covenant) or any Permitted Investments (other than a Permitted Investment described in clauses (c)(iii), (k), (p), (s) and (w) of the definition thereof);

(c) the entry into and performance of obligations of the PIK Issuer or any of its Restricted Subsidiaries under the terms of any transaction pursuant to, or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or arrangement or instrument in effect as of or on the Issue Date, as these agreements and arrangements or 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 of the PIK Notes in any material respect, and the entry into and performance of any registration rights or other listing agreement;

(d) any transaction in the ordinary course of business between or among the PIK Issuer or any Restricted Subsidiary and any Affiliate of the PIK Issuer or an Associate or similar entity (in each case other than an Unrestricted Subsidiary of the PIK Issuer) that would constitute an Affiliate Transaction solely because the PIK Issuer or a Restricted Subsidiary or any Affiliate of the PIK Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(e) transactions between or among the PIK Issuer and the Restricted Subsidiaries (or entity that becomes a Restricted Subsidiary as a result of such transaction) or between or among Restricted Subsidiaries and any guarantees issued by the PIK Issuer or a Restricted Subsidiary for the benefit of the PIK Issuer or a Restricted Subsidiary, as the case may be, in accordance with the "*—Limitation on Debt*" covenant;

(f) the execution, delivery and performance of any tax sharing agreement or any arrangement among the PIK Issuer or any Restricted Subsidiary and any other Person with which the PIK Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the PIK Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the PIK Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(g) (i) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, providers of employees or other labor in the ordinary course of business or (ii) transactions, agreements or payments (including franchise fees and royalties) related to the licensing or sub-licensing of intellectual property (including, without limitation, trademarks, copyrights, licenses and related rights) or other general intangibles that, in the case of (i) and (ii) are otherwise in compliance with the terms of the PIK Indenture and that are fair to the PIK Issuer or the Restricted Subsidiaries or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person, in each case, as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer;

(h) the payment of reasonable fees and reimbursement of expenses to, and indemnities and similar payments (including the payment of directors' and officers' insurance premiums) and employee benefit and pension expenses provided on behalf of, employee and director salaries, bonuses and payments of other fees to officers, consultants, independent contractors and directors of the PIK Issuer and the Restricted Subsidiaries (whether directly or indirectly including through any Person owned or controlled by any such directors, officers or employees) in the ordinary course of business;

(i) (A) issuances or sales of Qualified Capital Stock of the PIK Issuer, Capital Stock of any Parent Company or Deeply Subordinated Funding; and (B) any amendment, waiver or other transaction with respect to any Deeply Subordinated Funding in compliance with the other provisions of the PIK Indenture;

(j) Management Advances and any waiver or transaction with respect thereto;

(k) without duplication in respect of payments made pursuant to clause (o) below, (i) the entering into any agreement to pay, and the payment of, customary annual management, consulting, monitoring and advisory fees and related expenses to Permitted Holders or their Affiliates (whether directly or indirectly, including through any Parent Company) in an amount not to exceed €4.5 million in any consecutive four-quarter period and (ii) payments by the PIK Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Company) for management consulting, financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital markets transactions, acquisitions or divestitures, mergers, recapitalizations or similar transactions, which payments (or agreements providing for such payments) pursuant to this clause (ii) are approved by the Board of Directors of the PIK Issuer in good faith;

(l) the Transactions, including the use of proceeds from the Offering as contemplated in the section entitled "*Use of Proceeds*" in this Listing Prospectus;

(m) transactions (i) on terms that, taken as a whole, are not materially less favorable to the PIK Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transaction with Persons that are not Affiliates of the PIK Issuer and (ii) in respect of which the PIK Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the PIK Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the PIK Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the PIK Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(n) payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the PIK Issuer and its Subsidiaries;

(o) investments by any of the Initial Investors in securities of any of the PIK Issuer's Restricted Subsidiaries (and the payment of reasonable out of pocket expenses of the Initial Investors in connection therewith) so long as (i) the investment complies with clause (a) of the preceding paragraph, (ii) the investment is being offered generally to other investors on the same or more favorable terms, and (iii) the investment constitutes less than 5% of the proposed issue amount of such class of securities;

(p) pledges of Capital Stock of Unrestricted Subsidiaries; and

(q) any transaction affected as part of or in connection with a Qualified Securitization Financing.

Limitation on Liens

The PIK Issuer will not, and the PIK Issuer will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Debt upon any of its property or assets now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Collateral, (a) Permitted Liens or (b) Liens on property or assets that are not Permitted Liens if the obligations under the PIK Notes are secured at least equally and ratably with, or, in the case of Liens in respect of Subordinated Debt, prior or senior to, the Debt secured by such Lien for so long as such Debt is so secured and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

The PIK Issuer will procure that the PIK Holdco Security Providers will not, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind upon the Capital Stock of the PIK Issuer now owned or hereafter acquired by any PIK Holdco Security Provider except Permitted Collateral Liens; *provided*, *however*, that the foregoing provisions of this sentence will cease to apply upon the completion of an IPO Event with respect to the Capital Stock of the PIK Issuer that is subject to such IPO Event.

Limitation on Sale of Certain Assets

(1) The PIK Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration the PIK Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value (such Fair Market Value to be determined as of the date of contractually agreeing to such Asset Sale) of the assets sold or Capital Stock issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration the PIK Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of (i) cash; (ii) Cash Equivalents; (iii) any securities, notes or other obligations received by the PIK Issuer or any such Restricted Subsidiary from such transferee that are converted by the PIK Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion; (iv) the assumption by the purchaser of any liabilities, as recorded on the balance sheet of the PIK Issuer or any Restricted Subsidiary (other than Subordinated Debt), that are assumed by the transferee of any such assets and as a result of which the PIK Issuer and the Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities; (v) Debt of any Restricted Subsidiary (other than Subordinated Debt) that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the PIK Issuer and each Restricted Subsidiary are released from any guarantee of such Debt in connection with such Asset Sale; (vi) any Capital Stock or assets of the kind referred to in clause (2)(e), (f) or (g) of this covenant; (vii) consideration consisting of Debt (or the cancellation of Debt) of the PIK Issuer or any Restricted Subsidiary received by the PIK Issuer from Persons who are not the PIK Issuer or any Restricted Subsidiary; (viii) any Designated Non-cash Consideration received by the PIK Issuer or any Restricted Subsidiary in such Asset Sale; provided that the aggregate Fair Market Value of such Designated Non-cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non-cash

Consideration received and designated as such pursuant to this clause (viii) (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value), is less than the greater of €22.5 million and 1.4% of Total Assets; or (ix) a combination of the consideration specified in clauses (i) to (viii).

(2) If the PIK Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds from such Asset Sale, within 365 days after the consummation of such Asset Sale, may be used or committed in a binding commitment to be used (provided that such Net Cash Proceeds are actually used within the later of 365 days from the consummation of the Asset Sale or 180 days from the date of such binding commitment) at the option of the PIK Issuer or any Restricted Subsidiary:

(a) to redeem, repay or purchase PIK Notes (i) pursuant to an offer to all holders of the PIK Notes at a purchase price equal to at least 100% of the principal amount of the PIK Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase (a "Notes Offer") and/or (ii) pursuant to the redemption provisions set forth above under "*—Optional Redemption*";

(b) to purchase or permanently prepay or redeem or repay any Debt of the PIK Issuer (other than the PIK Notes or Subordinated Debt) that ranks *pari passu* with the PIK Notes; *provided* that in the event of any such prepayment, redemption or repayment, the PIK Issuer will equally and ratably reduce its obligations under the PIK Notes (i) through open-market purchases, (ii) by redeeming PIK Notes if the PIK Notes are then redeemable as provided under "*—Optional Redemption*" or (iii) by making an offer to all holders to purchase the PIK Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any;

(c) to purchase or permanently prepay or redeem or repay any Debt of a Permitted Subsidiary;

(d) to acquire all or substantially all the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(e) to make a capital expenditure;

(f) to acquire other assets (other than Capital Stock) that are used or useful in a Permitted Business; or

(g) any combination of the foregoing.

(3) Pending the final application of any Net Cash Proceeds (including cash or Cash Equivalents received from the conversion of any securities, notes or other obligations), the PIK Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the PIK Indenture.

(4) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (2) of this covenant will constitute "*Excess Proceeds*". The PIK Issuer may

also at any time, and the PIK Issuer will within ten Business Days after the aggregate amount of Excess Proceeds exceeds €15 million, make an offer (an "*Excess Proceeds Offer*") to purchase, prepay or redeem with the proceeds of sales of assets the maximum principal amount of PIK Notes and Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in the PIK Indenture or the agreements governing any such Pari Passu Debt. The offer price for the PIK Notes and any such Pari Passu Debt will be payable in cash in an amount equal to 100% of the principal amount of such PIK Note (and solely in the case of Pari Passu Debt, no greater than 100% of the principal amount (or accreted value, as applicable) of such Debt), plus in each case accrued and unpaid interest, if any, to the date of purchase and Additional Amounts, if any, to the date of purchase, prepayment or redemption.

(5) To the extent that the aggregate principal amount of the PIK Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the PIK Issuer (or applicable Restricted Subsidiary) may use the amount of such Excess Proceeds not used to purchase the PIK Notes and other Pari Passu Debt for any purpose not otherwise prohibited by the PIK Indenture. If the aggregate principal amount of the PIK Notes and any such Pari Passu Debt to be prepaid or validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the PIK Notes and any such Pari Passu Debt to be purchased will be purchased, prepaid or redeemed, as applicable, on a *pro rata* basis (based upon the principal amount of the PIK Notes and the principal amount or accreted value of such Pari Passu Debt to be prepaid or tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero. If the aggregate principal amount of PIK Notes to be purchased exceeds the amount of proceeds received for application to such principal amount, the Trustee will select the PIK Notes to be purchased on a *pro rata* basis (or in the manner described under "*—Selection and Notice*"), based on the amounts tendered.

(6) If the PIK Issuer is obligated to make an Excess Proceeds Offer, the PIK Issuer will purchase the PIK Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part in integral multiples of €1, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act; provided that no PIK Note of less than €100,000 remains outstanding thereafter.

(7) The PIK Issuer will comply with the applicable requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of PIK Notes pursuant to an Excess Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the PIK Indenture, the PIK Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached their respective obligations under the Asset Sale provisions of the PIK Indenture by virtue of such compliance.

Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries

(1) The PIK Issuer will not, and will not permit any Restricted Subsidiary to create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock to the PIK Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the PIK Issuer or any other Restricted Subsidiary;

(c) make loans or advances to the PIK Issuer or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the PIK Issuer or any other 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 period to) loans or advances made to the PIK Issuer or any Restricted Subsidiary to other Debt Incurred by the PIK Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of the covenant described in paragraph (1) above will not apply to encumbrances or restrictions existing under or by reason of:

(a) (i) the PIK Notes (including Additional PIK Notes issued from time to time in payment of PIK Interest or Additional Amounts in accordance with the PIK Indenture), the PIK Indenture, the New Revolving Credit Facility Agreement, the Security Documents, the Senior Secured Notes, the Senior Secured Notes Indenture, the Intercreditor Agreement, any "Additional Intercreditor Agreement" (as defined in the Senior Secured Notes Indenture), the security documents with respect to any collateral securing the Senior Secured Notes;

(b) any agreements or instruments with respect to Debt of the PIK Issuer or any Restricted Subsidiary permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of "*—Limitation on Debt*," and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that such encumbrances or restrictions taken as a whole, as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer or the relevant Restricted Subsidiary are not materially less favorable to the holders of the PIK Notes than (i) the encumbrances and restrictions contained in the New Revolving Credit Facility Agreement, the PIK Notes, the PIK Indenture, the Senior Secured Notes, the Senior Secured Notes Indenture and the Intercreditor Agreement in each case, as in effect on the Issue Date or (ii) is customary in comparable financings and, in the case of this subclause (ii), the PIK Issuer or the relevant Restricted Subsidiary determines at the time such Debt is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the PIK Issuers' ability to make principal or interest payments on the PIK Notes (as determined in good faith by the Board of Directors, the chief executive officer, chief financial officer or treasurer of the PIK Issuer);

(c) any agreement in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date (as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer);

(d) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(e) any agreement or other instrument of a Person (including its Subsidiaries) acquired by the PIK Issuer or any Restricted Subsidiary in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (including its Subsidiaries);

(f) any agreement for the sale or other disposition of the Capital Stock or all or substantially all the property and assets of a Restricted Subsidiary that restricts distributions of such Capital Stock or property and assets of that Restricted Subsidiary pending its sale or other disposition;

(g) Liens permitted to be Incurred under the provisions of the covenant described above under the caption "—*Limitation on Liens*" that limit the right to dispose of the assets subject to such Liens;

(h) applicable law, rule, regulation or order or the terms of any governmental licenses, authorizations, concessions, franchises or permits;

(i) encumbrances or restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies or indemnities, in each case, under contracts, agreements or policies entered into in the ordinary course of business;

(j) customary limitations on the distribution or disposition of assets or property in leases, licenses, joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitations are applicable only to the assets that are the subject of such agreements;

(k) Purchase Money Obligations and mortgage financings for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (1)(d) of the preceding paragraph;

(l) any agreement that extends, renews, amends, modifies, restates, supplements, refunds, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a) through (k), or in this clause (2)(l); provided that the terms and conditions of any such encumbrances or restrictions are not materially less favorable, taken as a whole, to the holders of the PIK Notes than those under or pursuant to the agreement so extended, renewed, amended, modified, restated, supplemented, refunded, refinanced or replaced (as determined in good faith by the Board of Directors, the chief executive officer, chief financial officer or treasurer of the PIK Issuer or the relevant Restricted Subsidiary);

(m) any encumbrance or restriction pursuant to Hedging Obligations; and

(n) any Qualified Securitization Financing.

Lines of Business

The PIK Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the PIK Issuer and its Restricted Subsidiaries, taken as a whole.

Limitation on Activities of the PIK Issuer

The PIK Issuer shall not carry on any business or own any material assets other than:

(1) the incurrence, guarantee, offering, sale, issuance and servicing, listing, purchase, redemption, exchange, refinancing or retirement of Debt (and guarantees thereof) permitted by the terms of the PIK Indenture or performance of the terms and conditions of such Debt, to the extent such activities are otherwise permissible under the PIK Indenture and the granting of Liens permitted pursuant to the covenant described above under the caption "—*Limitation on Liens*";

(2) (i) rights and obligations arising under the PIK Indenture, any Credit Facility and the Security Documents or any other agreement of the PIK Issuer and its Restricted Subsidiaries existing on the Issue Date or to which it is or becomes a party or (ii) undertaken with the purpose of, or directly related to, the fulfilling of any other obligations under any Debt permitted by the PIK Indenture;

(3) the ownership of (i) cash and Cash Equivalents, (ii) the Capital Stock and other equity instruments of the Company or any direct or indirect holding company of the Company and intercompany loans made to the Company or any direct or indirect holding company of the Company and (iii) other property, in each case to the extent contributed substantially concurrently to the Company or any Restricted Subsidiary of the Company;

(4) making Investments in the PIK Notes (including any Additional PIK Notes) or any other Debt to the extent such Investment is not prohibited by the terms of the PIK Indenture;

(5) administrative, managerial, legal, treasury and accounting services, arrangements with shareholders and the employment and secondment of employees, including the entry into and performance of any employee incentive or benefit arrangements, the fulfilment of any audit, financial monitoring or reporting requirements, services agreements, tax consolidation agreements or arrangements, and any activities or requirements in connection with an IPO Event, and activities reasonably incidental to such services and arrangements (including entering into contracts with employees) and the ownership of assets (and the receipt of any amounts related thereto) necessary to provide such services as well as other holding company activities in the ordinary course of business;

(6) directly related or reasonably incidental to the establishment and/or maintenance of its and its Subsidiaries' corporate existence;

(7) carrying out any transaction permitted or not otherwise prohibited by the PIK Indenture, including the making or receipt of any Permitted Investment or any payment, distribution or Investment permitted or not prohibited by the covenant described under "—*Limitation on Restricted Payments*" and any transaction permitted under the covenant described under "—*Consolidation, Merger and Sale of Assets*" or under "—*Limitation on Sales of Certain Assets*";

(8) relating to the lending of proceeds of Debt and Equity Offerings to Restricted Subsidiaries, whether as Deeply Subordinated Funding or otherwise;

(9) conducting activities directly related, or reasonably incidental to, any Initial Public Offering or Equity Offering, including the maintenance of any listing of equity interests issued by an IPO Entity, and the acquisition, disposal, exchange, issuance, offering, sale and/or listing of Capital Stock and conducting activities related or reasonably incidental to any IPO Event, including the maintenance of any list of equity issued by any IPO Entity and the carrying out of any activities or transactions relating to or consequential from any IPO Event;

(10) any liabilities or obligations in connection with any employee or participation scheme, including any management equity plan, incentive plan or other similar scheme operated by, for the benefit of, on behalf of or in respect of itself or any Restricted Subsidiary (and/or any current or past employees, directors or members of management thereof and any related corporate entity established for such purpose);

(11) pursuant to or in connection with the Transactions; or

(12) other activities not specifically enumerated above that are ancillary or de minimis in nature.

Designation of Unrestricted and Restricted Subsidiaries

The Board of Directors of the PIK Issuer may designate any Subsidiary of the PIK Issuer to be an Unrestricted Subsidiary (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 but excluding the Company) if no Default or Event of Default shall have occurred or be continuing at the time of or immediately after giving effect to such designation and such Subsidiary to be so designated or any of its Subsidiaries does not own any Capital Stock or Debt of, or own or hold any Lien on any property of, the PIK Issuer or any other Subsidiary of the PIK Issuer that is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the PIK Issuer and the Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "*—Limitation on Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the PIK Issuer. That designation will only be permitted if the Investment of the PIK Issuer in such Subsidiary would be permitted at that time under the covenant "*—Limitation on Restricted Payments*". The Board of Directors of the PIK Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the PIK Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "*—Limitation on Restricted Payments*".

The Board of Directors of the PIK Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation will be deemed to be an Incurrence of Debt by a Restricted Subsidiary of any outstanding Debt of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Debt is permitted under the covenant described under the caption "*—Limitation on Debt*," calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation. Any designation of an Unrestricted Subsidiary of the PIK Issuer as a Restricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors of the PIK Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions.

Provision of Information

So long as the PIK Notes are outstanding, the PIK Issuer will furnish to the Trustee:

(a) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ended December 31, 2021, annual reports containing the following information with a level of detail that is reasonably consistent with this Listing Prospectus: (i) audited consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years, including complete footnotes to such financial statements and the report of its independent auditors on the financial statements; (ii) unaudited *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisition or disposition or material recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (b) or (c) 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 financials; (iii) an operating and financial review of the audited financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and liquidity and capital resources, and a discussion of material commitments and contingencies, capital expenditures and critical accounting policies; (iv) a description of the business, management and shareholders of the Company, material affiliate transactions, material debt instruments and material contracts; and (v) material risk factors and material recent developments;

(b) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending September 30, 2021, all quarterly financial statements of the Company containing the following information: (i) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year period (which may be presented on a *pro forma* basis), 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 acquisition or disposition as determined with reference to the most recently completed fiscal quarter as to which such quarterly report relates or material recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report related, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (c) 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 material acquisition, acquired company financials, (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated results of operations, financial condition and EBITDA and material changes in liquidity and capital resources of the Company and any material change between the current year-to-date period and the corresponding period of the prior year; and (iv) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and

(c) promptly after the occurrence of any material acquisition, disposition, restructuring or business consolidation or combination of the Company and the Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company announces publicly, a report containing a description of such event.

In the event that, and for so long as, the equity securities of the PIK Issuer, the Company or any other IPO Entity are listed on a Recognized Stock Exchange and the PIK Issuer, the Company or such other IPO Entity, as applicable, is subject to the disclosure standards and reporting requirements applicable to issuers of equity securities admitted to trading on such Recognized Stock Exchange, for so long as it elects, the PIK Issuer will deliver to the Trustee such annual reports, semi-annual reports, information, documents and other reports that the PIK Issuer, the Company or such other IPO Entity is, or would be, required to file with such Recognized Stock Exchange; provided that, if such reports, information or documents are not in English, the PIK Issuer shall also simultaneously provide English translations thereof. Upon complying with the requirements set forth in the immediately preceding sentence, and provided that (i) such requirements require the PIK Issuer, the Company or such other IPO Entity to prepare and file annual and semi-annual reports and (ii) the PIK Issuer, the Company or such other IPO Entity additionally provides (x) the information required in the next succeeding paragraph and (y) within 60 days following the end of the first and third quarters in each fiscal year of the PIK Issuer, the Company or such other IPO Entity, quarterly consolidated revenues, EBITDA and net debt of the PIK Issuer, the Company or such other IPO Entity, as applicable, the PIK Issuer will be deemed to have complied with the provisions of clauses (a) and (b) above.

To the extent that material differences exist between the results of operations or financial condition of the Company and its Subsidiaries (on the one hand) and the PIK Issuer and its Subsidiaries (on the other hand), the annual and quarterly reports delivered pursuant to clauses (a) and (b) above shall be accompanied by consolidating information that explains in reasonable detail the differences between the information relating to the Company and its Subsidiaries (on the one hand) and the information relating to the PIK Issuer and its Subsidiaries (on the other hand).

All historical financial statements shall be prepared in accordance with IFRS on a consistent basis for the periods presented. Except as provided for above, no report need include separate financial statements for the Company or any Subsidiaries of the Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Listing Prospectus and in no event (i) shall U.S. GAAP information or reconciliation to U.S. GAAP be required nor (ii) shall such report include separate financial statements for any Subsidiaries of the Company.

Contemporaneously with the furnishing of each such report discussed above, the PIK Issuer will also (i) file a press release with the appropriate internationally recognized wire services (including, without limitation, through the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency) in connection with such report or (ii) post each such report on such website as may be then maintained by the Company.

So long as any of the PIK Notes remain outstanding and during any period during which the PIK Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b) under the Exchange Act, the PIK Issuer will make available to any prospective purchaser of PIK Notes or beneficial owner of PIK Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Company, then the quarterly and annual financial information required by the first paragraph of this "—*Provision of Information*" 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.

In the event that (i) the PIK Issuer or the Company becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or either elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the Commission or (ii) the PIK Issuer or the Company elects to provide reports which, if filed with the Commission, would satisfy (in the good faith judgment of the PIK Issuer or the Company, as applicable) 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 PIK Issuer or the Company, as applicable, will make available such annual reports, information, documents and other reports that the PIK Issuer or the Company, as applicable, is, or would be, required to file with the Commission pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the PIK Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs of this covenant.

Delivery of any information, documents and reports to the Trustee pursuant to this "—*Provision of Information*" covenant is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein, including the PIK Issuer's compliance with any of its covenants under the PIK Indenture.

Consolidation, Merger and Sale of Assets

The PIK Issuer will not, directly or indirectly, in a single transaction or through a series of related transactions, consolidate or merge with or into another Person (whether or not the PIK Issuer is the surviving Person) or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the PIK Issuer and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

(a) at the time of, and immediately after giving effect to, any such transaction or series of transactions, either (i) the PIK Issuer will be the surviving Person or (ii) the Person (if other than the PIK Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all the properties and assets of the PIK Issuer and the Restricted Subsidiaries, taken as a whole, has been made (the "*Surviving Entity*"):

   (x) will be a Person duly incorporated and validly existing under the laws of any member state of the European Union, Switzerland, Canada or any province of Canada, the United States of America, any state thereof or the District of Columbia; and

   (y) will expressly assume the PIK Issuer's obligations under the PIK Notes, the PIK Indenture and the Security Documents pursuant to a supplemental indenture, accession agreement, security documents and any other relevant document, in each case, delivered to the Trustee and the Security Agent and the PIK Issuer will cause the PIK Holdco Security Providers to enter into one or more pledges of all of the Capital Stock owned by such PIK Holdco Security Providers in the Surviving Entity securing the obligations of the PIK Issuer under the PIK Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of PIK Notes (which pledges shall be on substantially similar terms as the pledge entered into by the PIK Holdco Security Providers with respect to the Capital Stock of the PIK Issuer on the Issue Date);

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any obligation of the PIK Issuer or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of related transactions as having been Incurred by the PIK Issuer or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) the Company would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to Incur at least €1.00 of additional Debt pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in clause (1)(a) of the "*—Limitation on Debt*" covenant or (ii) have a Consolidated Fixed Charge Coverage Ratio not less than it was immediately prior to giving effect to such transaction; and

(d) the PIK Issuer or the Surviving Entity will have delivered to the Trustee, in form satisfactory to the Trustee, an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this covenant and that the supplemental indenture and the PIK Notes constitute the PIK Issuer's or Surviving Entity's legal, valid and binding obligations, enforceable in accordance with their terms provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clause (b) and (c) above.

The foregoing provisions (other than the requirements of clause (b) of the first paragraph of this "*Consolidation, Merger and Sale of Assets*" covenant) shall not apply to (i) any transactions which constitute an Asset Sale if the PIK Issuer has complied with the covenant described under "*—Limitation on Sale of Certain Assets*" or (ii) the creation of a new subsidiary as a Restricted Subsidiary of the PIK Issuer.

The Surviving Entity will succeed to, be substituted for and may exercise every right and power of the PIK Issuer under the PIK Notes, the PIK Indenture and the Security Documents.

Notwithstanding clauses (b) and (c) of the first paragraph of this "*Consolidation, Merger and Sale of Assets*" covenant (which do not apply to the transactions referred to in this sentence), any Restricted Subsidiary may consolidate with, merge into or transfer all or substantially all of its properties and assets to the PIK Issuer or any other Restricted Subsidiary. In addition, clause (c) of the first paragraph of this "*Consolidation, Merger and Sale of Assets*" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the PIK Issuer with or into an Affiliate solely for the purpose of reincorporating the PIK Issuer in another jurisdiction for tax reasons.

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 "all or substantially all" of the property or assets of a Person.

Impairment of Security Interest

The PIK Issuer will not, and the PIK Issuer will not cause or permit the PIK Holdco Security Providers to, take, or knowingly or negligently omit to take, any action which would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens and the release of the Liens created by the Issuer Share Pledge in connection with an IPO Event shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the holders of the PIK Notes, and the PIK Issuer will not, and the PIK

Issuer will not cause or permit the PIK Holdco Security Providers to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the PIK Notes and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral; provided that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with any other provision of the PIK Indenture (including without limitation, in connection with an IPO Event) or the Security Documents and (b) the PIK Issuer and the PIK Holdco Security Providers may incur Permitted Collateral Liens; and provided further, however, that, except with respect to clause (a) and clause (b) of the foregoing proviso (provided that, in the case of such clause (b), unless no release of the relevant Lien securing the PIK Notes is required in order for PIK Holdco Security Provider to incur a Permitted Collateral Lien, such Lien securing the PIK Notes is retaken immediately following its release in connection with such incurrence), no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced or a Lien over the Collateral released and immediately retaken unless, contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, replacement or release and retaking, the PIK Issuer delivers to the Trustee and the Security Agent any of (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance satisfactory to the Trustee and the Security Agent confirming the solvency of the PIK Issuer and its Subsidiaries or the relevant PIK Holdco Security Provider and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release and retaking, (2) a certificate from the Board of Directors or the chief financial officer of the PIK Issuer or the relevant PIK Holdco Security Provider which confirms the solvency of the PIK Issuer or such PIK Holdco Security Provider, as applicable, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release and retaking and replacement, or (3) an Opinion of Counsel, in form and substance 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, modification or replacement or release and retaking, the Lien or Liens securing the PIK Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity (if legally applicable) or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the written direction of the PIK Issuer and without the consent of the holders of the PIK Notes, the Trustee and the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; (iv) evidence the succession of another Person to the PIK Issuer or the PIK Holdco Security Providers and the assumption by such successor of the obligations under the PIK Indenture, the PIK Notes and the Security Documents, in each case, in accordance with "*—Certain Covenants—Merger, Consolidation or Sale of Assets*;"; (v) provide for the release of property and assets constituting Collateral from the Lien of the Security Documents in accordance with (and if permitted by) the terms of the PIK Indenture; (vi) conform the Security Documents to this "*Description of the PIK Notes*;" (vii) evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent; (viii) provide for Additional PIK Notes to also benefit from the Collateral or (x) make any other change thereto that does not adversely affect the rights of the holders of the PIK Notes in any material respect.

In the event that the PIK Issuer complies with this covenant, the Security Agent and the PIK Issuer and the Trustee (subject to customary protections and indemnifications), if required, shall take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Limitations Related to the BH Cash Management Agreement

In the event that (i) BH shall have breached its obligations under the BH Cash Management Agreement, (ii) an Event of Default shall have occurred and be continuing and the Security Agent shall have commenced enforcement proceedings under the PIK Indenture (or the security agent under the

Senior Secured Notes Indenture shall have commenced enforcement proceedings under such PIK Indenture), (iii) the BH Cash Management Agreement or the BH Account Pledge shall have been terminated, (iv) the BH Account Pledge shall have ceased to constitute a valid and perfected Lien or shall have been declared legally invalid or unenforceable by a court of competent jurisdiction or (v) Mr. Olivier Bertrand or any of his Related Parties shall have ceased to own more than 50% of the total voting power of the Voting Stock of BH, the PIK Issuer shall, promptly upon the occurrence of any such event described in clause (i), (ii), (iii), (iv) or (v), cause BH to pay over to the Company or the PIK Issuer (A) all cash and any other property and assets theretofor advanced by the Company to BH under the terms of the BH Cash Management Agreement (and not theretofore reimbursed), (B) all securities and cash equivalents purchased with any such cash, property and assets (and not theretofor paid out to the Company) and (C) all proceeds of the foregoing not theretofor paid out to the Company and shall cancel and terminate the BH Cash Management Agreement and ensure that no further funds are advanced to BH thereunder or under any other cash management arrangements whether now or hereafter in effect.

In addition, the PIK Issuer will not amend, modify, supplement, restate or replace, or cause or suffer to be amended, modified, supplemented, restated or replaced, the BH Cash Management Agreement or the BH Account Pledge in any manner that would be materially adverse to the holders of PIK Notes.

Maintenance of Listing

The PIK Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the PIK Notes on the Luxembourg Stock Exchange for so long as such PIK Notes are outstanding; provided that if the PIK Issuer is unable to obtain admission to listing of the PIK Notes on the Luxembourg Stock Exchange or if at any time the PIK Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of such PIK Notes on another recognized stock exchange.

Payments for Consent

The PIK Issuer 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 PIK Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the PIK Indenture or the PIK Notes unless such consideration is offered to be paid and is paid to all holders of the PIK Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the PIK Issuer 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 PIK Indenture or the PIK Notes, to exclude holders of PIK Notes in any jurisdiction where (a) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (b) the payment of the consideration therefor would require the PIK Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), and the PIK Issuer in its sole discretion determines (acting in good faith) (x) such filing 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 (y) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of Default

(1) Each of the following will be an "*Event of Default*" under the PIK Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any PIK Note;

(b) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of or premium, if any, on any PIK Note;

(c) failure by the PIK Issuer or any Restricted Subsidiary for 60 days after written notice to the PIK Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the PIK Notes then outstanding voting as a single class to comply with any of the agreements in the PIK Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (a) or (b) above) or the PIK Notes or the Security Documents;

(d) default under the terms of any instrument evidencing or securing Debt by the PIK Issuer or any Restricted Subsidiary (other than Debt owed to the PIK Issuer or a Restricted Subsidiary) if that default (x) results in the acceleration of the payment of such Debt or (y) is caused by a failure to pay principal of such Debt at the Stated Maturity thereof after giving effect to any applicable grace periods, and such failure to make any payment has not been waived or the maturity of such Debt has not been extended (a "*Payment Default*"), and in either case the aggregate principal amount of such Debt unpaid or accelerated exceeds €22.5 million;

(e) [Reserved];

(f) failure by the PIK Issuer or any Significant Subsidiary or a group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, to pay final judgments, orders or decrees (not subject to appeal) entered by a court or courts of competent jurisdiction aggregating in excess of €22.5 million (exclusive of any amounts covered by insurance policies issued by reputable and creditworthy insurance companies), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree (by reason of pending appeal, waiver or otherwise) shall not have been in effect;

(g) (i) the security interests purported to be created under any Security Document (with respect to Collateral) having a Fair Market Value in excess of €10.0 million will (other than in accordance with the terms of the relevant Security Document and the PIK Indenture), at any time, cease to be in full force and effect and to constitute a valid and perfected Lien with the priority required by the applicable Security Document or the PIK Indenture for any reason other than the satisfaction in full of all obligations under the PIK Indenture and discharge of the PIK Indenture or in accordance with the terms of the PIK Indenture and the Security Documents or (ii) any security interest purported to be created under any Security Document is declared invalid or unenforceable or the PIK Issuer, any Restricted Subsidiary or the PIK Holdco Security Providers granting Collateral that is the subject of any such Security Interest asserts, in any pleading in any court of competent jurisdiction, that any such Security Interest is invalid or unenforceable, and, in the case of (i), such failure to be in full force and effect or such assertion has continued uncured for a period of 15 days; and

(h) the occurrence of certain events of bankruptcy or insolvency described in the PIK Indenture with respect to the PIK Issuer, the PIK Holdco Security Providers, BH or any Significant Subsidiary or group of Restricted Subsidiaries that taken as a whole would constitute a Significant Subsidiary;

provided, *however*, that a default under clause (c), (d) or (f) of this paragraph will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding PIK Notes notify the PIK Issuer of the Default and, with respect to such clause (c), (d) or (f), the PIK Issuer does not cure such Default within the time specified in such clause (c), (d) or (f), as applicable, after receipt of such notice. Notwithstanding the foregoing clause (h), the occurrence of any such bankruptcy or insolvency event with respect to BH shall be deemed not be an Event of Default if (and only for so long as) BH holds no cash or other property and assets on behalf of the Company pursuant to the terms of the BH Cash Management Agreement.

(2) If an Event of Default (other than as specified in clause (1)(h) above) occurs and is continuing, the Trustee or the holders of not less than 25% in aggregate principal amount of the PIK Notes then outstanding by written notice to the PIK Issuer (and to the Trustee if such notice is given by the holders) may, and the Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued interest on all the outstanding PIK Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the PIK Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(h) above occurs and is continuing, then the principal of, premium, if any, and Additional Amounts and accrued and unpaid interest on all the outstanding PIK Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of PIK Notes.

(4) The PIK Indenture will provide that the holders of a majority in aggregate principal amount of the then outstanding PIK Notes by written notice to the Trustee may on behalf of the holders of all of the PIK Notes waive any existing Default and its consequences under the PIK Indenture (except a continuing Default in the payment of interest, premium and Additional Amounts, if any, on, or the principal of, any PIK Notes held by a non-consenting holder, which may only be waived with the consent of holders of the PIK Notes holding 90% of the aggregate principal amount of the PIK Notes outstanding under the PIK Indenture) and rescind any acceleration with respect to the PIK Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction). In the event of any Event of Default specified in clause (d) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the PIK Notes) shall be annulled, waived or rescinded, automatically and without any action by the Trustee or the holders, if within 20 days after such Event of Default arose: (i) the indebtedness or guarantee that is the basis for such Event of Default has been discharged; (ii) holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or (iii) the default that is the basis for such Event of Default has been cured.

(5) At any time after a declaration of acceleration under the PIK Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding PIK Notes, by written notice to the PIK Issuer and the Trustee, may rescind such declaration and its consequences if:

(a) the PIK Issuer has paid or deposited with the Trustee (or another party designated by the Trustee for this purpose) a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all PIK Notes then outstanding;

(ii) all unpaid principal of and premium, if any, on any outstanding PIK Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the PIK Notes;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the PIK Notes; and

(iv) all sums paid or advanced by the Trustee under the PIK Indenture and the properly Incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsels;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the PIK Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(6) Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding PIK Notes may direct the Trustee in its exercise of any trust or power.

(7) In case 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 PIK Indenture at the request or direction of any holders of the PIK Notes unless such holders have made written request and offered to the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of any of the PIK Notes has any right to institute any proceedings with respect to the PIK Indenture or any remedy thereunder, unless:

(a) the holders of at least 25% in aggregate principal amount of the outstanding PIK Notes have made written request to, and offered indemnity and/or security (including by way of prefunding) satisfactory to, the Trustee to institute such proceeding as trustee under the PIK Notes and the PIK Indenture;

(b) the Trustee has failed to institute such proceeding within 60 days after receipt of such written notice and offer of indemnity and/or security (including by way of prefunding); and

(c) the Trustee within such 60-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding PIK Notes. Such limitations do not, however, apply to a suit instituted by a holder of a PIK Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such PIK Note on or after the respective due dates expressed in such PIK Note.

(8) The PIK Indenture will provide that if a Default or an Event of Default occurs and is continuing of which a responsible officer of the Trustee has received written notice, the Trustee will deliver to each holder of the PIK Notes notice of the Default or Event of Default within 30 Business Days of receipt of such notice. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any PIK Notes, the Trustee may withhold the notice to the holders of such PIK Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the PIK Notes.

(9) The PIK Issuer is required to furnish to the Trustee annual statements regarding compliance with the PIK Indenture and as to the occurrence of a Default or Event of Default. The PIK Issuer is also required to notify the Trustee in writing within 30 days of the occurrence of any Default (unless cured) or Event of Default, specifying the events giving rise to the occurrence of the Default or Event of Default and stating what action, if any, it is taking with respect to such Default or Event of Default.

(10) The PIK 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 "*—Provision of Information*" or otherwise to deliver any notice or certificate pursuant to any other provision of this PIK Indenture shall be deemed to be cured upon the delivery, prior to accleration in respect of the relevant breach, 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 PIK Indenture.

(11) Prior to taking any action under the PIK Indenture, the Trustee will be entitled to indemnification and/or security (including by way of prefunding) satisfactory to the Trustee in its sole discretion against all losses, liabilities and expenses (including legal fees) caused by taking or not taking such action. The Trustee shall have no obligation to monitor compliance by the PIK Issuer with the PIK Indenture.

Legal Defeasance or Covenant Defeasance of PIK Indenture

The PIK Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding PIK Notes issued under the PIK Indenture ("*Legal Defeasance*") except as to:

(a) the rights of holders of outstanding PIK Notes to receive payments in respect of the principal of, premium, if any, and interest on such PIK Notes (including Additional Amounts, if any) when such payments are due from the trust referred to below;

(b) the PIK Issuer's obligations to issue temporary PIK Notes, register, transfer or exchange any PIK Notes, replace mutilated, destroyed, lost or stolen PIK Notes, maintain an office or agency for payments in respect of the PIK Notes and segregate and hold such payments in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee and the obligations of the PIK Issuer in connection therewith; and

(d) the Legal Defeasance and Covenant Defeasance provisions of the PIK Indenture.

If the PIK Issuer exercises its Legal Defeasance option, payment of the PIK Notes may not be accelerated because of an Event of Default with respect to the PIK Notes.

In addition, the PIK Issuer may, at its option and at any time, elect to have the obligations of the PIK Issuer released with respect to certain covenants (including, without limitation, its obligation to make Change of Control Offers and Excess Proceeds Offers) set forth in the PIK Indenture ("*Covenant Defeasance*"), and thereafter any omission to comply with such covenants will not constitute a Default or an Event of Default with respect to the PIK Notes. In the event Covenant Defeasance occurs, certain events described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the PIK Notes. These events do not include events relating to non-payment or, solely with respect to the PIK Issuer, bankruptcy, insolvency, receivership and reorganization. The PIK Issuer may exercise its Legal Defeasance option regardless of whether it previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the PIK Issuer must irrevocably deposit or cause to be deposited in trust with the Trustee (or such other entity nominated by the Trustee for this purpose), for the benefit of the holders of the PIK Notes, cash in euro, non-callable European Government Obligations or a combination thereof, in each case, in such amounts as will be sufficient, in the opinion of internationally recognized investment bank, appraisal firm or firm of independent public accountants taking into account the effect of any hedging arrangements entered into in connection with such deposit, to pay and discharge the principal of, premium, if any, and interest (including Additional Amounts, if any) on the outstanding PIK Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the PIK Issuer must (x) specify whether the PIK Notes are being defeased to such Stated Maturity or to a particular redemption date; and (y) if applicable, have delivered to the Trustee an irrevocable notice to redeem all the outstanding PIK Notes of such principal, premium, if any, or interest;

(b) in the case of Legal Defeasance, the PIK Issuer must have delivered to the Trustee an Opinion of Counsel stating that (i) the PIK Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the Issue Date, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the beneficial owners of the outstanding PIK Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income Tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the PIK Issuer must have delivered to the Trustee an Opinion of Counsel to the effect that the beneficial owners of the outstanding PIK Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income Tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) the PIK Issuer must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the PIK Issuer with the intent of preferring the holders of the PIK Notes over the other creditors of the PIK Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the PIK Issuer or others; and

(e) the PIK Issuer must have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Satisfaction and Discharge

The PIK Indenture will be discharged and will cease to be of further effect as to all PIK Notes issued thereunder when:

(a) either:

(i) all the PIK Notes that have been authenticated and delivered (other than destroyed, lost or stolen PIK Notes that have been replaced or paid and PIK Notes for whose payment money has been deposited in trust or segregated and held in trust and thereafter repaid to the PIK Issuer or discharged from such trust as provided for in the PIK Indenture) have been delivered to the Paying Agent (and notified to the Trustee) for cancellation; or

(ii) all PIK Notes that have not been delivered to the Paying Agent (and notified to the Trustee) for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the PIK Issuer and the PIK Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity nominated by the Trustee for this purpose) as trust funds in trust solely for the benefit of the holders of the PIK Notes, cash in euro, non-callable European Government Obligations or a combination thereof, in each case in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the PIK Notes not delivered to the Paying Agent (and notified to the Trustee) for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; and

(b) the PIK Issuer has paid or caused to be paid all other sums payable by the PIK Issuer under the PIK Indenture; and

(c) the PIK Issuer has delivered irrevocable instructions to the Paying Agent (copied to the Trustee) under the PIK Indenture to apply the deposited money toward the payment of the PIK Notes at maturity or on the redemption date, as the case may be.

In addition, the PIK Issuer must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided in the PIK Indenture relating to the satisfaction and discharge of the PIK Indenture have been satisfied; 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 (a), (b) and (c)).

Amendments and Waivers

Except as provided otherwise in the succeeding paragraphs, the PIK Indenture, the PIK Notes or the Security Documents may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the PIK Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, PIK Notes), and any existing Default or Event of Default or compliance with any provision of the PIK Indenture, the PIK Notes or the Security Documents may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding PIK Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, PIK Notes).

However, without the consent of the holders holding not less than 90% of the then outstanding principal amount of PIK Notes (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, PIK Notes), an amendment, supplement or waiver may not, with respect to any PIK Notes held by a non-consenting holder:

(a) extend the Stated Maturity of the principal of, or any installment of or interest or Additional Amounts on, any PIK Note;

(b) reduce the principal amount of any PIK Note (or Additional Amounts or premium, if any) or the rate of or change the time for payment of interest, including default interest, on any PIK Note;

(c) change the coin or currency in which the principal of any PIK Note or any premium or any Additional Amounts or the interest thereon is payable;

(d) reduce the premium payable upon the redemption of any PIK Note or change the time at which any PIK Note may be redeemed, in each case as described under "—*Optional Redemption*;"

(e) impair the right of any holder of PIK Notes to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date) on or with respect to such holder's PIK Notes;

(f) waive a continuing Default or Event of Default in the payment of principal of, premium, if any, interest, or Additional Amounts, if any, on, the PIK Notes (except a rescission of acceleration of the PIK Notes by the holders of at least a majority in aggregate principal amount of the then outstanding PIK Notes and a waiver of the Payment Default that resulted from such acceleration);

(g) [Reserved];

(h) make any change to any provision of the PIK Indenture affecting the ranking of the PIK Notes in a manner that adversely affects the rights of the holders of PIK Notes;

(i) release any Collateral granted for the benefit of the holders of the PIK Notes, except in accordance with the terms of the relevant Security Document or the PIK Indenture;

(j) make any change in the provisions of the PIK Indenture described under "—*Additional Amounts*" that adversely affects the rights of any holder of the PIK Notes in any material respect or amend the terms of the PIK Notes or the PIK Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder;

(k) waive a redemption payment with respect to any PIK Note (other than a payment required by the covenants described above under the captions "*Purchase of PIK Notes upon a Change of Control*" and "—*Certain Covenants—Limitation on Sale of Certain Assets*");

(l) modify any of the provisions relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding PIK Notes required for such actions or to provide that certain other provisions of the PIK

Indenture cannot be modified or waived without the consent of the holder of each PIK Note affected thereby; or

(m) make any change in the preceding provisions.

Notwithstanding the foregoing, without the consent of any holder of the PIK Notes, the PIK Issuer, the Security Agent, the Paying Agent and the Trustee (as applicable) may modify, amend or supplement the PIK Indenture, the PIK Notes or any Security Document:

(a) to cure any ambiguity, omission, error, defect or inconsistency;

(b) [Reserved];

(c) to add Restricted Subsidiaries to the relevant agreement or provide for any Restricted Subsidiary to provide a guarantee of the PIK Notes;

(d) to implement any Permitted Collateral Liens;

(e) to provide for the assumption of the PIK Issuer's obligations to holders of the PIK Notes by a Surviving Entity;

(f) to make any change that would provide any additional rights or benefits to the holders of the PIK Notes or that does not adversely affect the legal rights under the PIK Indenture of any such holder in any material respect;

(g) to conform the text of the PIK Indenture or the PIK Notes to any provision of this "*Description of the PIK Notes*" to the extent that such provision in this "*Description of the PIK Notes*" was intended to be a verbatim recitation of a provision of the PIK Indenture, the Security Documents or the PIK Notes;

(h) [Reserved];

(i) to allow the entry into of additional or supplemental Security Documents or to add additional parties to any Security Documents to the extent permitted hereunder or thereunder;

(j) to confirm and evidence the release, termination or discharge of any Lien (including any Collateral) or any amendment or in respect of the Security Documents with respect to or securing the PIK Notes when such release, termination or discharge or amendment is in accordance with the terms of the PIK Indenture or the Security Documents;

(k) to provide for uncertificated PIK Notes in addition to or in place of certificated PIK Notes (provided that the uncertificated PIK Notes are issued in registered form for purposes of Section 163(f) of the Code);

(l) to evidence and provide for the acceptance of the appointment of a successor trustee and/or security agent under the terms of the PIK Indenture or to otherwise comply with any requirement of the PIK Indenture;

(m) [Reserved];

(n) to make any change to the extent permitted by the second paragraph of the covenant described under "*—Certain Covenants—Impairment of Security Interest*;" or

(o) to provide for the issuance of Additional PIK Notes in accordance with, and if permitted by, the terms and limitations set forth in the PIK Indenture.

In formulating its opinion on such matters, the Trustee and the Security Agent, as applicable, shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate on which the Trustee and/or the Security Agent may solely rely.

The consent of the holders of the PIK Notes is not necessary under the PIK Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Acts by Holders

In determining whether the holders of the required aggregate principal amount of the PIK Notes have concurred in any direction, waiver or consent, any PIK Notes owned by the PIK Issuer or by any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the PIK Issuer will be disregarded and deemed not to be outstanding.

Concerning the Trustee

The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding PIK Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The PIK Indenture will provide that, in case an Event of Default occurs and is continuing of which a responsible officer of the Trustee has received written notice, the Trustee will be required, in the exercise of its rights and powers vested in it by the PIK Indenture, to use the degree of care of a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the PIK Indenture at the request of any holder of PIK Notes, unless such holder has offered to the Trustee security and/or indemnity (including by way of prefunding) satisfactory to it against any loss, liability or expense.

The PIK Issuer will indemnify the Trustee for any loss, liability, Taxes or expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with its duties.

Listing

Application has been made to list the PIK Notes on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF of that exchange. There can be no guarantee that the application to list the PIK Notes on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF of that exchange will be approved as of the Issue Date or at any time thereafter, and settlement of the PIK Notes is not conditioned on obtaining this listing. The PIK

Issuer has initially designated Banque Internationale à Luxembourg SA as its listing agent (the "*Listing Agent*"). The address of the Listing Agent is 69 route d'Esch, L-1470 Luxembourg.

Listing and General Information

So long as the PIK Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF of that exchange and the rules and regulations of Luxembourg Stock Exchange shall so require, copies, current and future, of all of our annual audited consolidated and unconsolidated financial statements, our unaudited consolidated interim quarterly financial statements and the Offering Memorandum may be obtained, free of charge, during normal business hours at the registered office of the PIK Issuer.

Anyone who receives this Listing Prospectus may, following the Issue Date, obtain a copy of the PIK Indenture, the PIK Notes and the Security Documents without charge by writing to the PIK Issuer at 59, rue de Tocqueville, 75017 Paris, France.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator, member or shareholder of the PIK Issuer will have any liability for any obligations of the PIK Issuer, the Security Documents or the PIK Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each holder, by accepting a PIK Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the PIK Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws.

Prescription

Claims against the PIK Issuer for the payment of principal or premiums, if any, on the PIK Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the PIK Issuer for the payment of interest on the PIK Notes will be prescribed five years after the applicable due date for payment of interest.

Governing Law

The PIK Indenture and the PIK Notes will be governed by and construed in accordance with the laws of the State of New York and will provide for the submission of the parties to the jurisdiction of the courts in the State of New York. The Security Documents will be governed by the laws of France.

Consent to Jurisdiction and Service

The PIK Indenture will provide that the PIK Issuer will appoint Law Debenture Corporate Services, Inc., 801 2nd Avenue, Suite 403, New York, NY 10017, as their agent for service of process in any suit, action or proceeding with respect to the PIK Indenture or the PIK Notes, as the case may be, and for actions brought under U.S. Federal or state securities laws brought in any Federal or state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Since most of the assets of the PIK Issuer are outside the United States, any judgment obtained in the United States against the PIK Issuer, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, redemption price and any purchase price with respect to the PIK Notes, may not be collectible within the United States.

Certain Definitions

Set forth below are certain defined terms used in the PIK Indenture. Reference is made to the PIK Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"*Acquired Debt*" means Debt of a Person:

(a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the PIK Issuer or a Restricted Subsidiary whether or not such Debt is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; or

(b) assumed in connection with the acquisition of assets from any such Person.

Acquired Debt will be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary or is merged into or consolidated with the PIK Issuer or a Restricted Subsidiary or the date of the related acquisition of assets from any Person.

"*Affiliate*" means, with respect to any specified Person 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 specified Person, means the power to direct or cause the direction of 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.

"*Applicable Redemption Premium*" means, with respect to any PIK Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such PIK Note; or

(2) the excess of:

(a) the present value at such redemption date of (x) the redemption price of such PIK Note at May 1, 2024 (such redemption price being set forth in the table appearing under the caption "*—Optional Redemption*"), plus (y) all required interest payments due on such PIK Note through May 1, 2024 (excluding accrued but unpaid interest to the redemption date and assuming that the rate of interest on the PIK Note from such redemption date through May 1, 2024 will be the rate of Cash Interest), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such PIK Note;

as calculated by the PIK Issuer or on behalf of the PIK Issuer by such Person as the PIK Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Redemption Premium shall not be an obligation or duty of the Trustee, Registrar, Transfer Agent, or any Paying Agent.

"*Asset Sale*" means any sale, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business) or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "*transfer*"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than the PIK Issuer or a Restricted Subsidiary) or the economic rights of the PIK Issuer or a Restricted Subsidiary in the Capital Stock of any Restricted Subsidiary;

(b) all or substantially all the properties and assets of any division or line of business of the PIK Issuer or any Restricted Subsidiary; or

(c) any other of the PIK Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any lease, transfer, conveyance or other disposition of assets that is governed by the provisions of the PIK Indenture described under "*—Certain Covenants—Consolidation, Merger and Sale of Assets*" or "*—Purchase of PIK Notes upon a Change of Control*" or that constitutes an IPO Event;

(ii) any transfer or disposition of assets or Capital Stock by the PIK Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the PIK Issuer or any Restricted Subsidiary, in each case in accordance with the terms of the PIK Indenture;

(iii) any issuance of Capital Stock by a Restricted Subsidiary to the PIK Issuer or another Restricted Subsidiary;

(iv) any transfer or disposition of (x) obsolete, worn-out or surplus equipment or facilities of the PIK Issuer or any Restricted Subsidiary or (y) other assets or rights of the PIK Issuer or any Restricted Subsidiary that, in the case of this clause (y), are no longer used or useful in the ordinary course of the PIK Issuer's or any Restricted Subsidiary's business;

(v) any single transaction or series of related transactions that involves assets, Capital Stock or economic rights in the Capital Stock of a Restricted Subsidiary having a Fair Market Value of less than €7.5 million;

(vi) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(vii) a disposition that is made in connection with the establishment of a joint venture which is a Permitted Investment or sales, transfers and other dispositions of Investments in joint ventures to the extent required by or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements;

(viii) the sale, lease, assignment, sublease, license, sublicense or other disposition of equipment, inventory, property (including restaurants and restaurant properties), stock-in-trade, goods, accounts receivable or other assets (including any real or personal property) in the ordinary course of business;

(ix) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" (or a transaction that would constitute a Restricted Payment but for the exclusions from the definition thereof) and the making of any Permitted Payment or Permitted Investment;

(x) foreclosure, condemnation, taking by eminent domain or similar action with respect to property or other assets;

(xi) any disposition of Capital Stock, Debt or other securities of any Unrestricted Subsidiary;

(xii) sales of assets received by the PIK Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the PIK Issuer or any Restricted Subsidiary;

(xiii) the sale or other disposition of cash or Cash Equivalents;

(xiv) the grant of licenses to intellectual property rights to third parties on an arm's-length basis in the ordinary course of business;

(xv) the disposition of assets to a Person that is providing services (the provision of which have been or are to be outsourced by the PIK Issuer or any Restricted Subsidiary to such Person) related to such assets; provided that the Board of Directors of the PIK Issuer or the relevant Restricted Subsidiary shall certify that in its opinion the outsourcing transaction will be economically beneficial to the PIK Issuer or such relevant Restricted Subsidiary, as applicable, and, in each case, its 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 (xv), does not exceed the €10.0 million;

(xvi) the granting of Liens not otherwise prohibited by the PIK Indenture;

(xvii) the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;

(xviii) the unwinding of any Hedging Obligations;

(xix) any disposition with respect to property built, owned or otherwise acquired by the PIK Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the PIK Indenture;

(xx) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the PIK Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(xxi) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or PIK Notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for PIK Notes receivable;

(xxii) the disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing and any factoring transaction in the ordinary course of business; and

(xxiii) any disposition by the PIK Issuer of Capital Stock of Company or any other IPO Entity, the proceeds of which are applied or are required to be applied in redemption of the PIK Notes in accordance with "*—Special Mandatory Redemption—IPO Event*" or are used to make Restricted Payments under clause 3(r) of the covenant described under "*—Limitation on Restricted Payments*".

"*Associate*" means (i) any Person engaged in a Permitted Business of which the PIK Issuer 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 PIK Issuer or any Restricted Subsidiary of the PIK Issuer.

"*BH*" means BH, a *société par actions simplifiée* organized under the laws of France.

"*BH Account Pledge*" means the pledge agreement whereby BH grants a first-priority security interest over all accounts to which are credited cash and property and assets held by BH on behalf of the Company pursuant to the terms of the BH Cash Management Agreement in order to secure the obligations of BH thereunder for the benefit of the Company.

"*BH Cash Management Agreement*" means the cash management agreement (*Convention de gestion de trésorerie*) entered into on June 21, 2016 by and between the Company and BH, as amended, with respect to certain cash management services provided by BH to the Company.

"*Board of Directors*" means (1) with respect to the PIK Issuer or any corporation, the board of directors, supervisory board or management board, as applicable, of the PIK Issuer or such corporation, as applicable, 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 requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Bund Rate*" means, as of any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption 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 relevant date, where:

(a) "*Comparable German Bund Issue*" means with respect to the PIK Notes, 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 May 1, 2024, 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 PIK Notes and of a maturity most nearly equal to May 1, 2024 , provided, however, that, if the period from such redemption date to May 1, 2024, is less than one year, a fixed maturity of one year shall be used;

(b) "*Comparable German Bund Pric*e" means, with respect to any relevant 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 PIK 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 PIK Issuer in good faith; and

(d) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the PIK Issuer 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 PIK Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany time on the third Business Day that is also a business day in Germany preceding the relevant date.

"*Business Day*" means a day of the year other than a Saturday or Sunday or other day on which banks are not required or authorized by law to close in Paris, New York City or London.

"*Capital Stock*" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (including any Preferred Stock, but excluding debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into or to acquire such Capital Stock, whether now outstanding or issued after the Issue Date.

"*Capitalized Lease Obligation*" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a finance lease obligation under IFRS, and, for purposes of the PIK Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined 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.

"*Cash Contributions*" means the aggregate amount of cash contributions made to the equity capital (other than through the issuance of Redeemable Capital Stock of the PIK Issuer) of the PIK Issuer or cash payments to the PIK Issuer in the form of Deeply Subordinated Funding for purposes of enabling the Incurrence of Contribution Debt.

"*Cash Equivalents*" means any of the following:

(a) any evidence of Debt with a maturity of 24 months or less from the date of acquisition issued or directly and unconditionally guaranteed or insured by the government of a member state of the European Union, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union, the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the PIK Issuer's option; provided that such country (or agency or instrumentality) has a long-term government debt rating of at least "A−" by S&P or "A3" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances, money market deposits, insurance products or similar instruments with a maturity of 12 months or less from the date of acquisition issued by (i) any lender under the New Revolving Credit Facility or (ii) a bank, insurance company or trust company that is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union as in effect on December 31, 2003 or of the United States of America or any state thereof, Switzerland or Canada; provided that such bank, insurance company or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated at least "A" by S&P or "A2" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(c) commercial paper rated at the time of acquisition thereof at least "P-2" or the equivalent thereof by Moody's or "A-2" or the equivalent thereof by S&P or carrying an equivalent rating by another internationally recognized rating agency and, in each case, maturing within one year after the date of acquisition;

(d) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any bank meeting the qualifications specified in clause (b) above;

(e) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member state of the European Union as in effect on December 31, 2003, 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;

(f) bills of exchange issued in the United States, Canada, a member state of the European Union as in effect on December 31, 2003 or Switzerland eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(g) investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (f) above.

"*Clearstream*" means Clearstream Banking, S.A., as currently in effect or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Commodity Hedging Agreements*" means, in respect of a Person, any spot, forward, swap, option or other similar agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in commodity prices.

"*Commission*" means the U.S. Securities and Exchange Commission.

"*Consolidated Adjusted Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person for such period, on a consolidated basis, as determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; provided that:

(a) the net income of any Person that is not a Restricted Subsidiary of such Person will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(b) solely for the purpose of determining the amount available for Restricted Payments under clause (2)(c)(i) of the "*—Limitation on Restricted Payments*" covenant, any net income (loss) of any Restricted Subsidiary will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to such Person 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 (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to the Senior Secured Notes, the Senior Secured Notes Indenture and the New Revolving Credit Facility Agreement, (iii) 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 of the PIK Notes than such restrictions in effect on the Issue Date and (iv) any other restriction listed under the "*—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" covenant), except that the such Person's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Adjusted Net Income of such Person up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed (including by way of a loan) by such Restricted Subsidiary during such period to such Person or any Restricted Subsidiary of such Person as a loan, dividend or other distribution (subject, in the case of a loan, dividend or distribution to another Restricted Subsidiary of such Person, to the limitation contained in this clause);

(c) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of such Person or any of its Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer or the relevant Restricted Subsidiary) or in connection with the sale or disposition of securities will be excluded;

(d) (i) any extraordinary, exceptional or unusual gain, loss or charge, (ii) any asset impairments charges or the financial impacts of natural disasters (including fire, flood and storm and related events), (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (iv) any expenses, charges, reserves or other costs related to the Transactions, in each case, will be excluded;

(e) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity-based awards will be excluded;

(f) all deferred financing costs written off and premium paid or other expenses incurred directly in connection with any early extinguishment of Debt and any net gain (loss) from any write-off or forgiveness of Debt will be excluded;

(g) any one-time non-cash charges or any increases in amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of another Person or business or resulting from any reorganization or restructuring involving such Person or its Subsidiaries will be excluded;

(h) any unrealized gains or losses in respect of Hedging Obligations 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 will be excluded;

(i) any unrealized foreign currency transaction gains or losses in respect of Debt of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies will be excluded;

(j) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists a reasonable basis that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365-day period), expenses, charges or losses with respect to liability or casualty events or business interruption will be excluded;

(k) the cumulative effect of a change in accounting principles will be excluded;

(l) any unrealized foreign currency translation or transaction gains or losses in respect of Debt or other obligations of such Person or any of its Restricted Subsidiaries owing to such Person or any Restricted Subsidiary will be excluded; and

(m) any non-cash interest accrued, capitalized or paid in respect of Deeply Subordinated Funding will be excluded.

"*Consolidated EBITDA*" means, with respect to any specified Person for any period without duplication, the sum of Consolidated Adjusted Net Income of such Person, plus in each case to the extent deducted in computing Consolidated Adjusted Net Income for such period:

(a) tax expenses based on income, profits or capital and pursuant to the *Cotisation sur la valeur ajoutée des enterprises* of such Person and any of its Restricted Subsidiaries for such period (whether or not paid, estimated, accrued or required to be remitted to any governmental authority); *plus*

(b) the Fixed Charges of such Person and any of its Restricted Subsidiaries for such period; *plus*

(c) any expenses, charges or other costs related to any equity offering, 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; provided that such payments are made at the time of such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization or Debt permitted to be incurred by the PIK Indenture, or the refinancing of any other Debt of such Person or any of its Restricted Subsidiaries (whether or not successful) (including such fees, expenses or charges related to the Transactions); *plus*

(d) depreciation, amortization (including amortization of intangibles and deferred financing fees), and other non-cash expenses (including write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on such Person and any of its Restricted Subsidiaries for such period), but excluding any non-cash items for which a future cash payment will be required and for which an accrual or reserve is required by IFRS to be made or amortization of a prepaid cash charge or expense that was paid in a prior period for such period; *plus*

(e) the amount of any restructuring charges, accruals or reserves and integration costs, including any one-time costs incurred in connection with acquisitions after the Issue Date; *plus*

(f) any minority interest expense (whether paid or not) consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary in such period or any prior period, except to the extent of dividends or other distributions paid or declared on Capital Stock held by third parties; *plus*

(g) to the extent actually paid during such period, 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 "*—Limitation on Transactions with Affiliates*" covenant; *plus*

(h) gain (or loss) on sale of receivables, Securitization Assets and related assets in connection with a Qualified Securitization Financing; *plus*

(i) costs or expenses incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the PIK Issuer or net cash proceeds of an issuance of Qualified Capital Stock of the PIK Issuer solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (2)(c) under "*—Certain Covenants—Limitation on Restricted Payments*;" *plus*

(j) to the extent not already otherwise included herein, any negative (or *minus* any positive) impact of any adjustments and add-backs similar to those made in calculating "*Adjusted Run-Rate EBITDA*" included in the Offering Memorandum; *plus*

(k) any charge (or minus any income) attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; *minus*

(l) (other than any non-cash items increasing such Consolidated Adjusted Net Income pursuant to clauses (a) to (m) of the definition thereof) non-cash items increasing such Consolidated Adjusted Net Income for such period other than the reversal of a reserve for cash charges in a future period in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with IFRS.

When Consolidated EBITDA is being calculated for the purpose of any grower basket set forth in this "Description of the PIK Notes", it shall be calculated on a *pro forma* basis consistent with the calculation of Consolidated EBITDA for purposes of the Consolidated Fixed Charge Coverage Ratio.

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Adjusted Net Income for the purposes of this definition.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to a specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Consolidated Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio is made (for the purpose of this definition, the "*Calculation Date*") (but not giving effect to (i) any additional Debt to be incurred on the Calculation Date as part of the same transaction or series of transactions pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*" (other than with respect to clause (k) of such covenant) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to paragraph (2) under the caption "*—Certain Covenants—Limitation on Debt*"), then the Consolidated Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by an Officer or a responsible financial or accounting officer of the PIK Issuer or the relevant Restricted Subsidiary) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of calculating the Consolidated Fixed Charge Coverage Ratio:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of business that have been made by such Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by such specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), 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 financial or accounting officer of the PIK Issuer or the relevant Restricted Subsidiary and may include anticipated expense and cost reduction and cost saving synergies) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDA 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;

(c) 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, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of such specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person following the Calculation Date;

(d) 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;

(e) 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; and

(f) if any Debt bears a floating rate of interest and such Debt is to be given *pro forma* effect, the interest expense on such Debt 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 Debt if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Debt).

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Adjusted Net Income and Fixed Charges, calculations will be as determined in good faith by a responsible financial or accounting officer of the PIK Issuer or the relevant Restricted Subsidiary.

"*Consolidated Net Leverage*" means, with respect to a the PIK Issuer, as of any date of determination, the sum of (A) (x) the aggregate amount of Debt of the PIK Issuer (excluding Hedging Obligations entered into not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer)) *minus* (y) the aggregate amount of cash and Cash Equivalents of the PIK Issuer (other than cash or Cash Equivalents received upon the incurrence of Debt by the PIK Issuer and not immediately or subsequently applied or used for any purpose not prohibited by the PIK Indenture) that would be stated on the balance sheet of PIK Issuer as of such date in accordance with IFRS plus (B) (x) the aggregate amount of Debt of the Company and its Restricted Subsidiaries (excluding Hedging Obligations entered into not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the Company)) on a consolidated basis *minus* (y) the aggregate amount of cash and Cash Equivalents (other than cash or Cash Equivalents received upon the incurrence of Debt by the Company or any of its Restricted Subsidiaries and not immediately or subsequently applied or used for any purpose not prohibited by the PIK Indenture) that would be stated on the balance sheet of the Company and its Restricted Subsidiaries as of such date in accordance with IFRS (including, for the avoidance of doubt, cash and Cash Equivalents held by BH on behalf of the Company and its Restricted Subsidiaries pursuant to the BH Cash Management Agreement, but only if and to the extent recorded as cash and Cash Equivalents on the balance sheet of the Company and its Restricted Subsidiaries as of such date in accordance with IFRS); *provided* that the amount determined in accordance with clause (B) shall be prorated for the economic interest of the PIK Issuer in the Capital Stock of the Company.

"*Consolidated Net Leverage Ratio*" means, with respect to the PIK Issuer, as of any date of determination, the ratio of (a) the Consolidated Net Leverage of the PIK Issuer on such date to (b) the Consolidated EBITDA of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date and prorated (in the case of (b) only) for the economic interest of the PIK Issuer in the Capital Stock of the Company. In the event that the PIK Issuer or any Restricted Subsidiary Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems Redeemable Capital Stock or preferred stock 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 (for the purpose of this definition, the "Calculation Date") (but not giving effect to (i) any additional Debt to be Incurred on the date of determination as part of the same transaction or series of transactions pursuant to paragraph (2) (other than clause (s) of such paragraph) under the caption "—*Certain Covenants—Limitation on Debt*" (other than with respect to clause (k) of such covenant) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to paragraph (2) under the caption "—*Certain Covenants—Limitation on Debt*"), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such

Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of Redeemable Capital Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. For purposes of calculating the Consolidated EBITDA for such period:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the PIK Issuer or any of its Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by such the PIK Issuer or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio) will be given *pro forma* effect (as determined in good faith by a responsible financial or accounting officer of the PIK Issuer and may include anticipated expense and cost reduction and cost saving synergies) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio), will be excluded;

(c) 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; and

(d) 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.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the PIK Issuer. In determining the amount of Debt outstanding on any date of determination, *pro forma* effect will be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Debt on such date.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Contribution Debt*" means Debt of any Permitted Subsidiary in an aggregate principal amount, together with any Debt of a Permitted Subsidiary refinancing such Debt, not greater than the aggregate amount of Cash Contributions (other than Excluded Contributions) made to the equity capital of the PIK Issuer (other than by a Subsidiary of the PIK Issuer) after the Issue Date, to the extent such net cash proceeds or cash have not been utilized for Excluded Contribution or applied to make Restricted Payments pursuant to clause (3)(b) or (3)(k) and are excluded from clauses (2)(c)(ii) and (2)(c)(iii) of the "*—Limitation on Restricted Payments*" covenant; provided that such Contribution Debt:

(a) is Incurred within 180 days after the making of such Cash Contributions; and

(b) is designated as Contribution Debt pursuant to an Officer's Certificate of the PIK Issuer or the relevant Restricted Subsidiary no later than the date Incurred.

"*Credit Facility*" or "*Credit Facilities*" means one or more debt facilities (including, without limitation, under the New Revolving Credit Facility), indentures, trust deeds, debentures, fiscal agency agreements, note purchase agreements, instruments or arrangements or commercial paper facilities, in each case with banks or other financial institutions or investors providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), bonds, notes, debentures, letters of credit or other forms of guarantees and assurances, or other corporate debt instruments, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise), restructured, repaid or refinanced (whether by means of sales of debt securities to institutional investors and whether in whole or in part and whether or not with the original administrative agent or lenders or another administrative agent or agents or other bank or institutions and whether provided under the New Revolving Credit Facility Agreement and one or more other credit or other agreements) and, for the avoidance of doubt, includes any agreement increasing the amount loaned, issued or available to be loaned or issued thereunder, altering the maturity thereof, adding Subsidiaries of the PIK Issuer as additional borrowers, issuers or guarantors thereunder, or otherwise restructuring or altering the terms and conditions of all or any portion of the indebtedness thereunder.

"*Currency Agreements*" means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in currency exchange rates.

"*Debt*" means, with respect to any Person, without duplication:

(a) the principal of any indebtedness of such Person in respect of borrowed money (including overdrafts) or for the deferred and unpaid purchase price of property or services due more than one year after such property is acquired or such services are completed, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business;

(b) the principal of any indebtedness of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person representing reimbursement obligations in respect of any letters of credit, bankers' acceptances or other similar instruments (except to the extent such obligation relates to trade payables in the ordinary course of business); provided that any counter-indemnity or reimbursement obligation under a letter of credit shall be considered Debt only to the extent that the underlying obligation in respect of which the letter of credit has been issued would also be Debt;

(d) any indebtedness representing Capitalized Lease Obligations of such Person;

(e) all net obligations of such Person in respect of Hedging Obligations (the amount of any such obligation 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);

(f) all Debt referred to in (but not excluded from) the preceding clauses (a) through (e) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such specified Person, even though such specified Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the fair market value of such property or asset at such date of determination (as determined in good faith by the PIK Issuer or the relevant Subsidiary) and the amount of the obligation so secured);

(g) all guarantees by such specified Person of Debt referred to in this definition of any other Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(h) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed-repurchase price and involuntary maximum fixed repurchase price plus accrued and unpaid dividends;

(i) Preferred Stock of any Restricted Subsidiary (but excluding any accrued dividends); and

(j) Qualified Securitization Financing,

if and to the extent any of the preceding items (other than obligations under clauses (c) and (e) through (i)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS; provided that the term "Debt" shall not include (i) non-interest bearing installment obligations and accrued liabilities incurred in the ordinary course of business that are not more than 90 days past due, (ii) Debt in respect of the incurrence by the PIK Issuer or any Restricted Subsidiary of Debt in respect of standby letters of credit, performance bonds or surety bonds provided by the PIK Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than 30 days following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (iii) any pension obligations of the PIK Issuer or a Restricted Subsidiary, early retirement or termination obligations or similar claims, obligations or contributions or social security or wage Taxes or any obligations in respect of worker's compensation claims, (iv) [Reserved], (v) Debt Incurred by the PIK Issuer or a Restricted Subsidiary in connection with a transaction where (x) such Debt is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose long-term debt has a rating immediately prior to the time such transaction is entered into, of at least "A" or the equivalent thereof by S&P or "A2" or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the PIK Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or Affiliate thereof, in amount equal to such Debt, (vi) contingent obligations incurred in the ordinary course of business, (vii) Deeply Subordinated Funding and (viii) in connection with the purchase by the PIK Issuer 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 30 days thereafter.

For purposes hereof, the amount of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which the principal amount of Debt will be required to be determined pursuant to the PIK Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors or a member of senior management of the issuer of such Redeemable Capital Stock; provided, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

For purposes hereof, the amount of Debt 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.

"*Deeply Subordinated Funding*" means any funding provided to the PIK Issuer by any Parent Company or any Permitted Holder or Related Party pursuant to a note other than Capital Stock, together with any such note issued in payment of any obligation under any Deeply Subordinated Funding, that pursuant to its terms, (i) is subordinated in right of payment to the prior payment in full in cash of the PIK Notes, (ii)(A) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such funding into Qualified Capital Stock of the PIK Issuer or any other funding meeting the requirements of this definition), (B) does not (including upon the happening of any event) require payment of any cash interest or any similar cash amounts, (C) contains no change of control or similar provisions and (D) does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of the PIK Issuer), in each case, prior to the first anniversary of the Stated Maturity of the PIK Notes, (iii) does not provide for or require any security interest or encumbrance over any asset of the PIK Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the PIK Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the PIK Notes or compliance by the PIK Issuer with its obligations under the PIK Notes or the PIK Indenture, (v) does not (including upon the happening of any event) constitute Voting Stock and (vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the PIK Notes mature other than into or for Qualified Capital Stock of the PIK Issuer; provided, however, that upon the occurrence of any event or circumstance that results in such funds ceasing to qualify as Deeply Subordinated Funding, such funds shall constitute an incurrence of such Debt by the PIK Issuer, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Debt since the date of the original issuance of such Deeply Subordinated Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Deeply Subordinated Funding.

"*Default*" means any event that 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 of non-cash consideration received by the PIK Issuer or any Restricted Subsidiary in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officer's Certificate, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"*Equity Offering*" means a public or private sale of Qualified Capital Stock of the PIK Issuer (other than a public offering on Form S-8 under the Securities Act (or any successor form) or any similar offering in other jurisdictions or to the PIK Issuer or any of its Subsidiaries) or the public or private sale of Capital Stock or other securities of any Parent Company, the proceeds of which are contributed as Deeply Subordinated Funding or to the equity of the PIK Issuer; provided that the proceeds of such offering are not (i) utilized for Contribution Debt or Excluded Contributions or to make Restricted Payments pursuant to clause (3)(b) or (3)(k) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or (ii) contributed to the equity of the PIK Issuer through the issuance of Redeemable Capital Stock.

"Escrowed Proceeds" means the proceeds from the offering of any debt securities or other Debt 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.

"*Euroclear*" means Euroclear Bank SA/NV or any successor securities clearing agency.

"*European Government Obligations*" means direct obligations of, or obligations guaranteed by, a member state of the European Union (other than Greece), and the payment for which such member state of the European Union pledges its full faith and credit.

"*European Union*" means all members of the European Union as of January 1, 2004.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"*Excluded Contributions*" means the net cash proceeds received by the PIK Issuer after the Issue Date from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary) of its Capital Stock (other than Redeemable Capital Stock) or Deeply Subordinated Funding, in each case designated as "Excluded Contributions" pursuant to an Officer's Certificate (which shall be designated no later than the date on which such Excluded Contribution has been received), the net cash proceeds of which are excluded from the calculation set forth in clauses (2)(c)(ii) and (2)(c)(iii) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" and are not utilized for Contribution Debt or to make Restricted Payments pursuant to clause (3)(b) or (3)(k) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*".

"*Fair Market Value*" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer or the relevant Restricted Subsidiary.

"*Fixed Charges*" means, with respect to any specified Person for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

(a) the total consolidated interest expense of such Person and its Subsidiaries that are Restricted Subsidiaries for such period, including, without limitation:

(A) amortization of debt discount, but excluding amortization of debt issuance costs, commissions, fees and expenses and the expensing of any bridge or other financing fees;

(B) the net payments (if any) of Hedging Obligations (excluding amortization of fees and discounts and unrealized gains and losses);

(C) the interest portion of any deferred payment obligation (classified as Debt under the PIK Indenture); and

(D) commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(b) the interest component of Capitalized Lease Obligations accrued or scheduled to be paid or accrued during such periods, other than the interest component of Capitalized Lease Obligations between or among such Person and any of its Subsidiaries which are Restricted Subsidiaries or between or among its Subsidiaries which are Restricted Subsidiaries; *plus*

(c) non-cash interest expenses of such Person and its Subsidiaries that are Restricted Subsidiaries (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments) and interest that was capitalized during such period; *plus*

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the PIK Issuer or any Restricted Subsidiary or secured by a Lien on the PIK Issuer's or any Restricted Subsidiary's assets; *plus*

(e) net payments and receipts (if any) pursuant to Interest Rate Agreements (excluding amortization of fees) with respect to Debt; *plus*

(f) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Capital Stock payable to the PIK Issuer or a Restricted Subsidiary, times (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 member of senior management of the PIK Issuer; *minus*

(g) the interest income of such Person and its Subsidiaries which are Restricted Subsidiaries during such period.

Notwithstanding any of the foregoing, Fixed Charges shall not include any interest accrued, capitalized or paid in respect of Deeply Subordinated Funding.

"*guarantee*" means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person from time to time under Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements.

"*IFRS*" means the International Financial Reporting standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect on the date hereof, or, with respect to the covenant described under the heading "*—Certain Covenants—Provision of Information*," as in effect from time to time.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Board of Directors of the PIK Issuer or the relevant Restricted Subsidiary, qualified to perform the task for which it has been engaged.

"*Initial Investors*" means (a) Mr. Olivier Bertrand and (b) any funds or limited partnerships managed or advised by Bridgepoint or any of its Affiliates or direct or indirect Subsidiaries or any trust, fund, company or partnership owned, managed or advised by Bridgepoint or any of its Affiliates or direct or indirect Subsidiaries or any limited partner of any such trust, fund, company or partnership.

"*Initial Public Offering*" means the first Public Offering of Qualified Capital Stock of the PIK Issuer or any other IPO Entity following which there is a Public Market and as a result of which such Qualified Capital Stock of the PIK Issuer or such other IPO Entity in such offering are listed on an internationally recognized stock exchange or traded on an internationally recognized market, including, without limitation, Euronext Paris.

"*Intercreditor Agreement*" means the intercreditor agreement dated the Issue Date, by and among, *inter alios*, the Company, the agent under the New Revolving Credit Facility and the trustee and the security agent under the Senior Secured Notes Indenture, as amended, restated or otherwise modified or varied from time to time.

"*Interest Rate Agreements*" means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates.

"*Investment*" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including guarantees but excluding bank deposits, accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers and employees, in each case, made in the ordinary course of business) 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 any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person and all other items, in each case, that are required by IFRS to be classified on the balance sheet (excluding the footnotes) of the relevant Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. If the PIK Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the PIK Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided for in clause (4) of the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*". In addition, the portion (proportionate to the PIK Issuer's equity interest in a Restricted Subsidiary) of the Fair Market Value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary will be deemed to be an "Investment" that the PIK Issuer made in such Unrestricted Subsidiary at such time. The portion (proportionate to the PIK Issuer's equity interest in such Restricted Subsidiary) of the Fair Market Value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary will be considered a reduction in outstanding Investments. "Investments" excludes extensions of trade credit on commercially reasonable terms in accordance with normal trade practices.

"*Investment Grade Rating*" shall occur when the PIK Notes are rated Baa3 or better, in the case of Moody's, and BBB− or better, in the case of S&P, as applicable (or the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the PIK Issuer as a replacement agency).

"*IPO Entity*" means the PIK Issuer or any Restricted Subsidiary notified to the Trustee by the PIK Issuer in writing as the person to be treated as the IPO Entity in relation to the relevant IPO Event, provided that the IPO Entity shall be an entity which will issue shares, or whose shares are to be sold, pursuant to that IPO Event (or a holding company thereof).

"*IPO Event*" means the occurrence of an Initial Public Offering or a Listing and thereafter any Public Offering.

"*Issue Date*" means November 2, 2021, the issue date of the PIK Notes.

"*Issuer Share Pledge*" means the pledge, dated on or about the Issue Date, by Topco GB of the financial securities account to which the shares of Capital Stock of the PIK Issuer owned by Topco GB are credited securing the obligations of the PIK Issuer under the PIK Notes and the PIK Indenture (or any related parallel debt) for the benefit of the Security Agent and the Trustee and the holders of PIK Notes.

"*Lien*" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, call option, hypothecation, assignment for security, standard security, assignation in security claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"*Limited Condition Acquisition*" means any acquisition, including by way of merger, amalgamation or consolidation, by the PIK Issuer 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 EBITDA, other than for purposes of calculating any ratios or baskets in connection with the Limited Condition Acquisition and the related transactions, shall not include any Consolidated EBITDA 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.

"*Listing*" means a listing (or admission for trading) of all or any part of the share capital of the PIK Issuer or any other IPO Entity on Euronext Paris, the New York Stock Exchange, the NASDAQ Stock Market, the London Stock Exchange, the Hong Kong Stock Exchange, Deutsche Börse or on any other recognized investment exchange (as that term is used in the Financial Services and Markets Act 2000) or any other sale or issue by way of flotation or public offering in relation to the PIK Issuer or such other IPO Entity in any jurisdiction or country.

"*Management Advances*" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees, consultants or independent contractors of any Parent Company, the PIK Issuer or any Restricted Subsidiary:

(a) (i) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (ii) for the purpose of funding any such Person's purchase of Capital Stock or Deeply Subordinated Funding of the PIK Issuer or any Parent Company with the approval of the Board of Directors of the PIK Issuer not exceeding €7.5 million in the aggregate outstanding at any time *less* any amounts outstanding under clause (3)(j) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*";

(b) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(c) not exceeding €3.0 million in the aggregate outstanding at any time.

"*Management Investment Company*" means an entity (other than the PIK Issuer or a Subsidiary of the PIK Issuer) whose sole purpose is investing in Capital Stock of the PIK Issuer, any Restricted Subsidiary or any Parent Company by Management Investors.

"*Management Investor*" means the officers, directors, employees and other members of the management of any Parent Company, the PIK Issuer or any of their respective Subsidiaries, or family members or relatives of any of the foregoing (provided that, solely for purposes of the definition of "Permitted Holders," such relatives shall include only those Persons who are or become Management Investors in connection with estate planning for or inheritance from other Management Investors, as determined in good faith by the PIK Issuer, which determination shall be conclusive), or trusts, partnerships, limited liability companies, *fonds commun de placement d'entreprise* or other entities for the benefit of any of the foregoing, or any of their heirs, executors, successors and legal representatives who, at any date, beneficially own or have the right to acquire, directly or indirectly, Qualified Capital Stock of the PIK Issuer or any Restricted Subsidiary or any Parent Company or Capital Stock of any Management Investment Company.

"*Moody's*" means Moody's Investors Service, Inc. and its successors.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the PIK Issuer or any Restricted Subsidiary), net of:

(a) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

(b) provisions for all taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale;

(c) all payments made on any Debt which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets, or which by the terms of such Liens or by applicable law are required to be repaid out of the proceeds from such Asset Sale; so long as the PIK Issuer or such Restricted Subsidiary makes an offer on a *pro rata* basis to all holders of the PIK Notes at a purchase price equal to 100% of the principal amount of the PIK Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to the extent the PIK Notes are secured by such assets;

(d) all distributions and other payments required to be made to any Person (other than the PIK Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

(e) appropriate amounts required to be provided by the PIK Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the PIK Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale.

"*New Revolving Credit Facility*" means the revolving credit facility that is available pursuant to the Revolving Credit Facility Agreement.

"*Revolving Credit Facility Agreement*" means the credit agreement entered into on the Issue Date among, *inter alios*, the Company, certain Subsidiaries of the Company, as borrowers and guarantors, certain financial institutions, as mandated lead arrangers, U.S. Bank Trustees Limited, as security agent, and BNP Paribas, as agent, and as amended and restated (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Debt under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to compliance with the covenant described under "—*Certain Covenants—Limitation on Debt*") or altering the maturity thereof.

"*Offering Memorandum*" refers to the offering memorandum relating to the PIK Notes dated October 22, 2021;

"*Officer*" means, with respect to any Person, the Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President, Vice President, the Treasurer, the Secretary, Director or member of the Board of Directors of such Person or any other person that the Board of Directors of such Person shall designate for such purpose.

"*Officer's Certificate*" means a certificate signed on behalf of the PIK Issuer by an Officer and delivered to the Trustee and other relevant addressees.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee, which opinion may be subject to customary qualifications and assumptions. The counsel may be an employee of or counsel to the PIK Issuer or its Subsidiaries.

"*Parent Company*" means, with respect to the PIK Issuer, any other Person (other than a natural person) that (i) legally and beneficially owns more than 50% of the Voting Shares of the PIK Issuer, either directly or through one or more Subsidiaries, or (ii) is a Subsidiary of any Person referred to in the preceding clause; provided, however, that in no event shall any Subsidiary of the PIK Issuer constitute its Parent Company.

"*Pari Passu Debt*" means any Debt of the PIK Issuer that ranks equally in right of payment with the PIK Notes.

"*Permitted Business*" means (a)(i) the restaurant business and/or (ii) any businesses, services or activities (in the case of this clause (ii)) engaged in by the PIK Issuer or any Restricted Subsidiary on the Issue Date or which are contemplated by the PIK Issuer on the Issue Date and (b) any businesses, services and activities engaged in by the PIK Issuer or any Restricted Subsidiary that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Permitted Collateral Liens*" means the following types of Liens:

(a) Liens on the Collateral securing the PIK Notes (including any Additional PIK Notes issued from time to time in payment of PIK Interest or Additional Amounts in accordance with the PIK Indenture);

(b) Liens on the Collateral to secure Debt permitted by clause (2)(s) of the covenant described under the caption "—*Certain Covenants—Limitation on Debt*", provided that the Collateral securing such Debt secures the PIK Notes on a senior or *pari passu* basis; and

(c) Liens described in clauses (d), (e), (f), (g), (h), (i), (j) (solely to the extent of the acquired property or assets that become Collateral), (k) (solely to the extent of the acquired property or assets that become Collateral), (n), (o), (p), (t), (u), (v) and (w) of the definition of "*Permitted Liens*".

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any Related Parties of such Initial Investors, (2) Management Investors and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of the PIK Issuer or any Parent Company, acting in such capacity. 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 PIK Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means any of the following:

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (c) of the definition of "Permitted Debt;"

(c) Investments in (i) the PIK Issuer other than a Restricted Payment of the type described in clause (1)(b) of the definition thereof, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the PIK Issuer or a Restricted Subsidiary;

(d) Investments made by the PIK Issuer or any Restricted Subsidiary as a result of or retained in connection with an Asset Sale permitted under or made in compliance with the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) expenses or advances to cover payroll, travel, entertainment, moving, other relocation and similar matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;

(f) Investments in the PIK Notes and any other Debt of the PIK Issuer or any Restricted Subsidiary;

(g) Investments existing on the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the PIK Indenture;

(h) Investments in Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt*;"

(i) any Investments received in settlement, compromise or resolution of debts, litigation, arbitration or other disputes or as a result of foreclosure, perfection or enforcement of any Lien;

(j) Investments in receivables owing to the PIK Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(k) 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 Sale, in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sale of Certain Assets*";

(l) any Investment to the extent made using Qualified Capital Stock or Deeply Subordinated Funding of the PIK Issuer or any Parent Company as consideration;

(m) any guarantee of Debt permitted to be incurred by the covenant entitled "*—Certain Covenants—Limitation on Debt*", performance guarantees and contingent obligations Incurred in the ordinary course of business and the creation of Liens on the assets of the PIK Issuer or any Restricted Subsidiary, in compliance with the covenant described under "*—Certain Covenants—Limitation on Liens*;"

(n) Management Advances;

(o) guarantees, keepwells and similar arrangements not prohibited by the covenant described under "*—Certain Covenants—Limitation on Debt;*"

(p) other Investments (other than Indirect Restricted Payments) in any Person 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 (p) that are at the time outstanding (net of any dividends, repayments or other monetary return on such investments (other than in the form of loans or other credit)) not to exceed the greater of (i) €22.5 million and (ii) 1.4% of Total Assets; 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 "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (c) of the definition of "Permitted Investments" and not this clause;

(q) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;

(r) (i) stock, obligations or securities received in satisfaction of judgments, foreclosure of Liens or settlement of debts and (ii) any Investments received in compromise of obligations of trade creditors or customers that were Incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(s) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "*—Limitation on Transactions with Affiliates*" (except transactions described in clause (b), (g) or (j) of the second paragraph thereof);

(t) Investments consisting of purchases and acquisitions of inventory, supplies, materials, equipment or services or the licensing of intellectual property in the ordinary course of business;

(u) advances, loans or extensions of trade credit in the ordinary course of business by the PIK Issuer or any Restricted Subsidiary;

(v) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business; and

(w) Investments in joint ventures in a Permitted 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 (w) that are at the time outstanding (net of any dividends, repayments or other monetary return on such investments (other than in the form of loans or other credit)) not to exceed the greater of (i) €30 million and (ii) 1.9% of Total Assets; *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 (c) of the definition of "Permitted Investments" and not this clause.

"*Permitted Liens*" means the following types of Liens:

(a) Liens existing on the Issue Date;

(b) Liens in favor of the PIK Issuer or any Restricted Subsidiary;

(c) (i) Liens created for the benefit of (or to secure) the PIK Notes (including any Additional PIK Notes issued from time to time in payment of PIK Interest or Additional Amounts in accordance with the PIK Indenture) and (ii) Liens on the "Collateral" (as defined in the Senior Secured Notes Indenture) securing the Senior Secured Notes;

(d) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the PIK Issuer or any Restricted Subsidiary in the ordinary course of business;

(e) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith or Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;

(f) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS, shall have been made;

(g) Liens incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business (other than obligations for the payment of money);

(h) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects and incurred in the ordinary course of business that do not in the aggregate interfere in any material respect with the ordinary conduct of the business of the PIK Issuer and the Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(i) Liens arising by reason of any judgment, decree or order of any court not constituting an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(j) Liens on property or assets of, or on shares of Capital Stock or on Debt of, any Person existing at the time such Person becomes a Restricted Subsidiary or is merged with, or into, or consolidated with, the PIK Issuer or any Restricted Subsidiary; provided that such Liens (i) do not extend to or cover any property or assets of the PIK Issuer or any Restricted Subsidiary other than the original property or assets of, or shares of Capital Stock or Debt of, such Person that is acquired by or merged with, or into, or consolidated with, the PIK Issuer or any Restricted Subsidiary and (ii) were not created in connection with or in contemplation of such acquisition, merger or consolidation;

(k) Liens on property or assets existing at the time such property or assets are acquired, including any acquisition by means of a merger with or into or consolidation with, the PIK Issuer or any Restricted Subsidiary; provided that such Liens (i) do not extend to or cover any property or assets of the PIK Issuer or any Restricted Subsidiary other than (A) the property or assets acquired or (B) the property or assets of the Person merged with or into or consolidated with the PIK Issuer or Restricted Subsidiary and (ii) were not in connection with or in contemplation of such acquisition, merger or consolidation;

(l) Permitted Collateral Liens;

(m) Liens securing any Permitted Subsidiary's Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt*;"

(n) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance) or deposits to secure public or statutory obligations of such Person or deposits of cash or government bonds to secure performance, bid, surety or appeal bonds and completion bonds and guarantees to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent or amounts owed to utilities, in each case incurred in the ordinary course of business;

(o) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(p) Liens incurred in connection with a cash management program or cash pooling established in the ordinary course of business;

(q) Liens on assets or property or Capital Stock of a Permitted Subsidiary securing Debt permitted to be Incurred by a Permitted Subsidiary pursuant of the covenant described under "*—Certain Covenants—Limitation on Debt*";

(r) Liens on any property or assets of any Permitted Subsidiary for the purpose of securing Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt of such Permitted Subsidiary, in each case, Incurred in connection with the financing of all or any part of the purchase price, lease expense, rental payment or cost of design, construction, installation or improvement of assets or property (including Capital Stock of a Person); provided, that any such Lien may not extend to any assets or property owned by any Permitted Subsidiary at the time the Lien is incurred other than the assets and property acquired, improved, constructed, leased or financed and any improvements or accessions to such assets and property (provided that to the extent that any such Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt relate to multiple assets or properties, then all such assets or properties may secure any such Capitalized Lease Obligation, Purchase Money Obligations, mortgage financings or other Debt of such Permitted Subsidiary); provided, further, that the aggregate principal amount of Debt secured by such Liens is otherwise permitted to be Incurred under the PIK Indenture;

(s) Liens incurred to secure Permitted Refinancing Debt permitted to be Incurred under the PIK Indenture; provided that the new Lien shall be limited to all or part of the same property and assets that secured the original Lien (plus improvements and accessions to such property and assets and proceeds or distributions thereof);

(t) 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;

(u) leases, licenses, franchises, subleases and sublicenses of assets in the ordinary course of business;

(v) 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;

(w) 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;

(x) any interest or title of a lessor under any operating lease;

(y) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the PIK Issuer 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 cash proceeds of such disposal;

(z) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures that are not Restricted Subsidiaries securing obligations of such joint ventures;

(aa) Liens over treasury stock of the PIK Issuer or a Restricted Subsidiary purchased or otherwise acquired for value by the PIK Issuer or such Restricted Subsidiary pursuant to a stock buy-back scheme or other similar plan or arrangement;

(bb) [Reserved];

(cc) Liens (including put and call arrangements) on the Capital Stock or other securities of an Unrestricted Subsidiary that secure Debt or other obligations of such Unrestricted Subsidiary;

(dd) deposits constituting retainers for legal fees;

(ee) Liens Incurred on Securitization Assets and related assets in connection with a Qualified Securitization Financing;

(ff) Liens on the Escrowed Proceeds for the benefit of the related holders of debt securities or other Debt (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Debt or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Debt and are held in escrow accounts or similar arrangement to be applied for such purpose;

(gg) [Reserved]; and

(hh) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (hh); provided that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

"*Permitted Refinancing Debt*" means any renewals, extensions, substitutions, refinancings or replacements of any Debt of the PIK Issuer or a Restricted Subsidiary incurred pursuant to this definition, including any successive renewals, extensions, substitutions, refinancings or replacements, so long as:

(a) such Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value and in the case of pay-in-kind Debt, the value of such Debt including any interest paid in the form of additional Debt) then outstanding of the Debt being renewed, extended, substituted, refinanced or replaced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such renewal, extension, substitution, refinancing or replacement);

(b) if the Debt being renewed, extended, substituted, refinanced or replaced is expressly or contractually subordinated in right of payment to the obligations of the PIK Notes, such Permitted Refinancing Debt is subordinated in right of payment to such obligations on terms at least as favorable to the holders of the PIK Notes, as those contained in the documentation governing the Debt being renewed, extended, substituted, refinanced or replaced;

(c) such Permitted Refinancing Debt has (x) a final maturity date that is either (i) no earlier than the final maturity date of the Debt being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the PIK Notes and (y) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Debt being renewed, refunded, refinanced, replaced, defeased or discharged; and

(d) such Debt does not include (x) Debt of a Restricted Subsidiary that refinances Debt of the PIK Issuer or (y) Debt of the PIK Issuer or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

"*Permitted Subsidiary*" means (i) the Company or (ii) any Restricted Subsidiary of the Company.

"*Person*" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*PIK Holdco Security Providers*" means collectively (i) Topco GB and (ii) any other Person that provides a pledge of any Capital Stock of the PIK Issuer or the Surviving Entity securing the obligations of the PIK Issuer under the PIK Notes (or parallel debt related thereto) to the Security Agent for the benefit of the Trustee and the holders of PIK Notes.

"*Preferred Stock*" means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding or issued after the Issue Date, and including, without limitation, all classes and series of preferred or preference stock of such Person; provided that accrued non-cash dividends with respect to any Preferred Stock shall not constitute Preferred Stock for the purposes of "*—Certain Covenants—Limitation on Debt*".

"*Public Market*" means any time after a Public Offering of the PIK Issuer or any other IPO Entity has been consummated and at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the SSN Issuer as of the Issue Date.

"*Public Offering*" means any offering of Qualified Capital Stock of the PIK Issuer or any other IPO Entity that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act).

"*Purchase Money Obligations*" means any Debt 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 Capital Stock*" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"*Qualified Securitization Financing*" means any financing pursuant to which any Permitted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in any accounts receivable (and related assets) in any aggregate principal amount at least equal to the Fair Market Value of such accounts receivable (and related assets) of such Permitted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Board of Directors or a member of senior management of the PIK Issuer or the relevant Restricted Subsidiary) at the time such financing is entered into and (b) such financing shall be non-recourse to the PIK Issuer and the Restricted Subsidiaries, except to a limited extent customary for such transactions.

"*Rating Agencies*" means Moody's and S&P or, in the event that Moody's or S&P no longer assigns a rating to the PIK Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the PIK Issuer as a replacement agency.

"*Recognized Stock Exchange*" means a regulated market operated by any of Euronext, the New York Stock Exchange, NASDAQ, the Deutsche Börse, the Toronto Stock Exchange, TSX Venture Exchange, the Hong Kong Stock Exchange, the Singapore Exchange or such other similar regulated national securities exchange.

"*Redeemable Capital Stock*" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable, or by contract or otherwise, matures or is, or upon the happening of an event or passage of time would, mature or be, required to be redeemed, pursuant to a sinking fund obligation or otherwise, in whole or in part, prior to the six-month anniversary of the final Stated Maturity of the PIK Notes or is redeemable at the option of the holder thereof at any time prior to the six-month anniversary of such final Stated Maturity, or is convertible into or exchangeable for debt securities at any time prior to the six-month anniversary of such final Stated Maturity; provided that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the six-month anniversary of the Stated Maturity of the PIK Notes will not constitute Redeemable Capital 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—Restricted Payments*".

"*Related Parties*" with respect to any Permitted Holder, means:

(a) any controlling equity holder or majority or wholly owned Subsidiary of such Person; or

(b) 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

(c) any trust, corporation, partnership or other Person for whom the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a 50.1% or more controlling interest therein, consist of such individuals or such other Persons referred to in the immediately preceding clauses (a) and (b); or

(d) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, with respect to any Person, any Subsidiary of such Person that is not an Unrestricted Subsidiary; provided that, solely for the purposes of the definitions of each of Consolidated Adjusted Net Income, Consolidated EBITDA, Consolidated Fixed Charge Coverage Ratio, Consolidated Net Leverage, Consolidated Net Leverage Ratio and Fixed Charges, the term "Restricted Subsidiary" shall be deemed to include Agaquick S.A.S if (i) the Company owns directly or indirectly no less than 49% of the Capital Stock of Agaquick S.A.S, (ii) the Company fully consolidates Agaquick S.A.S in accordance with IFRS and otherwise controls Agaquick S.A.S and (iii) the combination of all distributions, fees or contracts made, paid or entered into by Agaquick S.A.S deliver the majority of the economic benefits (in monetary terms) of its operations to the Company and its Restricted Subsidiaries.

“*S&P*” means S&P Global Ratings.

“*Securities Act*” means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

“*Securitization* Assets” means any accounts receivable subject to a Qualified Securitization Financing.

“*Securitization Fees*” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the PIK Issuer or a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

“*Securitization Repurchase Obligation*” means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or a 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.

“*Security Documents*” means (i) the Issuer Share Pledge, (ii) the Account Pledge and (iii) all other security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the PIK Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the Liens in the Collateral to secure the PIK Notes as contemplated by the PIK Indenture.

“*Senior Secured Notes*” has the meaning given to it in the Offering Memorandum.

“*Senior Secured Notes Indenture*” means the indenture governing the Senior Secured Notes to be dated November 2, 2021 by and among, *inter alios*, the Company, the guarantors named therein and the trustee and the security agent named therein and governing the Senior Secured Notes (as defined therein).

“*Significant Subsidiary*” means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 5% of the consolidated revenues of the PIK Issuer or (ii) as of the end of the most recent fiscal quarter, was the owner of more than 5% of the Total Assets.

“*Stated Maturity*” means, when used with respect to any PIK Note or any installment of interest thereon, the date specified in such PIK Note as the fixed date on which the principal of such note or such installment of interest, respectively, is due and payable, and, when used with respect to any other debt, means the date specified in the instrument governing such debt as the fixed date on which the principal of such debt, or any installment of interest thereon, is due and payable.

“*Subordinated Debt*” means Debt of the PIK Issuer that is expressly subordinated in right of payment to the PIK Notes pursuant to a written agreement provided, that no Debt will be deemed to be subordinated in right of payment to any other Debt solely by virtue of being unsecured or by virtue of being secured on a junior Lien basis.

“*Subsidiary*” means, with respect to any specified Person:

(a) any corporation, association or other business entity of which more than 50% of the total voting power of Voting Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(b) any partnership or limited liability company (other than entities covered by clause (a) of this definition) of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and 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 (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person more than 50% of the total voting power of the Voting Stock 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 of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially owned" has a meaning correlative to the term "beneficial owner," as such term is defined in Rule 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Tax*" means any tax, duty, levy, impost, assessment or other similar governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "Taxes" and "Taxation" shall be construed to have corresponding meanings.

"*Total Assets*" means the consolidated total assets of the PIK Issuer and its Restricted Subsidiaries calculated in accordance with IFRS, as shown on the most recent balance sheet of the PIK Issuer for which internal financial statements are available and may give *pro forma* effect to any acquisition under the conditions, *mutatis mutandis*, set forth under clause (a) of the definition of "Consolidated Net Leverage Ratio".

"*Transactions*" has the meaning ascribed to it in the Offering Memorandum.

"*Unrestricted Subsidiary*" means:

(a) any Subsidiary of the PIK Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the PIK Issuer's Board of Directors pursuant to the "—*Designation of Unrestricted and Restricted Subsidiaries*" covenant); and

(b) any Subsidiary of an Unrestricted Subsidiary.

"*Voting Stock*" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"*Weighted Average Life to Maturity*" means, when applied to any Debt at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (1) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Debt (not including, for the avoidance of doubt, any additional principal amount arising from interest payments in respect of pay-in-kind Debt), by (2) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal.

BOOK-ENTRY, DELIVERY AND FORM

General

The Senior Secured Notes and the PIK Notes sold within the United States to QIBs pursuant to Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Global Notes**"). The Senior Secured Notes and the PIK Notes sold outside the United States pursuant to Regulation S 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 Global Notes will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the 144A Global Notes ("**144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**" and, together with the 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons who have accounts with Euroclear and/or Clearstream or persons who may hold interests through such participants or otherwise in accordance with applicable transfer restrictions set out in the respective Indentures governing the Senior Secured Notes and the PIK Notes and any applicable securities laws of any state of the United States or any other jurisdiction. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. In the case of the Senior Secured Notes, the Book-Entry Interests in the Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. In the case of the PIK Notes, the Book-Entry Interests in the Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1.00 in excess thereof. For the purposes of the International Central Securities Depositories, the denomination of the PIK Notes should be considered to be €1.00 and Euroclear and Clearstream are not required to monitor or enforce the minimum denomination/tradeable amount of, e.g., €100,000.

Except as set forth below under "*—Definitive Registered Notes*", the Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, owners of interests in the Global Notes will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or "holder" of Notes under the SSN Indenture or the PIK Indenture governing the respective series of Notes for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or their or its respective nominee), will be considered the sole holder of Global Notes for all purposes under the SSN Indenture or the PIK Indenture governing the respective series of Notes. As such, participants must rely on the procedures of Euroclear and/or Clearstream and indirect participants must rely on the procedures of Euroclear and/or Clearstream and the participants through which they own Book-Entry Interests in order to exercise any rights of holders of the Notes under the SSN Indenture or the PIK Indenture, as applicable.

None of the applicable Issuers, the Trustee, the Agents nor any of the Issuers' respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the SSN Indenture or the PIK Indenture governing the respective series of Notes, owners of Book-Entry Interests will receive definitive Notes in registered form (the "**Definitive Registered Notes**"):

- if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary for the Global Notes and a successor depositary is not appointed by the Issuer within 120 days;

- if Euroclear or Clearstream so requests following an event of default under the applicable Indenture; or

- if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an event of default under the applicable Indenture and enforcement action is being taken in respect thereof under the applicable Indenture.

In such an event, the Issuers will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream (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 referred to in "*Transfer Restrictions*" unless that legend is not required by the applicable Indenture or applicable law.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by them or it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by them or it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuers understand that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount at maturity may be redeemed in part.

Payments on Global Notes

Payments of amounts owing in respect of the Global Notes (including principal, premium, interest, additional interest and additional amounts) will be made by the Issuers to the Paying Agent. In turn, the Paying Agent will make such payments to Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of each of the SSN Indenture and the PIK Indenture governing the respective series of Notes, the Issuers, the Trustee and the Agents will treat the registered holder of the Global Notes (*i.e.*, the common depositary for Euroclear or Clearstream (or its nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuers, the Trustee, or the Agents or any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- Euroclear, Clearstream or any participant or indirect participant; or

- any other matters relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency and Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes, will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in Euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuers that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires the physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states that require the physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the SSN Indenture or the PIK Indenture governing the respective series of Notes.

The Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*". Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*".

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest 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 or Rule 144A or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the applicable Indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB 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 "*Transfer Restrictions*" and the securities laws of any applicable jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Senior Secured Notes—Transfer and Exchange*" and "*Description of the PIK Notes—Transfer and Exchange*", and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the applicable Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*".

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuers provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuers nor any of the Initial Purchasers or the Trustee or any of the Agents is responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Euroclear and Clearstream have no record of or relationship with persons holding through their account holders. Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be admitted to trading on the Global Exchange Market and listed on the official list of the Luxembourg Stock Exchange. The Issuers expect that secondary trading in any Notes will be settled in accordance with rules and operating procedures of Euroclear, Clearstream and/or the Luxembourg Stock Exchange.

Although Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, 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 us, the Trustee or the Agents will have any responsibility for the performance by Euroclear, 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 will be made in Euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser’s and the seller’s accounts are located to ensure that settlement can be made on the desired value date.

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 U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder (the "**Treasury Regulations**"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion is limited to consequences relevant to a U.S. holder (as defined below) who purchases the Notes for cash at their issue price (generally, with respect to any series of Notes, the first price at which a substantial amount of such series of Notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers) and who holds the Notes as capital assets within the meaning of section 1221 of the Code. This discussion does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances, including the impact of the alternative minimum tax or the unearned income Medicare contribution tax, or to holders subject to special rules, such as certain financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities (or investors in such entities), U.S. holders that are resident in or have a permanent establishment in a jurisdictions outside the United States, persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction, entities covered by the anti-inversion rules, and persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement.

For purposes of this discussion, a "**U.S. holder**" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partnership considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws, the U.S. federal Medicare tax on net investment income, and state, local, non-U.S. or other tax laws.

Certain U.S. Federal Income Tax Considerations Relating to the Senior Secured Notes

Characterization of the Senior Secured Notes

Although not free from doubt, the SSN Issuer intends to take the position, to the extent it is required to do so, that the Senior Secured Notes are not subject to the Treasury Regulations applicable to “contingent payment debt instruments” as of the issue date. This position is based in part on the SSN Issuer’s assessment regarding the likelihood, as of the issue date, that the SSN Issuer may be required to make payments on the Senior Secured Notes in excess of stated interest and principal. The SSN Issuer’s assessments of the likelihood that additional amounts will have to be paid are made solely for U.S. federal income tax purposes and do not constitute representations by us regarding the likelihood that additional amounts will have to be paid.

The SSN Issuer’s determination is binding on a U.S. holder unless the U.S. holder discloses a contrary position in the manner required by applicable Treasury Regulations. The SSN Issuer’s determination is not, however, binding on the IRS. If the IRS successfully challenged this position and the Senior Secured Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than the stated interest rate on the Senior Secured Notes and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a Senior Secured Note. The remainder of this disclosure assumes that the Senior Secured Notes will not be treated as contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application of the Treasury Regulations governing contingent payment debt instruments and the consequences thereof.

Stated Interest

Payments of stated interest on a Senior Secured Note (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be includible in the gross income of a U.S. holder as ordinary interest income at the time such payments are received or accrued, in accordance with the U.S. holder’s method of accounting for U.S. federal income tax purposes.

A U.S. holder that uses the cash method of accounting for tax purposes will recognize income equal to the U.S. dollar value of the interest payment, based on the spot rate on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars at such time. A cash basis U.S. holder will not realize foreign currency exchange gain or loss on the receipt of stated interest income but may recognize exchange gain or loss attributable to the actual disposal of the foreign currency received.

A U.S. holder that uses the accrual method of accounting for tax purposes, or who otherwise is required to accrue interest prior to receipt, may determine the amount recognized with respect to such interest in accordance with either of two methods. Under the first method, such holder will recognize income for each taxable year equal to the U.S. dollar value of the foreign currency accrued for such year determined by translating such amount into U.S. dollars at the average spot rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder’s taxable year). Alternatively, an accrual basis U.S. holder may make an election (which must be applied consistently to all debt instruments held by the electing 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 cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. holder of Senior Secured Notes that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, on the date such interest is received, equal to the difference between the U.S. dollar value of such payment, determined at the spot rate on the date the payment is received, and the U.S. dollar value of the interest income previously included in respect of such payment. This exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S.-source and generally will not be treated as an adjustment to interest income or expense.

Sale, Exchange, Retirement or Other Taxable Disposition of Senior Secured Notes

Generally, upon the sale, exchange, retirement or other taxable disposition of a Senior Secured Note, a U.S. holder will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid stated interest, which will be taxable as ordinary interest income in accordance with the U.S. holder's method of tax accounting as described above) and the U.S. holder's adjusted tax basis in the Senior Secured Note. If a U.S. holder receives foreign currency on such a sale, exchange, , retirement or other taxable disposition of a Senior Secured Note, the amount realized generally will be the U.S. dollar value of the foreign currency translated at the spot rate on the date of taxable disposition. If the Senior Secured Note is traded on an established securities market, a cash basis taxpayer (and, if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the amount realized on the settlement date of the disposition. 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 basis U.S. holder that does not make the special election will recognize exchange gain or loss to the extent that there are exchange rate fluctuations between the sale date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

A U.S. holder's adjusted tax basis in a Senior Secured Note generally will equal the cost of the Senior Secured Note to the U.S. holder, increased by any OID included in the U.S. holder's income with respect to such Senior Secured Note. If a U.S. holder uses foreign currency to purchase a Senior Secured Note, the cost of the Senior Secured Note will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the exchange rate in effect on that date. If the Senior Secured Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Senior Secured Note at the spot rate on the settlement date of the purchase.

Gain or loss recognized by a U.S. holder upon the sale, exchange, retirement or other taxable disposition of a Senior Secured Note that is attributable to changes in currency exchange rates will be ordinary income or loss and, with respect to the principal thereof, will generally be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Senior Secured Note in foreign currency determined on the date of the sale, exchange, retirement or other taxable disposition, and the U.S. dollar value of the U.S. holder's purchase price of the Senior Secured Note in foreign currency determined on the date the U.S. holder acquired the Senior Secured Note. The exchange gain or loss with respect to principal and with respect to accrued and unpaid stated interest (which will be treated as discussed above under "—*Stated Interest*") will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, retirement or other taxable disposition of the Senior Secured Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. holder in excess of foreign currency gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note 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, exchange, retirement or other taxable disposition. In the case of an individual U.S. holder, any such gain may be eligible for preferential U.S. federal income tax rates if the U.S. holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a Senior Secured Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Senior Secured Note.

Certain U.S. Federal Income Tax Considerations Relating to the PIK Notes

Characterization of the PIK Notes

Although not free from doubt, the PIK Issuer intends to take the position, to the extent it is required to do so, that the PIK Notes are not subject to the Treasury Regulations applicable to "contingent payment debt instruments" as of the issue date. This position is based in part on the PIK Issuer's assessment as of the issue date that it is significantly more likely than not that interest on the PIK Notes will be paid in cash and on assumptions regarding the likelihood, as of the issue date, that the PIK Issuer may be required to make payments on the PIK Notes in excess of stated interest and principal. The PIK Issuer's assessments of the likelihood of interest being paid in cash and the likelihood that additional amounts will have to be paid are made solely for U.S. federal income tax purposes and do not constitute representations by us regarding the likelihood that interest on the PIK Notes will be paid in cash or the likelihood that additional amounts will have to be paid.

The PIK Issuer's determination is binding on a U.S. holder unless the U.S. holder discloses a contrary position in the manner required by applicable Treasury Regulations. The PIK Issuer's determination is not, however, binding on the IRS. If the IRS successfully challenged this position and the PIK Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than the stated interest rate on the PIK Notes and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a PIK Note. The remainder of this disclosure assumes that the PIK Notes will not be treated as contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application of the Treasury Regulations governing contingent payment debt instruments and the consequences thereof.

Original Issue Discount on the PIK Notes

The PIK Notes will be treated as being issued with OID for U.S. federal income tax purposes because their "stated redemption price at maturity" will exceed their "issue price" by more than a statutorily defined de minimis amount. The stated redemption price at maturity of a PIK Note will be equal to the sum of all payments due on the PIK Note other than "qualified stated interest" (generally, stated interest that is unconditionally payable at least annually in cash or property (other than debt instruments of the issuer)). The issue price of a PIK Note will be equal to the first price at which a substantial amount of such series of PIK Notes is sold for money, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers.

None of the stated interest on the PIK Notes will constitute qualified stated interest because, under certain circumstances, the PIK Issuer will be entitled, at its option, to pay interest by issuing additional PIK Notes rather than by paying cash. As such, U.S. holders will generally be required to include the stated interest on the PIK Notes as OID. There will be additional OID if and to the extent that the issue price of the PIK Notes is less than their stated principal amount. A U.S. holder is required to include any OID in gross income (as ordinary income) for U.S. federal income tax purposes on an annual basis under a constant yield accrual method regardless of their regular method of tax accounting.

The amount of OID includible in income by a U.S. holder of a PIK Note will be the sum of the "daily portions" of OID with respect to the PIK Note for each day during the taxable year or portion thereof in which such U.S. holder holds such PIK Note ("accrued OID"). A daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID that accrued in such period. The accrual period of a PIK Note may be of any length and may vary in length over the term of the PIK Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period other than the final accrual period is an amount equal to the product of the PIK Note's "adjusted issue price" at the beginning of such accrual period and its "yield to maturity" (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period). OID allocable to a final accrual period is the difference between the amount payable at maturity and the adjusted issue price at the beginning of the final accrual period. Special rules apply for calculating OID for a short initial accrual period. The adjusted issue price of a PIK Note at the start of any accrual period is generally equal to its issue price (as defined above), increased by the accrued OID for each prior accrual period and decreased by the amount of any payment on the PIK Note (other than payments of interest made by issuing additional PIK Notes as described below). The yield to maturity of a PIK Note is the discount rate that, when used in computing the present value of all payments to be made under the PIK Note, produces an amount equal to the issue price of the PIK Note.

For purposes of calculating the yield to maturity of the PIK Notes, the PIK Issuer intends to take the position, to the extent it is required to do so, that the yield to maturity is computed using a payment schedule in which interest on the PIK Notes is initially assumed to be paid in cash. If, contrary to this assumption, the PIK Issuer pays interest in any period by issuing additional PIK Notes rather than by paying cash, then, solely for the purposes of determining the amount of OID on the PIK Notes, the PIK Notes will be treated as retired and reissued on the date of such payment for an amount equal to their adjusted issue price, and the yield to maturity of the PIK Notes will be redetermined taking into account the change in circumstances. Such deemed reissued PIK Notes could be subject to the Treasury Regulations applicable to contingent payment debt instruments, which could result in adverse tax consequences to U.S. holders as discussed above under "*—Characterization of the PIK Notes*." Any payments of interest made by issuing additional PIK Notes rather than by paying cash will not be treated as payments of interest on the PIK Notes for U.S. federal income tax purposes. Instead, any such additional PIK Notes will be treated together with the PIK Note on which such additional PIK Notes were paid as a single PIK Note for U.S. federal income tax purposes.

OID on the PIK Notes will be determined for any accrual period in euro and then translated into U.S. dollars. The U.S. dollar value of accrued OID will be determined by translating such OID at the average spot rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within each taxable year. A U.S. holder may elect, however, to translate accrued OID using the spot rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the rate of exchange on the last day of the taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. holder may translate the accrued OID using the spot rate of exchange on the date of receipt. The above election will apply to other debt obligations held by the U.S. holder and may not be changed without the consent of the IRS.

A U.S. holder will recognize foreign currency exchange gain or loss when OID is paid to the extent of the difference, if any, between the U.S. dollar value of the payment received (determined at the spot rate on the date of receipt) and the U.S. dollar value of the accrued OID, as determined in the manner described above. For these purposes, all cash receipts on the PIK Notes will be viewed, first, as receipts of previously accrued OID, with payments considered made for the earliest accrual periods first, and second, as the receipt of principal. Exchange gain or loss generally will be treated as ordinary income or loss and generally will be treated as U.S.- source and generally will not be treated as an adjustment to interest income or expense.

The rules regarding OID are complex. Accordingly, U.S. holders should consult their own tax advisors regarding the application of the OID rules, including the consequences to such holders of the Issuer's decision to pay interest in cash or additional PIK Notes.

Sale, Exchange, Retirement or Other Taxable Disposition of PIK Notes

Generally, upon the sale, exchange, redemption, retirement or other taxable disposition of a PIK Note, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the disposition and such U.S. holder's adjusted tax basis in the PIK Note. If a U.S. holder receives foreign currency on such a sale, exchange, redemption, retirement or other taxable disposition of a PIK Note, the amount realized generally will be based on the U.S. dollar value of the foreign currency translated at the spot rate on the date of taxable disposition. In the case of a PIK Note that is 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 the amount realized by translating such amount at the spot rate on the settlement date of the disposition. An accrual basis U.S. holder that does not make the election will recognize exchange gain or loss to the extent that there are exchange rate fluctuations between the sale date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

A U.S. holder's adjusted tax basis in a PIK Note will generally equal the cost of such PIK Note to such U.S. holder, increased by the amount of OID accrued on the PIK Note and reduced by the amount of any payments received on the PIK Notes (including payments of interest in cash, but excluding payments of interest made by issuing additional PIK Notes). Although the matter is not free from doubt, if the PIK Issuer pays interest by issuing additional PIK Notes rather than by paying cash, a U.S. holder's adjusted tax basis in its PIK Note should likely be allocated between its PIK Note and such additional PIK Notes in proportion to their relative principal amounts. A U.S. holder's holding period in any such additional PIK Notes should also likely be identical to its holding period for the PIK Note with respect to which the additional PIK Notes were received. If a U.S. holder uses foreign currency to purchase a PIK Note, the cost of the PIK Note will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a PIK Note that is 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 the cost of such PIK Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

The special election available to accrual basis U.S. holders with respect to the purchase and sale of PIK Notes traded on an established securities market, which is discussed in the two preceding paragraphs, must be applied consistently to all debt instruments held by the U.S. holder from year to year and cannot be changed without the consent of the IRS.

Gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of a PIK Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss and will generally be treated as U.S. source income or as an offset to U.S. source income, respectively. Gain or loss attributable to fluctuations in exchange rates generally will equal the difference between the U.S. dollar value of the U.S. holder's purchase price for the PIK Note, determined on the date such payment is received or such PIK Note is disposed of, and the U.S. dollar value of the U.S. holder's purchase price for the PIK Note, determined on the date the U.S. holder acquired such PIK Note. In addition, upon the sale, exchange, redemption, retirement or other taxable disposition of a PIK Note, a U.S. holder may realize exchange gain or loss attributable to amounts received in respect of accrued and unpaid OID. Any such exchange gain or loss with respect to OID will be determined as discussed under "*—Original Issue Discount on the PIK Notes*". However, upon a sale, exchange, redemption, retirement or other taxable disposition of a PIK Note, a U.S. holder will realize exchange gain or loss with respect to principal and accrued OID only to the extent of the total gain or loss realized on the disposition.

Any gain or loss recognized by a U.S. holder in excess of exchange gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a PIK Note 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 PIK Note for more than one year at the time of the sale, exchange, retirement or other taxable disposition. In the case of an individual U.S. holder, any such gain may be eligible for preferential U.S. federal income tax rates if the U.S. holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a PIK Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a PIK Note.

Certain U.S. Federal Income Tax Considerations Relating to the Senior Secured Notes and the PIK Notes

Foreign Tax Credit

Payments of stated interest on a Senior Secured Note and OID accrued on a PIK Note generally will constitute foreign source income and generally will be considered "passive category income" in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. Any non-U.S. withholding tax 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.

Tax Return Disclosure Requirement

Treasury Regulations issued under the Code meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, the receipt of interest or OID with respect to a Note or a sale, exchange, retirement or other taxable disposition of a Note or foreign currency received in respect of a Note to the extent that any such receipt, sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. U.S. holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Information Reporting and Backup Withholding

In general, payments of interest (including the accrual of OID, if any) and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. holders who hold an interest in "specified foreign financial assets" (as defined in section 6038D of the Code) are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes and the significant penalties for non-compliance.

Certain French tax considerations

The following is a summary of certain of the material French withholding tax considerations relating to the purchase, ownership and disposal of the Notes by a holder of the Notes that: (i) is not a French resident for French tax purposes; (ii) is not a shareholder of the Issuers; (iii) is not related to the Issuers within the meaning of 39.12 of the French Tax Code; and (iv) does not hold the Notes in connection with a permanent establishment or a fixed base in France. This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change or to different interpretation. This summary is for general information only and does not address all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances. Furthermore, this summary does not address any French estate or gift tax considerations.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS AS TO FRENCH TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE PIK NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Article 1649 AC of the French Tax Code imposes on financial institutions within the meaning of Article 1 of the Decree n°2016-1683 to review and collect information on their clients and investors, in order to identify their tax residence, as well as to provide certain account information to relevant foreign tax authorities (via the French tax authorities) on an annual basis.

Payments of interest and assimilated revenue in respect of the Notes (including those paid upon redemption of the Notes)

Holders of the Notes who concurrently hold shares of the Issuers may also be impacted by other rules not described in this section.

Payments of interest and assimilated revenue made by the Issuers with respect to the Notes will not be subject to withholding tax set out under Article 125 A III of the French Tax Code unless such payments are made outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a "**Non-Cooperative State**") other than those mentioned in Article 238-0 A 2 *bis* 2° of the same code, irrespective of the holder's residence for tax purposes or registered headquarters. Pursuant to Article 125 A III of the French Tax Code, if such payments under the Notes are made in a Non-Cooperative State other than those mentioned in Article 238-0 A 2 *bis* 2° of the same code, a 75% mandatory withholding tax will be due (subject to certain exceptions certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty). The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*), which is updated at least on a yearly basis. The list of Non-Cooperative States was last updated in February 26, 2021 and currently includes the American Virgin Islands, the American Samoa, Anguilla, the British Virgin Islands, Dominica, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago and Vanuatu. States referred to in Article 238-0 A 2 *bis* 2°, and thus outside of the scope of Article 125 A III of the French Tax Code, currently are Dominica, Fiji, Guam, the United States Virgin Islands, Palau, the American Samoa, Samoa, Trinidad and Tobago Anguilla, Panama and Seychelles.

Furthermore, according to Article 238 A of the French Tax Code, interest and other assimilated revenue on the Notes may not be deductible from the Issuers' taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State as defined in Article 238-0 A of the FTC or paid on an account opened in a financial institution located in such a Non-Cooperative State, subject to the exceptions set-out in the following paragraph (the "**Deductibility Exclusion**").

Under certain conditions, any such non-deductible interest and assimilated revenue may be recharacterized as constructive dividends pursuant to Article 109 *et seq.* of the French Tax Code, in which case such non-deductible interest and assimilated revenue may be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code at a rate of (i) 75% in case of payment made outside France on an account opened in a financial institution located in a Non-Cooperative State other than those mentioned in Article 238-0 A 2 *bis* 2° of the French Tax Code, or, (ii) to the extent that such payment is not paid to a bank account opened in a financial institution located in such a Non-Cooperative State, (A) 12.8% for payments benefitting individuals who are not French tax residents or (B) the standard corporate income tax rate set forth in the first sentence of the second paragraph of

Article 219-I of the French Tax Code, 26.5% for fiscal years beginning as from January 1, 2021 and 25% for fiscal years beginning as from January 1, 2022 for payments benefitting to legal persons who are not French tax residents, subject in each case to the more favorable provisions of any applicable tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A-III of the French Tax Code nor the Deductibility Exclusion, and the related withholding tax set out under Article 119 *bis* 2 of the French Tax Code that may be levied as a result of the Deductibility Exclusion, will apply in respect of a particular issue of notes, if the Issuers can prove that, (i) in respect of the Deductibility Exclusion and the related withholding tax set out under Article 119 *bis* 2 of the French Tax Code that may be levied as a result of the Deductibility Exclusion, the relevant interest and assimilated revenue relate to genuine transactions and are not in an abnormal or exaggerated amount, and (ii) the main purpose and effect of such transactions were not to enable payments of interest or assimilated revenue to be made in a Non-Cooperative State (the "**Exception**").

In addition, pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (French administrative guidelines) referenced as BOI-INT-DG-20-50-20 dated 24/02/2021 No290 n°290, and BOI-INT-DG-20-50-30 dated 24/02/2021 No150 (the "**Administrative Guidelines**"), an issue of notes will benefit from the Exception without the debtor having to provide any proof of the main purpose and effect of such issue of notes, and accordingly will be able to benefit from the Exception (the "**Safe Harbor**"), if such notes are:

(1) offered by means of a public offer within the meaning of Article L.411-1 of the *Code monétaire et financier* ("**French Monetary and Financial Code**") or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "**equivalent offer**" means any offer requiring the registration or submission of an offer document by /or with a foreign securities market authority; or

(2) admitted to trading on a French or foreign regulated market or a multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(3) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators, *provided* that such depositary or operator is not located in a Non-Cooperative State.

The Notes issued under this Listing Prospectus qualify as debt securities under French commercial law. Considering that: (i) as of the date of their admission to trading, the Notes will be admitted to trading on the Luxembourg Stock Exchange in Luxembourg which does not qualify as a Non-Cooperative State, and that such market is operated by a market operator which is not located in a Non-Cooperative State and/or (ii) the Notes will be admitted, at the time of their issue, to the operations of Euroclear and Clearstream, both securities clearing and delivery and payments systems operators within the meaning of Article L. 561-2 of the French Monetary and Financial Code which are not located in a Non Cooperative State, payments of interest and assimilated revenue in respect of the notes made by or on behalf of the Issuers to the holders of the Notes will fall under the Exception.

Accordingly, such payments made by or on behalf of the Issuers to the holders of the Notes will be exempt from the withholding tax set forth under Article 125 A III of the French Tax Code.

Moreover, under the same conditions and to the extent that the relevant interest and assimilated revenue are considered as relating to genuine transactions and are not in an abnormal or exaggerated amount, interest and assimilated revenue in respect of the Notes paid by or on behalf of the Issuers to the holders of the Notes will not be subject, pursuant to the Administrative Guidelines, to the related non-deductibility rule set forth under Article 238 A of the French Tax Code and, as a result, also not be subject to the withholding tax set forth under Article 119 *bis* 2 of the French Tax Code solely on account of their being paid or accrued to a person domiciled or established in a Non Cooperative State or paid on an account opened in a financial institution established in such a Non-Cooperative State.

Sale, disposal or redemption of the Notes

A holder of Notes, who is not a resident of France for French tax purposes and who does not hold its Notes in connection with a permanent establishment or a fixed place of business in France, will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, exchange or other disposal of such Notes.

In addition, no stamp or registration fee or duty or similar transfer taxes will be payable in France in connection with the sale, disposal or redemption of Notes, except in the case of filing with the French tax authorities on a voluntary basis.

Withholding Taxes on Payments Made to Individuals Fiscally Domiciled in France

Pursuant to Article 125 A I of the French Tax Code, when the paying agent (*établissement payeur*) is established in France and subject to certain exceptions, interest and assimilated revenue received by individuals fiscally domiciled (*domiciliés fiscalement*) in France may be subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at an aggregate rate of 17.2% on such interest and assimilated revenue received by individuals fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

CERTAIN INSOLVENCY LAW CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE SSN GUARANTEES AND THE COLLATERAL

The following is a general discussion of the insolvency laws of several jurisdictions for informational purposes only and does not address all the legal considerations that may be relevant to holders of the Notes.

EU Insolvency Regulation

The Issuers and the SSN Guarantors are organized under the laws of France, which is a Member State of the European Union.

Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast), as amended, in particular by Regulation (EU) 2018/946 of the European Parliament and of the Council of 4 July 2018, published in the Official Gazette of the European Union on July 6, 2018 (the "**EU Insolvency Regulation**") was published in the Official Gazette of the European Union on June 5, 2015 and applies to insolvencies which commenced after 26 June 2017 (subject to certain exceptions).

The EU Insolvency Regulation applies within the European Union (other than Denmark), to public collective insolvency proceedings as defined therein and listed in its Annex A. It provides that 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 EU Insolvency Regulation) is situated have jurisdiction to commence main insolvency proceedings relating to such debtor. 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.

Pursuant to Article 4 of the EU Insolvency Regulation, a court requested to open insolvency proceedings is required to examine whether it has jurisdiction pursuant to Article 3 and, pursuant to Article 5, such decision may be challenged by the debtor or any creditor on grounds of international jurisdiction.

Article 3(1) of the EU Insolvency Regulation provides that the center of main interests, or "**COMI**" of a "debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties". It sets forth, as explained by Recital (30), a rebuttable presumption that a debtor has its COMI in the Member State in which it has its registered office in the absence of proof to the contrary. This presumption shall only apply if the registered office of the legal person has not been moved to another Member State within the 3-month period prior to the request for the opening of insolvency proceedings. Recital (30) provides that it should be possible to rebut this presumption if a debtor's central administration is located in a Member State other than that of its registered office and 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 the management of its interests is located in that other Member State. Under the previous EU insolvency regulation (Council Regulation (EC) 1346/2000 of May 29, 2000), which defined the COMI in similar terms, the courts have considered a number of factors in determining a debtor's COMI, including in particular where board meetings are held, the location where the debtor conducts most of its business or has its head office and the location where most of the debtor's creditors are established. A debtor's COMI is not a static concept and may change from time to time but is determined to decide which courts have competent jurisdiction to commence insolvency proceedings at the time of the filing of the insolvency petition.

If a debtor's COMI is and will remain located in the Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the debtor under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings commenced in one Member State under the EU 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 a debtor's COMI is in a Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to 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 EU Insolvency Regulation) in the territory of such other Member State or had an establishment in such EU Member State in the 3-month period prior to the request for commencement of main insolvency proceedings. An "establishment" is defined to mean "any place of operations where the debtor carries out or has carried out in the 3-month period prior to the request to commence main insolvency proceedings a non-transitory economic activity with human means and assets".

When main proceedings have been commenced in the Member State in which the debtor has its COMI, any proceedings commenced subsequently in another Member State in which the debtor has an establishment shall be secondary insolvency proceedings. The effects of such secondary proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. When main proceedings in the Member State in which the debtor has its COMI have not yet been commenced, pursuant to Article 3 (4) of the EU Insolvency Regulation, 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 COMI 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 commencement of territorial proceedings is requested or (ii) a public authority that has the right to make such a request under the law of the Member State in which the establishment is located. Irrespective of whether the insolvency proceedings are main, secondary or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, (i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor). Furthermore, pursuant to Article 6 of the EU Insolvency Regulation, the courts of the Member State within the territory of which insolvency proceedings have been opened in accordance with its Article 3 shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

The commencement of insolvency proceedings in a Member State pursuant to the EU Insolvency Regulation shall not affect the rights *in rem* of creditors or third parties in respect of tangible or intangible, moveable or immoveable assets, both specific assets and collections of indefinite assets as a whole that change from time to time, belonging to the debtor that are situated within the territory of another Member State at the time of the opening of proceedings. Rights *in rem* include:

(i) the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;

(ii) the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;

(iii) the right to demand assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled; and

(iv) a right *in rem* to the beneficial use of assets.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings that will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. Pursuant to Article 21 of the EU Insolvency Regulation, the insolvency practitioner appointed by a court in a Member State that has jurisdiction to commence main proceedings (because the debtor's COMI is located there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets.

However, under Article 36 of the EU Insolvency Regulation, the insolvency practitioner in the main insolvency proceedings may attempt to avoid the opening of secondary insolvency proceedings in another Member State by giving a unilateral undertaking in respect of the assets located in the Member State in which secondary insolvency proceedings could be opened that the distribution of those assets or of the proceeds received as a result of their realization, will comply with the distribution and priority rights that would apply under the relevant national law if secondary insolvency proceedings were opened in such other Member State. Such undertaking must be made in writing and is subject to approval by a qualified majority of known local creditors, determined in accordance with the local law of such other Member State. If approved, the undertaking is binding on the insolvency estate and if a court is requested to open secondary insolvency proceedings, it shall, at the request of the insolvency practitioner in the main insolvency proceedings, refuse to open such proceedings if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Additionally, under Article 38 of the EU Insolvency Regulation, where a temporary stay of individual enforcement proceedings has been granted in order to allow for negotiations between a debtor and its creditors, the court, at the request of the debtor or of the insolvency practitioner in the main insolvency proceedings, may stay the opening of secondary insolvency proceedings for a period not exceeding three months, provided that suitable measures are in place to protect the interests of local creditors.

Under Article 46 of the EU Insolvency Regulation, the court that opened the secondary insolvency proceedings will also stay the process of realization of assets in whole or in part upon receipt of a request from the insolvency practitioner in the main insolvency proceedings, for a period of up to three months, unless such a request is manifestly of no interest to the creditors in the main insolvency proceedings. Such stay may be continued or renewed for similar periods. When the court stays the process of realization of the assets, the court may require the insolvency practitioner in the main insolvency proceedings to take any suitable measure to guarantee the interests of the creditors in the secondary insolvency proceedings and of individual classes of creditors.

The EU Insolvency Regulation provides:

(i) for cooperation and communication between insolvency practitioners of the main insolvency proceedings and of the secondary insolvency proceedings and, in order to facilitate the coordination of main, territorial and secondary insolvency proceedings concerning the same debtor for cooperation and communication between (i) courts and (ii) insolvency practitioners and courts;

(ii) for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group;

(iii) that the Member States shall establish and maintain a register of insolvency proceedings; and

(iv) that the European Commission shall establish a decentralized system for the interconnection of such insolvency registers.

The United Kingdom ceased to be a member of the EU on January 31, 2020 at 11.00 p.m. (i.e., exit day) and therefore is no longer a Member State. The EUWA (as amended by the *European Union (Withdrawal Agreement) Act 2020*) provides that direct EU legislation (which term includes any EU regulation as it had effect in EU law immediately before exit day (subject to certain exceptions)) converts directly applicable EU law (which includes regulations) as it stood at the end of the transition period into UK domestic law. However, while direct EU legislation may continue to form a part of domestic law of the United Kingdom after the end of the transition period, it may be subject to a number of amendments. The *Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146)* set out a number of amendments to be made to the Insolvency Regulation, as it will apply in the United Kingdom after the end of the transition period. On December 30, 2020, the European Union and the United Kingdom formally signed the *EU UK Trade and Cooperation Agreement*. This agreement provisionally applies as from January 1, 2021. There remains considerable political, legislative and regulatory uncertainty throughout the region and the extent to which "Brexit" could adversely affect business activity, restrict the movement of capital and the mobility of personnel and goods, and otherwise impair political stability and economic conditions in the United Kingdom, the Eurozone, the EU and elsewhere. Any of these developments could have a material adverse effect on business activity in the United Kingdom, the Eurozone or the EU. Further, the *EU UK Trade and Cooperation Agreement* does not include a replacement for the current automatic recognition of UK insolvency procedures across the EU and vice versa. In the absence of an agreement allowing automatic recognition, it will be harder for UK office holders and UK restructuring and insolvency proceedings to be recognized in EU member states and to effectively deal with assets located in EU member states. Much will then depend upon the private international law rules in the particular EU member state and the need may well arise to open parallel proceedings, increasing the element of risk. In particular, in cases where the appointment of a UK office holder has been made in reliance on a UK domestic approach rather than the COMI rules, it is much less certain that there will be recognition in the relevant EU member state.

EU Directive on Preventive Restructuring Frameworks

The EU directive 2019/1023 of the European Parliament and the Council of June 20, 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (the "**EU Restructuring Directive**") was published on June 26, 2019.

The objectives of the EU Restructuring Directive are to ensure that (i) viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks that enable them to continue operating, (ii) honest insolvent or over-indebted entrepreneurs (i.e., individuals) can benefit from a full discharge of debt after a reasonable period of time, thereby affording them a second chance and (iii) the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length.

The EU Restructuring Directive aims to achieve a higher degree of harmonization in the field of restructuring, insolvency, discharge of debt and disqualifications by establishing substantive minimum standards for preventive restructuring procedures as well as for procedures leading to a discharge of debt for entrepreneurs in order to promote a culture that encourages early preventive restructuring to address financial difficulties at an early stage, when it appears likely that insolvency can be prevented and the viability of the business can be ensured. Most notably, the Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by Member States national legislation, (b) all creditor claims shall be grouped into separate classes each of which shall reflect a commonality of interests (at a minimum, creditors of secured and unsecured claims shall be treated in separate classes), (c) creditor claims may be restructured in a restructuring plan by majority vote with a majority of not more than 75% of the amount of the claims in each class and, where the Member State so requires, a majority in number of affected parties in each class and (d) a cross-class cram-down is introduced whereby a restructuring plan may, under certain conditions, be adopted and bind dissenting creditors even if the creditors of one or more classes do not consent to the restructuring plan with the required majority. In order to be adopted the plan will have to be confirmed by a judicial or administrative authority that will in particular ensure the protection of each type of creditors' rights and compliance with the priority rules governing the adoption of the plan. The transposition of the EU Restructuring Directive into national legislation shall protect new financing and interim financing and may also provide priority ranking to new or interim financing granted in the context of a restructuring.

In order to transpose the EU Restructuring Directive into French law, the French government issued:

(i) on September 15, 2021, ordinance no. 2021-1193 (the "**2021 Ordinance**"), effective as from October 1, 2021 in respect only (with limited exceptions) of preventive and insolvency proceedings opened as of such date; and

(ii) on September 23, 2021, decree no. 2021-1218 (the "**2021 Decree**") for the implementation of the 2021 Ordinance.

The following is a general discussion of preventive and insolvency proceedings governed by French law, as amended by the 2021 Ordinance and the 2021 Decree, for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

France

Insolvency

We conduct part of our business activity in France and, to the extent that the registered office of any member of the Group (such as the Issuers or the SSN Guarantors) or its main center of interests within the meaning of Article R. 600-1 of the French Commercial Code is deemed to be in France, it could be subject to French court-assisted proceedings affecting creditors, i.e., *mandat ad hoc* or *conciliation* proceedings (which do not fall within the scope of the EU Insolvency Regulation). In addition, to the extent that (i) its COMI is deemed to be in France or it has an establishment in France or, (ii) in cases where the EU Insolvency Regulation does not apply, its registered office or its main center of interests within the meaning of Article R. 600-1 of the French Commercial Code, is deemed to be in France, it could also be subject to French court-administered proceedings affecting creditors, i.e., either safeguard proceedings and accelerated safeguard proceedings (*sauvegarde* and *sauvegarde accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*).

Annex A of the EU Insolvency Regulation lists safeguard, accelerated safeguard, judicial reorganization and judicial liquidation proceedings as insolvency proceedings within the meaning of the EU Insolvency Regulation. Any company of our Group having its COMI in France could be subject to French main insolvency proceedings within the meaning of the EU Insolvency Regulation and any company of our Group having an establishment in France and its COMI in another EU Member State (other than Denmark) could be subject to French secondary insolvency proceedings within the meaning of the EU Insolvency Regulation. Annex A of the EU Insolvency Regulation also lists accelerated financial safeguard proceedings as insolvency proceedings but accelerated financial safeguard proceedings no longer have a separate existence under French law as they have been merged into accelerated safeguard proceedings as of October 1, 2021 (save for proceedings commenced before this date) by the 2021 Ordinance.

Specialized courts exist for (i) conciliation or court-administered proceedings with respect to debtors that meet or exceed (on a stand-alone basis or together with the companies under their control) (x) 20 million euros in net turnover and 250 employees or (y) 40 million euros in net turnover, (ii) commencement of proceedings with respect to which the court's international jurisdiction results from the application of the EU Insolvency Regulation or (iii) in cases where the EU Insolvency Regulation does not apply, from the debtor having its main center of interests within the jurisdiction of such specialized courts.

In addition, the French court that commences preventive or insolvency proceedings with respect to the member of a corporate group has jurisdiction over all the other members of the group (subject to French courts having international jurisdiction with respect to such entities, in accordance with the rules outlined above and to specific control thresholds). Accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same administrator (*administrateur judiciaire*) and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes and/or the SSN Guarantees granted by the SSN Guarantors and corresponding security interests.

Temporary measures in the context of the COVID-19 pandemic

Due to the COVID-19 pandemic, certain temporary measures were enacted by the French Government to adapt French restructuring and insolvency laws to the health crisis (ordinance no. 2020-341 dated March 27, 2020, ordinance no. 2020-596 dated May 20, 2020, in force as from May 22, 2020 (the "**Main Covid Ordinance**"), ordinance no. 2020-1443 dated November 25, 2020, in force as from November 27, 2020 and law no. 2020-1525 dated December 7, 2020, in force as from December 9, 2020). Article 124 of law no. 2020-1525 extended until December 31, 2021 some measures that were initially adopted by the Main Covid Ordinance that were due to expire on December 31, 2020.

The 2021 Ordinance transposed some of those measures into the French Commercial Code. These measures, that are therefore no longer temporary, relate mainly to:

(i) the adaptation of the provisions governing grace periods in the context of conciliation proceedings (see sections "*Court-Assisted Proceedings*" and "*Grace Periods*" below);

(ii) the loosening of the conditions for eligibility to accelerated safeguard proceedings (see section "*Court-Administered Proceedings - Accelerated Safeguard Proceedings*" below); and

(iii) the priority of payment of certain new financing providers in the context of accelerated safeguard proceedings, safeguard proceedings or judicial reorganization proceedings (see section "*Court-Administered Proceedings - Safeguard*" below).

However, some measures have neither been transposed nor terminated by the 2021 Ordinance and should therefore remain in force only until December 31, 2021 (exactly how this continued enforceability post the entry into force of the 2021 Ordinance will be interpreted by practitioners and courts is uncertain). They relate mainly to:

(i) the extension, at the request of the conciliator, of the duration of conciliation proceedings one or more times, by a reasoned decision of the president of the court, up to a maximum of ten months (see section "*Court-Assisted Proceedings*" below);

(ii) the debtor's right to request certain relief from the President of the commercial court if a creditor does not accept, by the deadline set by the conciliator, a request to stay payment of his claim for the duration of the conciliation proceedings (see section "*Court-Assisted Proceedings*" below);

(iii) the supervisory judge's right, at the request of the court-appointed administrator or the creditors' representative, to reduce from 30 to 15 days of receipt of the debt settlement proposal the deadline during which creditors are required to respond to a debt settlement proposal in the context of a standard consultation for the approval of a safeguard or reorganization plan (see sections "*Court-Administered Proceedings - Safeguard*" and "*Court-Administered Proceedings – Judicial Reorganization or Judicial Liquidation*" below); and

(iv) the possibility to extend the duration of a safeguard or reorganization plan up to twelve years in the context of its amendment (see sections "*Court-Administered Proceedings - Safeguard*" and "*Court-Administered Proceedings – Judicial Reorganization or Judicial Liquidation*" below).

Grace Periods

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Article 1343-5 of the French Civil Code.

Pursuant to the provisions of this Article, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations that are due and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi-annually by the French government) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the grace periods ordered by the relevant judge.

If the debtor is engaged in conciliation proceedings or has reached a conciliation agreement that is in the course of being executed, special rules apply to the grant of grace periods (see section "*Court-Assisted Proceedings*" below).

Insolvency Test

Under French law, a debtor is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts (*passif exigible*) with its immediately available assets (*actif disponible*) taking into account available credit lines, existing debt rescheduling agreements and moratoria.

The date of insolvency (*état de cessation des paiements*) is generally deemed to be the date of the court order commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court order. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (homologation) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period (see section "*Hardening Period*" below).

Court-Assisted Proceedings

A French debtor facing difficulties may in certain conditions request the commencement of court-assisted proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders e.g., an agreement to reduce or reschedule its indebtedness.

Mandat ad hoc proceedings may only be initiated by the debtor itself, in its sole discretion. In practice, *mandat ad hoc* proceedings are used by debtors that are facing any type of difficulties but are not insolvent (see *section* “*Insolvency test*” above). The proceedings are informal and confidential by law (save for the disclosure of the court decision appointing the *mandataire ad hoc* to the statutory auditors, if any). They are carried out under the aegis of a court-appointed officer (*mandataire ad hoc*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings are not limited in time. The duties of the *mandataire ad hoc* are determined by the competent court that appoints him or her, usually to facilitate negotiations with creditors. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Mandat ad hoc* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually also accept to abstain from such action while they are ongoing. In any event, the debtor retains the right to petition the relevant judge for a grace period under Article 1343-5 of the French Civil Code (see section “*Grace periods*” above). The agreement reached is reported to the president of the court but is not formally approved by it.

Conciliation proceedings may only be initiated by the debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature and is not insolvent (see section “*Insolvency test*” above) or has not been insolvent for more than 45 calendar days. The proceedings are confidential by law (save for the disclosure of the court decision commencing the proceedings to the statutory auditors, if any). They are carried out under the aegis of a court-appointed conciliator (*conciliateur*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings may last up to five months (after an initial period of a maximum of four months, upon request of the conciliator, the court may extend the conciliation period up to the absolute maximum of five months). In case the debtor intends to have the conciliation agreement approved (*homologué*) or acknowledged (*constaté*), its request must be filed by the end of this five-month period, even though the hearing can take place afterwards, in which case the conciliation period will be extended until the decision of the president of the court or the court itself.

Pursuant to Article 1 of ordinance no. 2020-1443 dated November 25, 2020 adopted in the context of the Covid-19 pandemic, until December 31, 2021, at the request of the conciliator, the duration of conciliation proceedings commenced as from August 24, 2020 may be extended, one or more times, by a reasoned decision of the president of the court, up to a maximum of ten months.

The duties of the conciliator are to assist the debtor in negotiating an agreement with all or part of its creditors and/or other stakeholders that puts an end to its difficulties, e.g., providing for the restructuring of its indebtedness. Any agreement between the debtor and its creditors/stakeholders will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Conciliation* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so, and creditors may not request the opening of insolvency proceedings (judicial reorganization or judicial liquidation proceedings) against the debtor for the duration of the conciliation proceedings.

Pursuant to Article L. 611-7 of the French Commercial Code, during the proceedings, the debtor retains the right to petition the judge that commenced them for a grace period in accordance with Article 1343-5 of the French Civil Code (see section “*Grace periods*” above) if a creditor has formally put the debtor on notice to pay, is suing for payment, or does not accept, by the deadline set by the conciliator, a request to stay payment of its claim (*suspendre l’exigibilité de sa créance*). In the latter case, the judge may, for the duration of the conciliation proceedings, order the postponement or the rescheduling of the creditor’s claims that have not yet fallen due. A joint-debtor and a third party that had previously granted credit support (a guarantee or security interest) with respect to the debtor’s obligations may benefit from grace periods so granted by the judge.

Pursuant to the Main Covid Ordinance, until December 31, 2021, if a creditor does not accept, by the deadline set by the conciliator, a request to stay payment of its claim for the duration of the conciliation proceedings, the debtor may also request from the president of the Commercial Court in *ex-parte* proceedings, for the duration of the conciliation proceedings:

(i) the stay or prohibition of any legal action for payment or for termination of a contract for a payment default;

(ii) the stay or prohibition of any judicial enforcement measure against the debtor's movable or immovable property as well as of any judicial procedure relating to the distribution of the debtor's assets that would not have already transferred ownership away from the debtor; or

(iii) the deferral or rescheduling of the creditor's claim.

The conciliation agreement reached between the parties may be acknowledged (*constaté*) by the president of the Commercial Court at the request of the parties, which makes the agreement enforceable without further recourse to a judge (*force exécutoire)*, but the conciliation proceedings remain confidential.

Alternatively, the conciliation agreement may be approved (*homologué*) by the Commercial Court at the request of the debtor - following a hearing held for that purpose to which the works council or employee representatives, as the case may be, must be convened – if:

(i) the debtor is not insolvent or the conciliation agreement has the effect of putting an end to the debtor's insolvency;

(ii) the terms of the conciliation agreement ensure the continuation of the business as a going-concern; and

(iii) the conciliation agreement does not impair the rights of the non-signatory creditors.

Such approval will have the same effect as its acknowledgment (*constatation*) as described above and, in addition:

(i) the decision of approval by the relevant civil or commercial court, which should only disclose the amount of any Conciliation Lien (see below) and the guarantees and security interests granted to secure the same, will be public but the agreement itself should otherwise remain confidential except vis-à-vis the works council or employee representatives that are informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the court;

(ii) persons that, in the context of the conciliation proceedings, provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity in the context of a capital increase) will enjoy a priority of payment over all pre-commencement and post-commencement claims (subject to certain exceptions including with respect to certain pre-commencement or post-commencement employment claims and procedural costs) (the "**Conciliation Lien**"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;

(iii) in the event of subsequent safeguard, accelerated safeguard, judicial reorganization or judicial liquidation proceedings, the claims benefiting from the Conciliation Lien may not, without their holders' consent, be rescheduled or written off by a safeguard or a reorganization plan (although such claims will not be paid before the safeguard or reorganization plan is adopted), not even through a cram-down or a cross-class cram-down (in the event that classes of affected parties are formed);

(iv) when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors; and

(v) in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of occurrence of the insolvency (see section "*Insolvency test*" above), and therefore the starting date of the hardening period (as defined below – see section "*Hardening Period*" below), cannot be set by the court as of a date earlier than the date of the approval (*homologation*) of the agreement by the court (except in case of fraud).

Whether the conciliation agreement is acknowledged or approved, the court may, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution and, while the agreement is in force:

(i) interest accruing on the claims that are the subject to the conciliation agreement may not be compounded;

(ii) in accordance with Article L. 611-10-1 of the French Commercial Code, the debtor retains the right to petition the judge that commenced the conciliation proceedings to impose grace periods on creditors who were asked to participate in the conciliation proceedings (other than the tax and social security administrations) and have formally put the debtor on notice to pay or are suing for payment of claims that were not dealt with in the conciliation agreement, such decision being taken after hearing the conciliator if he/she has been appointed to monitor the implementation of the agreement and, taking into account the conditions of its performance; and

(iii) in accordance with Article L. 611-10-2 of the French Commercial Code, a joint-debtor and a third party that had previously granted credit support (a guarantee or security interest) with respect to the debtor's obligations may benefit from the provisions of the conciliation agreement as well as from grace periods granted to the debtor during the execution of the conciliation agreement pursuant to Article L. 611-10-1 of the French Commercial Code mentioned above.

If the debtor breaches the terms of the conciliation agreement, any party to it may petition the president of the court or the court (depending on whether the agreement was acknowledged or approved) for its termination. Termination will however not extend to the provisions of the conciliation agreement addressing the consequences of such termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may also be revoked. Conversely, provided the conciliation agreement is duly performed, any individual proceedings by creditors with respect to obtaining payment of the claims dealt with by the conciliation agreement are suspended and/or prohibited. The commencement of subsequent safeguard or insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims (decreased by potential recoveries made) and pre-existing security interests or guarantees.

At the request of the debtor and after the creditors taking part in the proceedings have been consulted on the matter, *mandat ad hoc* and conciliation proceedings may also be used to organize the partial or total sale of the debtor, in particular through a "plan for the disposal of the business" (i.e., prepack disposal plan) that could be implemented in the context of subsequent safeguard, judicial reorganization or judicial liquidation proceedings. Provided they comply with certain requirements, offers received in this context by the *mandataire ad hoc* or the conciliator may, after consultation of the public prosecutor, be considered by the court in the context of safeguard, judicial reorganization or judicial liquidation proceedings.

As a matter of law, any contractual provision that (i) modifies the conditions for the continuation of an ongoing contract by reducing the debtor's rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of the commencement of conciliation proceedings or of a request submitted to this end or (ii) requires the debtor to bear, by reason only of the appointment of a *mandataire ad hoc* or of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, is deemed null and void.

Where the maximum time period allotted to court-assisted proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not, in and of itself entail any specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before 3 months have elapsed as from the end of the previous ones.

Although French accelerated safeguard proceedings are the transposition into French law of preventive restructuring proceedings in the spirit of the EU Restructuring Directive, they are defined in the French Commercial Code by reference to standard safeguard proceedings.

As a result and for the sake of clarity, standard safeguard proceedings will be presented below before accelerated safeguard proceedings.

Court-Administered Proceedings - Safeguard

A debtor that experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, provided that it is not insolvent (see section *"Insolvency test*" above). Creditors of the debtor are not notified of, nor invited to attend the hearing before the court at which the commencement of safeguard proceedings is requested even if they have a limited right to challenge the court decision commencing the proceedings. Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is appointed (except for small companies where the court considers that such appointment is not necessary) to investigate the business of the debtor during an "observation period" (being the period starting on the date of the court decision commencing the proceedings and ending on the date on which the court takes a decision on the outcome of the proceedings), which may last up to 12 months. The role of the court-appointed administrator is also to assist the debtor in preparing a draft safeguard plan (*projet de plan de sauvegarde*) that it will circularize to its creditors (or submit to the classes of affected parties – see below) that may include a partial sale of the business. Creditors or equity holders do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator. The court-appointed administrator will, in accordance with the terms of the judgment appointing him or her, exercise *ex post facto* control over decisions made by the debtor (*mission de surveillance*) or assist the debtor to make all or some of the management decisions (*mission d'assistance*), all under the supervision of the court. A supervisory judge (*juge-commissaire*) and a creditors' representative (*mandataire judiciaire*) are also appointed at the beginning of the proceedings, alongside the court-appointed administrator. Management decisions in respect of disposals (*acte de disposition*) that fall outside the scope of the ordinary course of business, as well as decisions considered to be important under statute, require the prior approval of the supervisory judge (e.g., granting security interests or settling disputes).

If, after commencement of the proceedings, it appears that the debtor was insolvent (*en état de cessation des paiements*) before their commencement, at the request of the debtor, the administrator, the creditors' representative or the public prosecutor but, in any event, after having heard the debtor, the court may convert the safeguard proceedings into judicial reorganization proceedings.

In addition, pursuant to Article L. 622-10 of the French Commercial Code, the court may convert safeguard proceedings into (i) judicial reorganization proceedings (a) at any time during the observation period if the debtor is insolvent or, (b) if the approval of a safeguard plan is manifestly impossible and if the debtor would shortly become insolvent should safeguard proceedings end or (ii) judicial liquidation proceedings at any time during the observation period if the debtor is insolvent and its recovery is manifestly impossible. In all such cases, the court may decide at the request of the debtor, the court-appointed administrator, the creditors' representative or the public prosecutor or on its own initiative except in the case of (i)(b) above where:

(i) the court may not act upon its own initiative, and

(ii) the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the creditors of the debtor appointed by the court as controller ("Contrôleurs") (if any), the public prosecutor and the workers' representatives (if any).

As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

Restructuring Lien: Persons that, in the context of accelerated safeguard, safeguard or judicial reorganization proceedings, provide new money (except through a share capital increase) (the "Judicial Restructuring Lien"):

(i) during the observation period, in order to ensure the continuity of the debtor's business during this period, in which case such financing must be authorized by the supervisory judge and are subject to publicity, or

(ii) for the implementation of the safeguard or reorganization plan (including a plan ordered by the court that substantially modifies a previous one), in which case the amount and the privilege must be specifically mentioned in the draft plan on which the affected parties are called upon to vote as well as in the court decision adopting the plan,

enjoy a priority of payment over pre-commencement and post-commencement claims with the exception of (i) employees' super-privileged claims, (ii) procedural costs, (iii) the Conciliation Lien (iv) pre-commencement claims secured by security interests over real estate assets (only in the context of judicial liquidation proceedings) and (v) post-commencement wages claims not advanced through the French wages guarantee scheme (AGS) under provisions of Articles L. 3253-8 to L. 3253-13 of the French Labor Code.

The Judicial Restructuring Lien may not, directly or indirectly, secure any financing provided prior to commencement of the proceedings.

In addition, such claims may not be rescheduled or written-off by a safeguard or a reorganization plan (although such claims will not be paid before the safeguard or reorganization plan is adopted) without the consent of the relevant creditors, not even through a cram-down or a cross-class cram-down (in the event that classes of affected parties are formed), in the on-going or in subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings.

Creditors (and if applicable, equity holders) must be consulted on the manner in which the debtor's liabilities will be settled under the safeguard plan (debt write-offs, payment terms or debt-for-equity-swaps) prior to the plan being approved by the court. The rules governing consultation will vary depending on the size of the business.

Standard consultation: this applies in respect of debtors that, on the date of the petition for commencement of the proceedings (on a stand-alone basis or together with other entities that they hold or control, within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code) have less than (x) 250 employees and € 20 million in net turnover or (y) € 40 million in net turnover unless, upon their request, the supervisory judge authorizes a class-based consultation of their creditors (see below).

In such case, the administrator notifies the proposals for the settlement of debts to the creditors' representative, who seeks the agreement of each creditor who filed a claim, regarding the debt write-offs and payment schedules proposed. Creditors are consulted individually or collectively.

French law does not state whether the debt settlement proposals can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at this consultation stage. According to legal commentaries and established practice, differing treatment as between creditors is possible, *provided* that it is justified by the difference in situation of the creditors and approved by the creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of claims over a shorter time period instead of a full payment of such claims over the length of the plan (ten years maximum except for agricultural businesses where the maximum is fifteen years).

If the plan provides for a share capital increase, the shareholders may pay up their subscription to such share capital increase by way of a set-off against their admitted claims against the debtor (as such claims may be reduced according to the provisions of the plan).

Pursuant to the Main Covid Ordinance, until December 31, 2021, the maximum length of a plan can be extended to 12 years, or 17 years for agricultural businesses as follows:

(i) this extension results from a decision of the court (a) upon request of the public prosecutor or of the commissioner appointed to supervise the implementation of the plan without having to comply with the process that applies to substantial modifications of the plan (*modification substantielle du plan*) or (b) taken through the process that applies to substantial modifications of the plan; and

(ii) the initial payment instalments shall be adapted by the president of the court or the court to the duration of the plan so extended, without having to comply with the provisions of Article L. 626-18 of the French Commercial Code (including the obligation to pay an annual instalment of 5% minimum as from year 3) who may order certain grace periods pursuant to Article 1343-5 of the French Civil Code within the limit of the new term of the plan so extended.

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved are not required to be consulted.

Creditors that do not respond within 30 days of their receipt of the debt settlement proposal (other than debt-for-equity-swap) made to them are deemed to have accepted it. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and the controllers.

Pursuant to the Main Covid Ordinance, until December 31, 2021, the abovementioned 30-day delay may be reduced to 15 days, at the request of the court-appointed administrator or the creditors' representative.

Within the framework of a standard consultation, the court that approves the safeguard plan (*plan de sauvegarde*) can impose a uniform rescheduling of the claims of creditors having refused the proposals that were submitted to them (subject to exceptions such as the ones applicable to claims benefiting from the Conciliation Lien or the Judicial Restructuring Lien) over a maximum period of ten years (except for agricultural businesses where the maximum is fifteen years and for claims with maturity dates falling after the term of the plan, in which case the maturity dates shall remain the same), but no write-off of any claim or debt-for-equity swap may be imposed without the relevant creditor's individual acceptance.

If the court adopts a safeguard plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be disposed of without the court's consent.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual instalment must be of at least 5% of the amount of each debt claim and, as from the sixth year, the amount of each annual instalment must be of at least 10% (except for agricultural businesses)) or on the first payment date following the initial maturity of the claim if such date is later than the first payment date provided for in the plan, in which case the amount of such first payment is equal to what the creditor would have received had he been paid in accordance with the uniform payment rescheduling applying to the other creditors.

The plan adopted by the court may be modified during its implementation. However, when the modification is substantial and relates to the terms and conditions of the discharge of liabilities, the interested parties are consulted by registered letter with acknowledgment of receipt sent by the court clerk. Such interested parties shall answer to this consultation no later than 21 calendar days following the receipt. Failure to respond shall constitute acceptance of the proposed changes, except if they relate to debt write-offs or debt-to-equity swaps.

Class-based consultation: This applies to companies that, on the date of the petition for commencement of the proceedings, meet or exceed either of the following thresholds (x) 250 employees and € 20 million in net turnover or (y) € 40 million in net turnover (on a standalone basis or together with other entities that they hold or control, within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code), or upon the debtor's request and with the authorization of the supervisory judge if they do not meet such thresholds.

The consultation involves the submission of a proposed safeguard plan prepared by the debtor with the assistance of the court-appointed judicial administrator for consideration by the affected parties (*parties affectées*), as defined below.

Only the affected parties are entitled to vote on the draft plan.

Pursuant to Article L. 626-30 of the French Commercial Code, affected parties are:

(i) creditors whose rights are directly impaired by the proposed plan;

(ii) equity holders (including shareholders and holders of securities giving future rights to the share capital) if their equity interests, the debtor's articles of association or by-laws, or their rights are modified by the proposed plan.

The court-appointed administrator is responsible for drawing up the classes and informing each affected party that it is a member of a class. The court-appointed administrator must, on the basis of objective verifiable criteria, allocate the affected parties in classes representing a sufficient commonality of economic interest (*communauté d'intérêt économique suffisante*) in compliance with the following conditions:

(i) creditors whose claims are secured by security interests *in rem* (*sûretés réelles*), in respect of the portion of their claim so secured, and other creditors shall belong to different classes;

(ii) the class formation shall comply with subordination agreements entered into before commencement of the proceedings that shall have been brought to the attention of the court-appointed administrator within ten days from his notification to each affected party of its membership in a class;

(iii) equity holders shall make up one or more classes; and

(iv) claims arising from employment contracts (including the French wage guarantee scheme (AGS) claims), pension rights, and maintenance claims cannot be affected by the plan and in respect of creditors secured by a security trust (*fiducie*) granted by the debtor, only the amount of their claims that are not secured by such security trust is taken into account.

The court-appointed administrator shall notify to each affected party the criteria for class formation and for the determination of the voting rights corresponding to the affected claims or rights allowing them to cast a vote. The amount of the claims taken into consideration is the one communicated by the debtor and certified by its auditor(s) or, failing that, endorsed by a certificate from its chartered certified accountant. Future interest claims calculated by a reference to an index are calculated by reference to the value of the index at the date of the court decision commencing the proceedings. The claims of creditors secured by a security trust (*fiducie*) shall only be taken into account for the portion of their claim not secured by the security trust.

Any affected party, the debtor, the public prosecutor, the creditors representative or the court-appointed administrator is entitled, within ten days following the notification of the criteria for the formation of the classes and the determination of the voting rights referred to in the preceding paragraph, to dispute the same before the supervisory judge. The supervisory judge must rule within ten days of the referral date, and failing that, any aforementioned person may refer the dispute to the court, which must rule within ten days of such later referral date. The supervisory judge's decision (or the court's decision, as the case may be) may be appealed within five days of its notification to the parties.

The proposed plan may, *inter alia*, include a rescheduling or cancellation of debts and/or debt-for-equity swaps (subject to specific exceptions, including in respect of claims benefiting from the Conciliation Lien or the Judicial Restructuring Lien).

The procedures for convening the affected parties and organizing their vote vary according to the parties concerned (creditors, bondholders, equity holders) and are ultimately determined by the court-appointed judicial administrator within certain guidelines set by the 2021 Decree.

The classes must approve or reject the plan within 20 to 30 days of its submission. The period may be extended or shortened by the supervisory judge, upon prior request of the debtor or the court-appointed administrator, but may not be shorter than 15 days.

The decision shall be taken by each class by a two-thirds majority of the votes held by the members casting a vote.

If applicable, the class or classes of equity holders vote under the rules governing votes at shareholders/equity holders' general meetings, except that the decision is taken at the same two-thirds majority.

Once the draft plan has been adopted by each of the classes, it will be submitted to the commercial court which shall essentially verify that the following conditions are met:

(i) the classes have been duly formed in accordance with the rules mentioned above;

(ii) affected parties, sharing a sufficient commonality of interest within the same class, are treated equally and in proportion to their claim or right;

(iii) the plan has been duly notified to all the affected parties;

(iv) if there are dissenting affected parties, the plan meets the "best interests of creditors" test (i.e., no dissenting party is worse off as a result of the plan than it would be if the order of priority of payments in a judicial liquidation were applied (whether in the event of a piecemeal sale or a court-ordered disposal plan (*plan de cession*)) or in the event of a better alternative solution if the plan was not approved);

(v) where applicable, any new financing is necessary to implement the plan and does not excessively impair the interests of the affected parties; and

(vi) the interests of all affected parties are sufficiently protected.

The court may refuse to adopt the plan if it does not offer a reasonable prospect of avoiding the debtor's insolvency or of ensuring the viability of the business. The judgment adopting the plan renders the plan enforceable against all (*erga omnes)* (including the affected parties who did not vote or voted against the adoption of the plan).

As for plans adopted through a standard consultation, if the plan provides for a share capital increase, the shareholders may pay up their subscription to such share capital increase by way of a set-off against their admitted claims against the debtor (as such claims may be reduced according to the provisions of the plan).

Cross-class cram-down: The 2021 Ordinance has introduced a cross-class cram-down mechanism into French law: where the safeguard plan is not approved by a two-thirds majority of each class, it may be adopted by the court at the request of the debtor or the court-appointed administrator (with the approval of the debtor) and be imposed on the parties that voted against the plan provided that:

(i) the plan complies with the conditions for adoption of the plan by the court mentioned above;

(ii) the plan has been approved by:

(a) a majority of the classes of affected parties entitled to vote, provided that at least one such class is a class of creditors whose claims are secured by security interests *in rem* (*sûretés réelles*) or is senior to the unsecured creditors' class (*créanciers chirographaires*); or, if such condition is not met,

(b) at least one of the classes of affected parties entitled to vote, other than an equity holders' class or any other class which, after determining the value of the debtor as a going concern, could reasonably be expected not to be entitled to any payment under the order of priority applicable to a judicial liquidation (whether in the event of a piecemeal sale or a court-ordered disposal plan (*plan de cession*));

(iii) the claims held by a dissenting class of affected parties are fully paid (by identical or equivalent means) if a lower ranking class is entitled to be paid or retains an interest within the plan (i.e., absolute priority rule);

(iv) no class of affected parties receives or retains, under the plan, more than the total amount of its claims or interests;

(v) where one or more classes of equity holders have been constituted and have not approved the plan, the plan can be imposed on such dissenting equity holders if:

(a) the debtor (on a standalone basis or together with other entities which they hold or control, within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code) meets or exceeds either of the following thresholds: (x) 250 employees and 20 million euros of net turnover or (y) € 40 million in net turnover;

(b) it is reasonably foreseeable, after determining the value of the debtor as a going concern, that the equity holders of the dissenting class or classes would not be entitled to any payment or retain any interest under the order of priority applicable to a judicial liquidation (whether in the event of a piecemeal sale or a court-ordered disposal plan (*plan de cession*));

(c) if the plan provides for a capital increase to be paid up by cash contribution or by way of set off of claims, the shares issued are offered by preference to the shareholders, *pro rata* their shareholding; and

(d) the plan does not provide for the transfer of all or part of the rights of the dissenting class or classes of equity holders,

The court's decision constitutes approval of the changes to the shareholding structure, to the rights of the equity holders, to the articles of association or the by-laws provided for in the plan. The court may appoint a judicial representative to perform the acts necessary for the implementation of these changes.

Upon request from the debtor, or from the court-appointed administrator with the debtor's consent, the court can override the absolute priority rule if it is deemed necessary to achieve the plan's objectives and if the plan does not excessively affect the rights or interests of affected parties. In particular, supplier claims, equity holders and tort liability claims may benefit from such exemption.

As for plans adopted through a standard consultation, if the court adopts a safeguard plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be disposed of without court's consent.

If no proposed safeguard plan is adopted by the classes of affected parties, the court may, at the request of the debtor, the court-appointed administrator, the *mandataire judiciaire* or the public prosecutor, convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is impossible and if the end of the safeguard proceedings would certainly lead the debtor to shortly becoming insolvent.

At the latest within ten days from the vote of the classes on the draft plan, any affected party having voted against the draft plan and considering that

(i) the best interest test criterion has not been met; or

(ii) in the event of a plan adopted by a cross-class cram-down and, based on the valuation of the debtor as a going concern, either (or both) of the following conditions has not been met:

(a) in the event that the plan was approved solely by the vote of an affected class that was not an equity holder, such class would not have been entitled to a payment in the event that the order of payment applicable in a judicial liquidation or, in the event of a sale of the debtor's assets as part of a court-ordered disposal plan, were applied;

(b) in the event that a class, or classes, of equity holders voted against the plan, such class(es) would not have received a payment or retained an interest in the event that the order of payment applicable in a judicial liquidation or, in the event of a sale of the debtor's assets as part of a court-ordered disposal plan, were applied,

may petition the court to dispute the same. Following a hearing and after receiving the public prosecutor's opinion, the court will, in the same decision, determine the value of the debtor (in respect of which the court is entitled to order the appointment of an expert) and rule on compliance with the aforementioned conditions and on the adoption of the plan.

This decision may itself be challenged within ten days of its notification or communication to them, by the affected party(ies) that initially challenged the class vote, the debtor, the court-appointed administrator, the creditors' representative or the public prosecutor.

In the event no safeguard plan is adopted through the class-based consultation procedure (whether by approval by the classes of affected parties or by a cross-class cram-down), there is no statute that allows French courts to impose a term-out (i.e., a rescheduling over a maximum period of 10 years of the indebtedness of dissenting creditors) although the courts retain this power under statute if the plan is adopted under the standard consultation procedure (i.e., if no classes are formed and, in judicial reorganization proceedings, in case of failure of the class-based consultation (see section "*Court-administered Proceedings—Judicial Reorganization or Judicial Liquidation Proceedings*" below)).

Specific case - Creditors that are public institutions: public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt write-offs under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible debt write-offs within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax authorities may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Where the plan provides for debt write-offs or rescheduling affecting secured public creditors' claims, the administrator can decide to gather those public creditors within a class (or classes) of affected parties called upon to vote on the proposed plan.

Court-Administered Proceedings - Accelerated Safeguard

A debtor that is engaged in conciliation proceedings may request the commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) enabling it to implement a restructuring plan in an expedited fashion through a class-based consultation.

To be eligible to accelerated safeguard proceedings, the debtor must fulfil the following conditions:

(i) its financial statements must have been certified by an auditor (*commissaire aux comptes*) or drawn-up by a chartered certified accountant (*expert-comptable*);

(ii) the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of the proceedings;

(iii) the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern that is likely to be supported by enough parties that will be impaired by such plan to render its adoption plausible within an initial two-month period which may be extended up to four months upon request from the debtor and the court-appointed administrator; and

(iv) the debtor must not have been insolvent for more than 45 days when it initially applied for commencement of conciliation proceedings.

The debtor may request the limitation of the scope of the accelerated safeguard proceedings to its financial creditors only, if the nature of its indebtedness is such that a plan could be adopted by such creditors alone.

If the debtor does not meet the thresholds above that require creditors' classes (see above) to be formed, the court must order such formation in the decision commencing the proceedings.

The regime applicable to standard safeguard proceedings is broadly applicable to accelerated safeguard proceedings. However, certain provisions relating to ongoing contracts and the provisions relating to the recovery of assets by their owners do not apply in accelerated safeguard proceedings.

The plan, in the context of accelerated safeguard proceedings, is adopted following the same majority rules as in standard safeguard proceedings and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital of the debtor.

If a plan is not adopted by the creditors and approved by the court within the applicable deadline, the court shall terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the class process and, in particular, cannot impose a term-out. The list of claims of affected parties, party to the conciliation proceedings, established by the debtor and certified by the statutory auditor or the chartered-accountant, shall be deemed to constitute the filing of such claims for the purpose of accelerated safeguard proceedings unless the affected parties otherwise elect to make such a filing (see section "*Status of Creditors during Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings*" below).

Court-Administered Proceedings - Judicial Reorganization or Judicial Liquidation Proceedings

Judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings may be initiated against or by a debtor only if it is insolvent and, in the case of judicial liquidation proceedings only, if the debtor's recovery is manifestly impossible. The debtor is required to petition for judicial reorganization or judicial liquidation proceedings, within 45 days of becoming insolvent if it does not file for conciliation proceedings (as discussed above). *De jure* managers (including directors) and, as the case may be, *de facto* managers that would have failed to file such a petition within the deadline are exposed to civil liability.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings that it determines to be most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate. In addition, at any time during the observation period, upon request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), a controller, the public prosecutor or upon its own initiative, the court may convert the judicial reorganization proceedings into judicial liquidation proceedings if it appears that the debtor's recovery is manifestly impossible. The court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the controllers, the public prosecutor and the workers' representatives (if any).

The objectives of judicial reorganization proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

In the event of judicial reorganization proceedings, an administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the debtor during an observation period, which may last up to 18 months (instead of a maximum of 12 months under safeguard proceedings), and make proposals either for the reorganization of the debtor (by helping the debtor to elaborate a draft judicial reorganization plan, which is similar to a draft safeguard plan and may include a partial sale of the business), the partial or total disposal of the business or the liquidation of the debtor. The court-appointed administrator will assist the debtor in making management decisions (*mission d'assistance*) or may be empowered by the court to take over the management and control of the debtor (*mission d'administration*).

Judicial reorganization proceedings broadly take place in a manner that is similar to safeguard proceedings (see above), subject to certain specificities.

Differences exist under judicial reorganization proceedings in respect of class formation and the adoption of the restructuring plan. The main differences are as follows:

(i) if the debtor does not meet the required threshold(s) the authorization to form classes of affected parties may also be requested from the supervisory judge by the court-appointed administrator on its own, without the debtor's approval (in addition to being requested by the debtor);

(ii) any affected party may submit a draft plan to the vote of the classes. The draft plan shall be submitted, together with the plan proposed by the debtor, at the latest 15 days before the date of the vote;

(iii) if the draft reorganization plan or the plan provides for a change in the equity structure or share transfers, prior approval clauses (*clauses d'agrément*) are deemed null and void.

(iv) if the plan has not been approved by all classes of affected parties, the court can decide to apply the cross-class cram-down mechanism at the request of any affected party (in addition to the debtor or the administrator with the debtor's consent); and

(v) in the event that plan approval through the class-based consultation procedure (whether by regular approval by the classes of affected parties or by a cross-class cram-down) fails the approval of the plan may occur through the individual consultation rules (see above).

In relation to equity holders, the following is also to be noted in the event of judicial reorganization proceedings:

(i) in case a shareholders meeting needs to vote to bring the shareholders equity to a level equal to at least one-half of the share capital as required by Article L. 626-3 of the French Commercial Code, the court-appointed administrator may request the appointment a court officer (*mandataire de justice*) to convene a shareholders meeting and to vote the restoration of the shareholders' equity up to the amount proposed by the court-appointed administrator on behalf of the shareholders that refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the reorganization plan;

(ii) if (a) the debtor company has at least 150 employees, or if it controls (within the meaning of the French Labor Code) one or more companies having together at least 150 employees, (b) the disappearance of the debtor company is likely to cause serious harm to the national or regional economy and to local employment, (c) the modification of the debtor company's share capital appears to be the only credible way to avoid harm to the national or regional economy and to allow the continued operation of the business as a going concern, then, at the request of the court-appointed administrator or of the public prosecutor (x) after the review of the options for a total or partial sale of the business and (y) if at least 3 months have elapsed as from the court decision commencing the proceedings, provided that the shareholders meetings required to approve the modification of the debtor company's share capital required for adoption of the reorganization plan have refused such modification, the insolvency court may either:

(a) appoint a court officer (*mandataire*) in order to convene the shareholders meeting and vote the share capital increase in lieu of the shareholders having refused to do so, up to the amount provided for in the reorganization plan; or

(b) order, in favor of the persons who have undertaken to perform the reorganization plan, the sale of all or part of the share capital held by the shareholders having refused the share capital modification and holding, directly or indirectly a portion of the share capital providing them with a majority of the voting rights (including as a result of an agreement with other shareholders) or a blocking minority in the debtor company's shareholders meetings, any consent clause being deemed unwritten; the other shareholders have the right to withdraw from the debtor company and request that their shares be purchased simultaneously by the transferees. In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by an expert designated by the court in summary proceedings.

In either of the above cases, the reorganization plan shall be subject to the undertaking of the new shareholders to hold their shares for a certain time period set by the court that may not exceed the duration of the reorganization plan.

If the proposed reorganization plans are manifestly unlikely to ensure that the debtor will recover or if no reorganization plan is proposed, the court upon the request of the administrator, can order the total or partial sale of the business as part of a court-ordered disposal plan (*plan de cession*).

At any time during the observation period, the court may, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), the public prosecutor or at its own initiative, order a partial cessation of activity (*cessation partielle de l'activité*) or order the liquidation of the debtor if its reorganization is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). There is no observation period in judicial liquidation proceedings nor does the law limit their duration (except with respect to simplified judicial liquidation proceedings). The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment). The liquidator will take over the management and control of the debtor and the managers of the debtor are no longer in charge of its management.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes, both of which are decided by the court without a vote of the creditors:

(i) a sale of the business (*cession d'entreprise*) (in which case a court-appointed administrator (*administrateur judiciaire*) will usually be appointed to manage the debtor during a temporary period of continuation of the business operations ordered by the court (three months, renewable once) and organize such sale of the business as a going-concern via an asset sale, a.k.a. a "disposal plan" (*plan de cession*)), any third party (as construed under French insolvency law) being entitled to present a bid on all or part of the debtor's business.

As part of the bids submitted to the court, the third-party purchaser can cherry-pick assets (including the real estate assets)/jobs/contracts without the liabilities pertaining to them (save exceptions). The price offered for the transferred assets (including the real estate assets) is usually at a significant discount compared to their going-concern market value. The court will tend to favor a credible disposal plan that ensures the continuation of the business as a going-concern and the preservation of jobs, over the payment of creditors.

Subject to certain exceptions, the court can judicially impose such a disposal plan on creditors, including secured creditors and mortgagees as a general principle, the payment of the purchase price operating to release their security interests. By way of exception:

(a) a purchaser is obliged to continue to pay the remaining instalments due to creditors having granted financing for the acquisition of assets, used as collateral for such creditors and included in the sale of the business plan;

(b) the purchaser will be able to exercise the purchase option under a financial lease only if the outstanding amounts under such lease are repaid (but within the limit of the value of the leased asset as set by agreement between the parties or, failing such agreement, by the court); and

(c) only those secured creditors benefitting from a retention right (which is the case for pledges over inventory or certain types of pledges over shares, but not mortgages over real estate assets) would be entitled to retain their security interest over the asset on which they have such right (and therefore in practice prevent its sale) until they are repaid in full of their claim so secured or unless an agreement is reached with the relevant parties.

Third-party purchasers may also submit combined bids in respect of all or part of the business of several debtors subject to insolvency proceedings, in particular when the key assets are located in different legal entities subject to insolvency proceedings. Again, the price offered for the transferred assets could be significantly less than their going-concern market value; or

(ii) separate sales of the individual assets of the debtor, in which case the liquidator may decide to:

(a) launch auction sales (*vente aux enchères* or *adjudication amiable* for real estate assets only);

(b) sell on an amicable basis (*vente de gré à gré*) each asset for which spontaneous purchase offers have been received, (the formal authorization of the supervisory judge being necessary to conclude the sale agreement with the bidder); or

(c) request, under the supervision of the supervisory judge, all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*). However, the possibility to implement such process is questioned by certain legal authors and case-law in this respect has varied.

If the court orders a disposal plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

The court will end the judicial liquidation proceedings when either:

(i) no due liabilities remain or the liquidator has sufficient funds to pay off the creditors (extinction du passif); or

(ii) continuation of the liquidation operations becomes impossible due to insufficiency of assets (insuffisance d'actif).

The court may also terminate the proceedings:

(i) when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets; or

(ii) in the event where there are insufficient funds to pay off the creditors in full, by appointing a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The "Hardening Period" (période suspecte) in judicial reorganization and judicial liquidation proceedings

The date of insolvency (*cessation des paiements*) of a debtor is determined in the court judgment commencing the proceedings. Failing this, the date of insolvency is deemed to be the date of such court judgment. The court may in any case reconsider the same at a later stage and set an earlier date for the occurrence of insolvency, which may be no earlier than 18 months before the date of the court judgment commencing the proceedings. Also, except in the case of fraud, the insolvency date may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). The insolvency date is important because it marks the beginning of the hardening period (*période suspecte*), being the period from the insolvency date of the debtor to the court decision commencing the judicial reorganization or judicial liquidation proceedings affecting it.

Certain transactions entered into during the hardening period are automatically void or voidable by the court.

Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration or for a nominal consideration, contracts under which the obligations of the debtor significantly exceed the reciprocal obligations of the other party, payments of debts not due at the time of payment, payments of debts that are due made in a manner that is not commonly used in the ordinary course of business, deposits of cash or monetary instruments ordered by a court decision that has not yet become final to serve as bond or as a precautionary measure in accordance with Article 2350 of the French Civil Code, security granted for debts previously incurred (unless they replace a previous security interest of at least an equivalent nature and base and with the exception of the assignment of a professional receivables (*Dailly* assignement) made in execution of a framework agreement entered into prior to the date of insolvency), provisional attachment or seizure measures (*mesures conservatoires*) (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for a debt simultaneously incurred), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as security for debt incurred prior to such amendment, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code.

Transactions that are voidable by the court include payments made on debts that are due, transactions for consideration, administrative seizure measures, notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the court determines that the party dealing with the debtor knew that the debtor was insolvent at the relevant time. Transactions relating to the transfer of assets for no consideration and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code are also voidable when entered into during the six-month period prior to the beginning of the hardening period. Unlike automatically void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only "voidable". There is no hardening period prior to safeguard proceedings or to accelerated safeguard proceedings.

Creditor Liability

Pursuant to Article L. 650-1 of the French Commercial Code (as interpreted by case law), where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of credit facilities granted to the debtor, if the granting of such credit was wrongful and in the case of (i) fraud, (ii) material interference with the management of the debtor or (iii) if the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Status of Creditors during Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the commencement of the proceedings triggers the acceleration of the debt (except with respect to judicial liquidation proceedings in which the court does not order the continued operation of the business) or the termination or cancellation of an ongoing contract are not enforceable against the debtor. Nor are "*contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of judicial reorganization proceedings*" (in accordance with a decision of the French Supreme Court dated January 14, 2014, no. 12-22.909, which case law is likely to be extended to safeguard or accelerated safeguard proceedings). However, the court-appointed administrator can unilaterally decide to terminate ongoing contracts (*contrats en cours*) that it believes the debtor will not be able to continue to perform. Conversely, the court-appointed administrator can require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that the debtor fully performs its post-commencement contractual obligations (and provided that, in the case of judicial reorganization or judicial liquidation proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). The commencement of judicial liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a disposal plan (*plan de cession*) as described above. In such case, the acceleration of the obligations will only occur on the date of the court decision ordering the disposal plan, as described above, or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

(i) accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment that is deferred by at least one year (however, accrued interest can no longer be compounded);

(ii) the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions, which essentially cover the set-off of related (*connexes*) debts and payments authorized by the supervisory judge (*juge commissaire*) to recover assets (whether they be pledged, retained by a creditor based on a retention right or constitute collateral in a security trust estate (*patrimoine fiduciaire*) required by the continued operation of the business) or to pay a carrier requesting payment directly from the debtor;

(iii) the debtor is prohibited from paying debts having arisen after the commencement of the proceedings unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor; security interests can be granted as regards such debts the payment of which is not prohibited, subject to prior authorization by the supervisory judge;

(iv) debts duly arising after the commencement of the proceedings and that were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a Conciliation Lien or a Restructuring Lien), provided that they are duly brought to the attention of the judicial administrator or, failing one, the *mandataire judiciaire*, or, should they both have ceased to be in office, the plan commissioner or the judicial liquidator within one year of the end of the observation period;

(v) creditors (or beneficiaries of a third party security granted by the debtor) may not initiate or pursue any individual legal action against the debtor (or against a guarantor of the debtor where such guarantor is a natural person) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:

(a) to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);

(b) to terminate a contract for nonpayment of amounts owed to the creditor; or

(c) to enforce the creditor's rights against any assets of the debtor, including if such assets secure third party debt, except (i) in judicial liquidation proceedings, by way of the applicable specific process for judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset- whether tangible or intangible, movable or immovable is located in another Member State within the European Union, in which case the rights *in rem* of creditors thereon would not be affected by the insolvency proceedings commenced in France, in accordance with the terms of Article 8 of the EU Insolvency Regulation (subject to secondary proceedings which may be commenced in such Member State). Similarly, the rights of a creditor on the debtor's assets located outside France and the EU would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party); and

(vi) any increase to the base of a contractual security interest or a contractual retention right: (by any means whatsoever, by adding or supplementing assets or rights, in particular by registration of securities or proceeds supplementing the securities registered in a pledged securities account) is prohibited; any contrary provision, in particular relating to the transfer of future assets or rights of the debtor not yet in existence on the date of the judgment commencing the proceedings, will be held unenforceable as from the date of commencement of the proceedings; by exception, the increase in the base of a contractual security interest may however validly result from an assignment of professional receivables (*Dailly* assignment) pursuant to a master agreement entered into before commencement of the proceedings or from other specific contrary provisions of the French Commercial Code regarding restructuring and insolvency, the French Monetary and Financial Code or the French Insurance Code and

(vii) in the context of reorganization or judicial liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrat en cours*), will be required.

A natural person that is the guarantor of the debtor may avail itself of the provisions of a safeguard plan or of a judicial reorganization plan adopted by the court.

In accelerated safeguard, the above rules would only apply to the creditors that fall within the scope of the proceedings (see above). Debts owed to creditors that are not within the scope of the proceedings continue to be payable in the ordinary course of business.

As a general rule, creditors domiciled in metropolitan France whose claims arose prior to the commencement of the proceedings must file a claim with the court-appointed creditors' representative within two months of the publication of the court decision in the official gazette (*Bulletin Officiel des*

Annonces Civiles et Commerciales); this period is extended to four months for creditors domiciled outside metropolitan France. Creditors must also file a claim for the post-commencement non-privileged debts, with respect to which the two-month or four-month period referred to above starts to run as from their maturity date. Creditors whose claims have not been submitted during the relevant period are, except for limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferred creditors under French law.

In addition, the holder of a security interest *in rem* granted by the debtor to secure the debt of a third party must also file a statement of claim with the creditors' representative under the same conditions.

At the beginning of the proceedings, the debtor must provide the court-appointed administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim, the claim as reported by the debtor is deemed to be a filing of the claim with the creditors' representative on behalf of the creditor. Creditors are allowed to ratify or amend a proof of claim so made on their behalf until the supervisory judge rules on the admissibility of the claim. They may also file their own proof of claim within the deadlines described above.

In accelerated safeguard proceedings however, the debtor draws a list of the claims of its creditors having taken part in the conciliation proceedings, which is certified by its statutory auditors or chartered certified accountant. Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust if necessary the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Creditors that did not take part in the conciliation proceedings must file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan.

If the court orders a disposal plan (*plan de cession*) of the debtor in judicial reorganization or judicial liquidation proceedings (see above), the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the liquidator appointed by the court will be in charge of settling the debtor's debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post-commencement legal costs (essentially, court officials fees), creditors who benefit from a Conciliation Lien or a Restructuring Lien (see above), post-commencement privileged creditors and public creditors (i.e., taxes and social charges). In the event of judicial liquidation proceedings only, certain pre-commencement secured creditors whose claim is secured by real estate are paid prior to post-commencement privileged creditors. This order of priority is not relevant to all creditors, for example creditors benefiting from a retention right over assets with respect to their claim related to such asset will be treated separately.

Limitations on SSN Guarantees

The liabilities and obligations of each SSN Guarantors are subject to:

(i) certain exceptions, including to the extent of any obligations which would constitute prohibited financial assistance within the meaning of Article L. 225-216 of the French Commercial Code or infringement of the provisions of Articles L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code; and

(ii) French corporate benefit rules.

Under French financial assistance rules, a company is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of its acquisition.

Under French corporate benefit rules, a guarantor must receive an actual and adequate benefit from the transaction involving the granting by it of the guarantee, taken as a whole. A court could declare any guarantee unenforceable and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if it found that these criteria were not fulfilled. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

Accordingly, each of the guarantees by the SSN Guarantors and the amounts recoverable thereunder will be limited, at any time, to an amount equal to the aggregate of the proceeds of the Notes to the extent directly or indirectly on-lent by the SSN Issuers to the relevant SSN Guarantor, or any of its subsidiaries under intercompany loans or similar arrangements and outstanding on the date a payment is requested to be made by such SSN Guarantor under its SSN Guarantee. Any payment made by such SSN Guarantor under its SSN Guarantee in respect of the obligations of any other obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such SSN Guarantor or its subsidiaries under the intercompany loan arrangements referred to above. By virtue of this limitation, a SSN Guarantor's obligation under the SSN Guarantees could be significantly less than amounts payable with respect to the Notes, or a SSN Guarantor may have effectively no obligation under its SSN Guarantee. The amount secured by any SSN Collateral which is granted by any such SSN Guarantor (or any other guarantor which is incorporated in France) will likewise be limited by the amount which it is so able to guarantee.

In addition, if a SSN Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such SSN Guarantor would obtain in a transaction entered into on an arm's-length basis, the difference between the actual economic benefit and that in a comparable arm's-length transaction could be taxable under certain circumstances.

Rights in the Collateral - Perfection.

Under French law, a security interest in certain 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 liens on 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 liens. Furthermore, it should be noted that neither the Trustee nor the Security Agent may have any obligation to take any steps or action to perfect any of these liens. In particular, pledges over the securities of French subsidiaries in the form a stock company (*société par actions*) that are governed by French law consist of pledges over a securities account (*nantissement de compte de titres financiers*) in which the relevant securities are registered. The securities account pledges will be validly established after execution of a statement of pledge (*déclaration de nantissement de compte titres financiers*) by each security provider in favor of the Security Agent. Each statement of pledge will have to be registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry (*registre de mouvement de titres*) of each Issuer and each SSN Guarantor. In France, no lien searches are available for security interests which are not publicly registered (such as pledges over securities account, receivables or bank accounts), with the result that no assurance can be given on the priority of a security interest if it is not publicly registered.

Limitations on Enforcement of Security Interests

Security interests governed by French law may only be enforced by a creditor up to the secured amount that is due and unpaid to it. Pledges over securities (whether in the form of a pledge over securities account or in the form of a pledge over shareholding interests (*parts sociales*)) may generally be enforced at the option of the secured creditors either (i) by way of a sale of the pledged securities in a public auction (the proceeds of the sale being paid to the secured creditors) or (ii) by way of judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*pacte commissoire*) of the pledged securities to the secured creditors, following which the secured creditors become the legal owner of the pledged securities. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities and related cash proceeds and incomes (*fruits et produits*). Such value is determined either by the court in the context of a judicial attribution or by a pre-contractually agreed or court appointed expert in the context of a contractual foreclosure. If the value of the Collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities and related cash proceeds and incomes (*fruits et produits*) as so determined and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent on-sale of the Collateral.

If the value of such securities and related cash proceeds and incomes (*fruits et produits*) is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities and related cash proceeds and incomes (*fruits et produits*), and the remaining amount owed to such creditors will be unsecured in that respect.

An enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. If enforcement is implemented through a public auction procedure, it is possible that the sale price received in any such auction might not reflect the value of the securities since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies.

Parallel Debt

The beneficial holders of interests in the Notes from time to time will not be direct parties to the Security Documents. In order to permit the beneficial holders of the Notes to benefit from a secured claim, there will be provided for the creation of “parallel debt” obligations in favor of the Security Agent (the “**Parallel Debt**”) mirroring the obligations of the Issuers and the SNN Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indentures (the “**Principal Obligations**”).

The Parallel Debt will at all times be in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Pursuant to the Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by French law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. The holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent (even if they are in some instances direct beneficiaries of the security interests in the Collateral).

There is one published decision of the French Supreme Court (*Cour de cassation*) on parallel debt mechanisms (*Cass. com.*, September 13, 2011, no. 10-25533, “*Belvédère*”) relating to a bond documentation governed by New York law. Such a decision recognized the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a parallel debt. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a parallel debt claim, considering that it did not contravene French international public policy *(ordre public international*) rules. The ruling was made on the basis that the French debtor was not exposed to double payment or artificial liability as a result of the parallel debt mechanism. Although this court decision is generally viewed by legal practitioners and academics as a recognition by French courts of parallel debt structures in such circumstances, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, it should be noted that the legal issue addressed by it is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a parallel debt. It is also fair to say that case law on this matter is scarce and based on a case-by-case analysis. Such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt claim. There is no certainty that the parallel debt construction will eliminate the risk of unenforceability under French law.

To the extent that the security interests in the Collateral created to the benefit of the Security Agent as parallel debt creditor under the parallel debt construction are successfully challenged by other parties, holders of the Notes may not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral. The holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent as the beneficiary of the Parallel Debt.

Trustee

The Trustee has certain assigned duties and rights under each of the Indentures that become particularly important following default or events of default, and acts as trustee in a fiduciary capacity in the best interests of the holders of the Notes.

A concept of “trust” has been recognized for tax purposes by Article 792-0 *bis* of the French Tax Code and the French supreme court (*Cour de cassation*) has held, in the *Belvédère* decision referred to above in respect of the parallel debt concept, that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings opened in France. However, while substantial comfort may be derived from the above, France has not ratified The Hague Convention of July 1, 1985 on the law applicable to trusts and on their recognition, so that the concept of “trust” has not been generally recognized under French law.

Recognition of Validity of Second or Lower Ranking Financial Securities Account Pledges by French courts

The Intercreditor Agreement provides for a mechanism allowing the implementation of second or lower ranking pledges over financial securities accounts.

A pledge over the shares of a stock company (*société par actions*) governed by French law is a pledge over the relevant securities account (*nantissement de compte de titres financiers*) in which the shares of such company are registered. In France, no lien searches are available for security interests which are not registered, such as pledges over securities accounts (*nantissements de comptes de titres financiers*). As a result, no assurance can be given on the priority of a pledge over a securities account in which the shares of such a company are registered.

Moreover, a pledge over securities accounts is deemed, under French law, to remove the securities account from the possession of the grantor, thereby preventing such grantor from granting a second or lower ranking pledge thereon. To our knowledge, French courts have never expressly recognized the concept of second (or lower) ranking pledge in respect of a financial securities account and, if article 2340 of the French Civil Code does recognize the possibility to create multiple pledges in respect of the same tangible asset, this article is not expressly stated to apply to pledges over financial securities account, and consequently, no assurances can be given that such second or lower ranking pledges would be upheld if tested. Therefore, there is a risk that the second or lower ranking pledge over the securities account in which the shares of such company are respectively registered may be held void or unenforceable by a French court, which in turn could materially adversely affect the recovery under the Notes or Note Guarantees (as applicable) following an enforcement event. French *Ordonnance* n°2021-1192 dated 15 September 2021 provides however that the relevant provisions of French law will be amended from 1st January 2022 to expressely recognize the possibility to grant successive pledges over the same securities account.

Assumptions as to the Enforceability of Second Ranking Pledges Over Receivables/Bank Accounts

The Intercreditor Agreement provides for a mechanism allowing the implementation of second or lower ranking pledges over bank accounts or receivables.

The pledges over receivables/bank accounts are governed by French law. In France, no lien searches are available for security interests which are not registered, such as pledges over receivables/bank accounts. As a result, no assurance can be given on the priority of the pledges over the receivables/bank accounts of a company.

Although French law does not expressly prohibit the grantor of a pledge over receivables/bank accounts from granting a second ranking pledge over the same receivables/bank accounts, this structure has not been tested before the French courts and no assurances can be given that such second ranking pledges would be upheld if tested. French *Ordonnance* n°2021-1192 dated 15 September 2021 provides however that the relevant provisions of French law will be amended from 1st January 2022 to expressely recognize the possibility to grant successive pledges over the same receivables.

Fraudulent Conveyance

French law contains specific, "*action paulienne*" provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor's or a third party's obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant debtor by the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) insolvency proceedings of the relevant debtor, or by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against third parties if:

(i) the debtor performed such act without an obligation to do so,;

(ii) the relevant creditor or (in the case of the debtor's insolvency proceedings) any creditor was prejudiced in its means of recovery as a consequence of the act; and

(iii) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary).

If a court found that the issuance of the Notes, the grant of the security interests in the Collateral, or the granting of a SSN Guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes, the granting of the security interests in the Collateral or the granting of such SSN Guarantee could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the SSN Guarantees or the security interests in the Collateral and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests in the Collateral or the SSN Guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuers or the SSN Guarantors as a result of the fraudulent conveyance.

Recognition of Intercreditor Arrangements by French Courts

There is no law or published decision of the French courts of appeal or of the French Supreme Court (*Cour de cassation*) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for Articles L. 626-30 and L. 628-7 of the French Commercial Code pursuant to which, in the context of safeguard or judicial reorganization proceedings, court-appointed administrator, while constituting the classes shall comply with the provisions of subordination agreements between creditors that were entered into prior to the commencement of the safeguard, accelerated safeguard or judicial reorganization proceedings, provided that such subordination agreements have been brought to his attention within the required deadline.

As a consequence, except to the extent referred to above (which, as at the date of the Offering Memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the Purchase Agreement to be dated as of October 22, 2021, the Issuers have agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed, severally and not jointly, to purchase the Notes from the Issuers.

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 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 price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. Sales of the Notes by the Initial Purchasers in the United States may be made through affiliates of the Initial Purchasers who are qualified broker-dealers under applicable law.

We have agreed to provide the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses. 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 the Issuers 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. The Issuers have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuers that are substantially similar to the Notes during the period from the date of the Purchase Agreement through and including the date that is 90 days after the date of the Purchase Agreement, without the prior written consent of the representatives of the Initial Purchasers.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except to QIBs in reliance on Rule 144A and to persons outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "*Transfer Restrictions*".

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II;
- a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in the Prospectus Regulation.

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;

- a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

- not a qualified investor as defined in the UK Prospectus Regulation.

In the Purchase Agreement, the Initial Purchasers have, severally and not jointly, represented, warranted and agreed that they:

- have 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 them in connection with the issuance or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuers; and

- have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States, France and the United Kingdom, by the Issuers or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Listing Prospectus or any other material relating to the Issuers 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 Listing Prospectus 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 Listing Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase the Notes in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Listing Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Listing Prospectus and resale of the Notes. See "*Important Information About This Listing Prospectus*" and "*Notice to Investors*".

The Notes and the SSN Guarantees are a new issue of securities for which there currently is no market. The Issuers have applied to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes for trading on the Euro MTF Market thereof; however, the Issuers cannot assure you that such listing will be maintained.

The Initial Purchasers have advised the Issuer 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. Securities Act and the U.S. Securities Exchange Act. Accordingly, the Issuers 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.

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the Issue Date, which will be seven business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Securities Exchange Act) following the date of pricing of the Notes (this settlement cycle is referred to as "**T + 7**"). Under Rule 15c6-1 of the U.S. Securities 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 the Offering Memorandum or the next four succeeding 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, the Stabilizing Managers, or a person acting on their respective behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Managers may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Managers 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 Managers may bid for and purchase Notes in market-making transactions as permitted by applicable laws and regulations. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Managers are not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

These stabilizing transactions and covering transactions 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 at the sole discretion of the Stabilizing Managers. If these activities are commenced, they must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers or their respective affiliates from time to time have provided, and may in the future provide, commercial lending, investment banking, hedging, consulting and financial advisory services to the Issuers, the SSN Guarantors and their subsidiaries and affiliates for which they have received, and in the future may receive, customary fees and expenses. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or the Issuers' affiliates. The Initial Purchasers or their affiliates have a lending relationship with us and may hedge their credit exposure to us consistent with their customary risk management policies. Moreover, the Initial Purchasers and their affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments. Affiliates of the Initial Purchasers will be mandated lead arrangers and lenders under the New Revolving Credit Facility Agreement, which will be made available to the SSN Issuer and certain of its subsidiaries on or about the Issue Date.

Any offer or sale in the United States will be made by affiliates of the Initial Purchasers who are broker-dealers registered under the U.S. Securities Exchange Act of 1934, as amended. To the extent that any Initial Purchaser intends to effect any sales of the Notes in the United States, it will do so through one or more U.S. registered broker-dealers as permitted by FINRA regulations. In addition, until 40 days after the commencement of the Offering, an offer or sale of 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 of the U.S. Securities Act and in connection with any applicable state securities laws.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the SSN Guarantees have not been and will not be registered under the U.S. Securities Act, or securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any other jurisdiction. Accordingly, the Notes and the SSN Guarantees offered hereby are being offered and sold only to persons reasonably believed to be "qualified institutional buyers", commonly referred to as "**QIBs**", (as defined in Rule 144A under the Securities Act) in accordance with Rule 144A under the U.S. Securities Act and outside the United States in offshore transactions in reliance on Regulation S (and only to investors who, if in a Member State of the EEA are not retail investors) and if in the UK, are not retail investors. A "retail investor" in relation to a Member State of the EEA 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 Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II); or (iii) not a qualified investor as defined in the Prospectus Regulation. A "retail investor" in relation to the UK means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

We have not registered and will not register the Notes under the U.S. Securities Act, and therefore the Notes and the SSN Guarantees may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Issuers are offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States, to QIBs, as defined in Rule 144A in compliance with Rule 144A; and

- outside the United States, in offshore transactions in accordance with Regulation S.

We use the terms "offshore transaction" and "United States" with the meanings given to them in Regulation S.

You, by your acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand that the Notes and the SSN Guarantees are being offered for resale in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes have not been and will not be registered under the U.S. Securities Act or any other applicable securities laws, including sales pursuant to Rule 144A and, unless so registered may not be offered, resold, pledged or otherwise transferred, except in compliance with the registration requirements of the 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 (6) and (7) below.

(2) You are neither of the Issuer's "affiliate" (as defined in Rule 144A), nor acting on its behalf, and that you are either:

(a) a QIB, within the meaning of Rule 144A, and are aware that any sale of Notes to you will be made in reliance on Rule 144A and such acquisition of Notes will be for your own account or for the account of another person that you reasonably believes is a QIB; or

(b) purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S;

(c) if you are in a Member State of the EAA, are not a retail investor (as defined above in relation to the EEA); or

(d) if you are in the UK, are not a retail investor (as defined above in relation to the UK).

(3) You acknowledge that neither the Issuers nor the Initial Purchasers, nor any person representing the Issuers or the Initial Purchasers, has made any representation to you with respect to the offer or sale of any Notes, other than the information contained in this Listing Prospectus, such Listing Prospectus having 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 makes any representation or warranty as to the accuracy or completeness of this Listing Prospectus. You have had access to such financial and other information concerning the Issuers 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, the Issuers 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 for which you are purchasing the Notes, and each subsequent holder of the Notes by the 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, in the case of the Notes issued in reliance on Rule 144A, one year after the later of the date of the original issue, the original issue date of any additional Notes and the last date on which the Issuer or any of its affiliates were the owner of such Notes (or any predecessor thereof) or, in the case of the Notes issued in reliance on Regulation S, 40 days after the later of the original issue date (or, if later, the issue date of any additional Notes) and the last date on which the Notes were first offered to persons other than "distributors" (as defined in Rule 902 of Regulation S), only (i) to the Issuers or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, an exemption from the registration requirements of the U.S. Securities Act or in any transaction not subject thereto, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, 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, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S 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 in 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, (A) 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 (B) in each of the foregoing cases, to require that a certificate of transfer is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE 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 REOFFERED, 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, AGREES ON ITS BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, WHICH IS [*IN THE CASE OF REGULATION S NOTES*: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR IF LATER, THE ISSUE DATE OF ANY ADDITIONAL NOTES) AND THE DATE ON WHICH THIS SECURITY WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF THE REGULATION S)] [*IN THE CASE OF RULE 144A NOTES*: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES 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, [THE SSN GUARANTORS] OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OR IN ANY TRANSACTION NOT SUBJECT THERETO (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE 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 IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S, THE TRUSTEE'S AND THE TRANSFER AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “U.S. PERSON”, “OFFSHORE TRANSACTION” AND “UNITED STATES” HAVE THE MEANING GIVEN TO THEM BY REGULATION S.

The following legend shall also be included, if applicable:

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS NOTE WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), AND THIS LEGEND IS REQUIRED BY SECTION 1275(C) OF THE CODE. HOLDERS MAY OBTAIN INFORMATION REGARDING THE AMOUNT OF OID, THE ISSUE PRICE, THE ISSUE DATE AND THE YIELD TO MATURITY RELATING TO THE NOTES BY CONTACTING THE ISSUER AT [34, RUE MOZART – IMMEUBLE LE CASSIOPEE, 92110 CLICHY, FRANCE] [59, RUE DE TOCQUEVILLE, 75017 PARIS, FRANCE], ATTENTION: INVESTOR RELATIONS.

A purchaser of Notes 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.

(7) 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.

(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 the Issuer and the Registrar that the restrictions set forth therein have been complied with.

(9) 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.

(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 agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, you 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 the Issuers or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Listing Prospectus or any other material relating to the Issuers, 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*" and "*Notice to Investors*"

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for the Issuers by Latham & Watkins AARPI as to matters of U.S. federal, New York state and French law and by Latham & Watkins (London) LLP as to matters of English law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by White & Case LLP as to matters of U.S. federal, New York state, French and English law.

INDEPENDENT AUDITORS

The consolidated financial statements of the Group as of and for the years ended December 31, 2018, 2019 and 2020, free English translations of which are included elsewhere in this Listing Prospectus, have been prepared in accordance with IFRS and have been audited by KPMG SA and Exelmans Audit et Conseil, independent auditors to the SSN Issuer, as stated in their reports, free English translations of which are included elsewhere in this Listing Prospectus. The unaudited interim condensed consolidated financial statements of the Group as of and for the six months ended June 30, 2021, free English translations of which are included elsewhere in this Listing Prospectus, have been prepared in accordance with IAS 34 the standard of IFRS applicable to interim financial statements and have been subject to a limited review by KPMG SA and Exelmans Audit et Conseil, as stated in their report, free English translations of which are included elsewhere in this Listing Prospectus.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Each of the Issuers and the SSN Guarantors is an entity organized under the laws of France with its registered office and principal place of business located in France (together, the "**French Entities**").

The majority of the directors, officers and other executives of the French Entities are neither residents nor citizens of the United States (the "**French Individuals**"). Furthermore, most of the assets of the French Entities or the French Individuals are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons and entities, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws within the United States. Actions in the United States under the U.S. federal securities laws could be affected under certain circumstances by (i) the French law No. 68-678 of July 26, 1968, as modified by the French law No. 80-538 of July 16, 1980 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons) and by (ii) the French law No. 2018-670 of July 30, 2018 (relating to the protection of business confidentiality) which may both preclude or restrict the obtaining of evidence in France or from French persons in connection with a judicial or administrative U.S. action.

France

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law claims connected with the Notes against French Entities and/or French Individuals.

The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal judiciare*) that has exclusive jurisdiction over such matter. The civil court with territorial jurisdiction is determined in accordance with Articles 42 and 43 of the French Code of Civil Procedure.

Enforcement in France of such U.S. judgment could be obtained, at the request of the party in whose favor the judgment was rendered, following proper proceedings (*i.e.*, *non ex parte*) if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter since the dispute is clearly connected to the jurisdiction of such court (*i.e.*, there was no international forum shopping), the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights; and

- such U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only a U.S. judgment that is enforceable in the jurisdiction of the U.S. court which rendered it can benefit from an exequatur under French law, that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no proceedings pending before French courts at the time enforcement of the U.S. judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France after all remedies have been exhausted. However, the decision granting the exequatur is subject to appeal, the appeal Court decision also being rendered on the ground of the above-mentioned criteria.

In addition, the discovery process under actions filed in the United States could be affected under certain circumstances by (i) French law No. 68 678 of July 26, 1968, as modified by French law No. 80 538 of July 16, 1980 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons) and by (ii) the French law No. 2018-670 of July 30, 2018 (relating to the protection of business confidentiality) which may both prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (Law No. 78 17 of January 6, 1978 on data processing, data files and individual liberties, as modified by the French law No. 2018-493 of June 20, 2018 (relating to the protection of personal data)) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case by case basis by French courts) or in case of overriding mandatory rules. Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French Individuals. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

It must be noted that under Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) **(the "Brussels I Regulation (Recast")),** the privileges granted to French nationals pursuant to Articles 14 and 15 of the French Civil Code may not be invoked against a person domiciled in a Member State where the legal actions fall within the scope of Brussels I Regulation (Recast). Conversely, pursuant to Article 6.2 of Brussels I Regulation (Recast), the privilege granted by Article 14 of the French Civil Code may be invoked by a claimant domiciled in France, regardless of the claimant's nationality, to sue before French courts a defendant domiciled outside the

EU. Moreover, three decisions of the civil chamber of the French Supreme Court (*Cour de cassation*) dated September 26, 2012, March 25, 2015 and October 7, 2015 and a decision of the commercial chamber of the French Supreme Court permit that contractual provisions submitting one party to the exclusive jurisdiction of a court and giving another party an additional option to choose another jurisdiction (one-sided jurisdiction clauses) may only be effective if they set out an objective basis for the alternative jurisdictions that one party could choose. Accordingly, any one-sided jurisdiction clauses which do not set out an objective basis (as a reference to a ground of jurisdiction or to legal rules) in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts.

The French Supreme Court (*Cour de cassation*) confirmed in 2018 its earlier decisions rendered in 2015 and 2012.

However, these decisions were made on the basis of Council Regulation (EC) No 44/2001 of December 22, 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or on the basis of the Convention on jurisdiction and the enforcement of judgments in civil and commercial matters signed in Lugano on October 30, 2007 and that such decisions have yet to be confirmed in the context of Brussels I Regulation (Recast).

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, in accordance with the rules and regulations of the Luxembourg Stock Exchange.

Listing Information

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents in English may be inspected and obtained free of charge at the offices of the Listing Agent during normal business hours on any weekday (excluding holidays):

- the organizational documents of the Issuers and the SSN Guarantors;
- the bylaws of the Issuers and the SSN Guarantors;
- the financial statements of the SSN Issuer included in the Offering Memorandum;
- any annual and interim condensed consolidated financial statements or accounts of the SSN Issuer dated subsequent to the date of the Offering Memorandum, to the extent available;
- the Indentures;
- the Security Documents (in each case, following the execution thereof);
- this Listing Prospectus; and
- the Intercreditor Agreement.

It is expected that the approval (*visa*) in connection with the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF Market will be granted by the Luxembourg Stock Exchange promptly after the issuance of the Notes.

The Issuers have appointed Banque Internationale à Luxembourg SA as Listing Agent, Elavon Financial Services DAC as Registrar, Calculation Agent and Transfer Agent, Elavon Financial Services DAC as Paying Agent and U.S. Bank Trustees Limited as Trustee and Security Agent. The Issuers reserve the right to vary such appointments in accordance with the terms of the Indentures and, if so required by the internal rules and regulations of the Luxembourg Stock Exchange, will publish a notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*) or on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) or by any other means considered equivalent by the Luxembourg Stock Exchange.

The Issuers accept responsibility for the information contained in this Listing Prospectus. To the Issuers' best knowledge, except as otherwise noted, the information contained in this Listing

Prospectus is in accordance with the facts and does not omit anything likely to affect the import of this Listing Prospectus. This Listing Prospectus may only be used for the purposes for which it has been published.

Clearing Information

Application has been made for the Notes sold pursuant to both Regulation S and Rule 144A to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.The Senior Secured Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Clearstream and Euroclear under common codes 240303191 and 240303205, respectively. The ISIN for the Senior Secured Notes sold pursuant to Regulation S is XS2403031912 and the ISIN for the Senior Secured Notes sold pursuant to Rule 144A is XS2403032050. The PIK Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Clearstream and Euroclear under common codes 240207176 and 240207192, respectively. The ISIN for the PIK Notes sold pursuant to Regulation S is XS2402071760 and the ISIN for the PIK Notes sold pursuant to Rule 144A is XS2402071927.

Legal Information

The SSN Issuer

Burger King France (LEI: 969500A4HTNGMMUV5Q06) is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 34, rue Mozart – Immeuble Le Cassiopée, 92110 Clichy, France. It is registered under number 797 882 867 R.C.S. Nanterre. As of June 30 2021, the share capital of the SSN Issuer (which has been paid up in full) amounted to €39,161,544.00 divided into 1,155,183 shares. All shares have a par value of €0.01. There has been no change in the share capital since such date. The corporate purpose of the SSN Issuer includes among other things, the providing services, developing or operating activities within the restaurant segment, carrying out any operation that may have a similar or related connection to the restaurant segment, purchasing or acquiring any interest in companies with activities related to the restaurant segment.

The PIK Issuer

Midco GB (LEI: 9845002EBFE6FE882F65) is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 59, rue de Tocqueville, 75017 Paris, France. It is registered under number 838 636 306 R.C.S. Paris. As of June 30 2021, the share capital of the PIK Issuer (which has been paid up in full) amounted to €70,712,385.00 divided into 70,712,385 shares. All shares have a par value of €1.00. There has been no change in the share capital since such date. The corporate purpose of the PIK Issuer includes, among other things, holding interests in any company, the acquisition, subscription or management and disposal, in any form, of all shares and securities in all companies or legal entities, created or to be created, French or foreign.

The SSN Guarantors

Burger King Restauration SAS is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 34, rue Mozart – Immeuble Le Cassiopée, 92110 Clichy, France.

France BKR SAS is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 34, rue Mozart – Immeuble Le Cassiopée, 92110 Clichy, France.

BKF Invest France SNC is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 34, rue Mozart – Immeuble Le Cassiopée, 92110 Clichy, France.

Financière BKF SAS is a *société par actions simplifiée* (simplified joint stock company) organized under the laws of France. Its registered office is located at 34, rue Mozart – Immeuble Le Cassiopée, 92110 Clichy, France.

General

Except as disclosed in this Listing Prospectus:

- there has been no material adverse change in the SSN Issuer's or the PIK Issuer's financial position since June 30, 2021; andneither the SSN Issuer, the PIK Issuer nor any of its subsidiaries has been involved in any litigation, administrative proceedings or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes except as otherwise disclosed in this Listing Prospectus, and, so far as the Issuer is aware, no such proceedings are pending or threatened.

The issuance of the Senior Secured Notes has been approved by the supervisory board of the SSN Issuer on October 15, 2021. The issuance of the PIK Notes has been approved by the sole shareholder of the PIK Issuer on October 19, 2021.

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REGISTERED OFFICE OF THE ISSUERS

SSN Issuer
Burger King France SAS
34, rue Mozart – Immeuble Le Cassiopée 92110
Clichy
France

PIK Issuer
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Dublin 18
Ireland, D18 W2X7

LISTING AGENT

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L-1470 Luxembourg

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France

LEGAL ADVISOR TO THE TRUSTEE AND SECURITY AGENT

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LISTING PROSPECTUS

Burger King France SAS

€620,000,000 Floating Rate Senior Secured Notes due 2026

Joint Global Coordinators and Joint Bookrunners

BNP PARIBAS **J.P. Morgan**

Joint Bookrunners

BofA Securities **Crédit Agricole CIB** **Crédit Suisse**

Goldman Sachs Bank Europe SE **Morgan Stanley**

Midco GB

€235,000,000 Senior Pay-If-You-Can PIK Toggle Notes due 2027

Joint Global Coordinators and Joint Bookrunners

J.P. Morgan **BNP PARIBAS**

Joint Bookrunners

BofA Securities **Crédit Agricole CIB** **Crédit Suisse**

Goldman Sachs Bank Europe SE **Morgan Stanley**

December 30, 2021

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021
GROUPE BURGER KING FRANCE

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In 000 EUR	Notes	June 2021	Dec. 2020
NON-CURRENT ASSETS		**1 025 521**	**966 885**
Goodwill	8.1	236 219	234 537
Intangible assets	8.2	3 065	3 607
Property, plant and equipment	8.3	758 696	712 452
Non-current financial assets	6.6	11 749	11 178
Deferred tax assets		10 764	491
Financial receivables and other non-current assets		5 028	4 620
CURRENT ASSETS		**548 881**	**545 966**
Inventories	6.5.1	1 672	1 958
Trade receivables	6.5.2	48 257	52 977
Current tax assets	6.5.3	1 284	3 357
Other current assets	6.5.3	18 378	22 418
Cash and cash equivalents	10.2.2	149 080	166 150
Assets held for sale	4.2	330 210	299 106
TOTAL ASSETS		**1 574 402**	**1 512 851**
TOTAL EQUITY		**87 144**	**91 185**
Share capital	12	39 162	39 162
Share premiums	12	163 301	163 301
Retained earnings (including net profit for the period)		(115 233)	(111 315)
Attributable to non-controlling interests	4.4	(86)	37
NON-CURRENT LIABILITIES		**1 114 442**	**1 077 956**
Non-current provisions	9	6 555	7 217
Financial liabilities	10.2	638 776	652 893
Non-current lease liabilities	10.2	430 990	381 104
Other financial liabilities	10.2	26 113	24 425
Other non-current liabilities	6.7	11 955	11 588
Deferred tax liabilities		53	729
CURRENT LIABILITIES		**372 816**	**343 710**
Financial liabilities	10.2	116 153	102 451
Current lease liabilities	10.2	44 486	42 374
Trade payables		63 927	71 630
Current tax liabilities		6 740	200
Other current liabilities	6.5.4	49 997	53 738
Liabilities held for sale	4.2	**91 513**	**73 317**

TOTAL LIABILITIES & EQUITY	**1 574 402**	**1 512 851**

CONSOLIDATED INCOME STATEMENT

In 000 EUR	**Notes**	**June 2021**	**June 2020**
Continuing operations			
Sales and franchise revenues	6.1	221 407	137 506
Cost of sales		(77 791)	(52 560)
Gross profit	6.2	**143 616**	**84 946**
Operating and occupancy costs (excl. dep. & amor.)		(17 650)	(16 376)
Depreciation and amortization (restaurants)		(35 388)	(35 913)
Profit from operations	6.2	**90 578**	**32 658**
Selling costs		(16 733)	(9 861)
BK brand royalties		(22 431)	(14 325)
Pre-opening costs		(268)	(350)
Other operating and income expenses	6.3	1 312	899
Gross operating profit of restaurants		**52 458**	**9 021**
General and administrative costs (excl. dep. and amor.)		(18 521)	(17 546)
Dep. and amort. (corporate center)		(3 066)	(2 896)
Other corporate income and expenses		(72)	712
Operating profit before non-recurring items		**30 799**	**(10 710)**
Other non-recurring income and expenses	6.4	(1 544)	(3 073)
Operating profit/(loss) after non-recurring items		**29 255**	**(13 783)**
Net financial income/(expense)	10.1	(33 888)	(31 527)
Profit/(loss) before tax		**(4 633)**	**(45 310)**
Share of profit/(loss) of companies consolidated using the equity method		3	(42)
Income tax	11	534	(717)
Net income from continuing operations		**(4 096)**	**(46 069)**
Income from assets held for sales and discontinued operations	4.2	7 719	4 262
Net profit/(loss) for the period		**3 623**	**(41 807)**
Share of non-controlling interests		633	(1 186)

Group's share of net income	2 990	(40 621)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In 000 EUR	**Notes**	**June 2021**	**June 2020**
Net consolidated profit/(loss) for the period		**3 623**	**(41 807)**
Cash-flow hedging	10.4.2	86	193
Related tax assets/(liability)		(25)	(56)
Other comprehensive income which may subsequently be reclassified to profit or loss		**61**	**137**
Total other comprehensive income		**61**	**137**
Total comprehensive income		**3 684**	**(41 669)**
Group's share		3 051	(40 483)
Share attributable to non-controlling interests		633	(1 186)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In 000 EUR	Notes	Share capital	Share premium	Actuarial gain/loss and cash-flow hedging reserve	Consolidated reserves and net income	Group's equity	Non-controlling interests	Total equity
At December 31, 2019		39 162	163 301	1 172	(84 893)	118 742	1 147	119 889
Net profit/(loss) for the year		-	-	-	(40 621)	(40 621)	(1 186)	(41 807)
Other comprehensive income		-	-	127	-	127	-	127
Total comprehensive income		-	-	127	(40 621)	(40 494)	(1 186)	(41 680)
Capital reduction		-	-	-	-	-	-	-
Dividend distribution		-	-	-	-	-	-	-
Minority interest purchase commitment liabilities		-	-	-	(1 587)	(1 587)	(38)	(1 625)
Purchases of minority interests		-	-	-	-	-	-	-
RSU plan expenses		-	-	-	50	50	-	50
Other changes		-	-	-	(2)	(2)	-	(2)
At June 30, 2020		39 162	163 301	1 299	(127 053)	76 709	(77)	76 632
Net profit/(loss) for the year		-	-	-	11 553	11 553	1 113	12 666
Other comprehensive income		-	-	116	-	116	-	116
Total comprehensive income		-	-	116	11 553	11 669	1 113	12 782
Capital reduction		-	-	-	-	-	-	-
Dividend distribution		-	-	-	-	-	-	-
Minority interest purchase commitment liabilities		-	-	-	1 706	1 706	(996)	710
Purchases of minority interests		-	-	-	-	-	-	-
RSU plan expenses		-	-	-	25	25	-	25
Other changes		-	-	-	1 040	1 040	(3)	1 037
At December 31, 2020		39 162	163 301	1 415	(112 729)	91 149	37	91 185
Net profit/(loss) for the year		-	-	-	2 990	2 990	633	3 623
Other comprehensive income		-	-	61	-	61	-	61
Total comprehensive income		-	-	61	2 990	3 051	633	3 684
Capital reduction	12	-	-	-	(61)	(61)	61	-
Dividend distribution	12	-	-	-	-	-	-	-
Minority interest purchase commitment liabilities	10.2.3	-	-	-	(1 202)	(1 202)	(486)	(1 688)
Purchases of minority interests	4.1	-	-	-	(5 658)	(5 658)	(320)	(5 978)
RSU plan expenses		-	-	-	-	-	-	-
Other changes		-	-	-	(49)	(49)	(11)	(60)
At June 30, 2021		39 162	163 301	1 476	(116 709)	87 230	(86)	87 144

CONSOLIDATED CASH FLOW STATEMENT

In 000 EUR	Notes	June 2021	June 2020
Consolidated net profit/(loss)		**3 623**	**(41 807)**
Adjustments		-	
Elim. of profit/(loss) of equity-method companies		(3)	42
Elim of depreciation, amortization and impairment	8.2 et 8.3	37 409	38 492
Elim. of profit/(loss) on discounting		86	160
Elim. of gains/(losses) on asset disposals	8.2 et 8.3	(610)	(3 280)
Calculated income/(expense) of share-based payments		-	50
Other income and expenses with no impact on cash		107	(311)
Operating cash flow before change in working capital requirements and after net cost of debt and tax		**40 612**	**(6 654)**
Elim. of income tax expense/(income)	4.2.2 et 11	723	2 739
Elim. of the net cost of debt and other financial income and expenses	10.1	35 800	33 765
Operating cash flow before change in working capital requirements and before net cost of debt and tax		**77 135**	**29 850**
Change in the working capital requirement	6.5.5	9 740	4 531
Income tax paid		(2 403)	(5 281)
Cash generated/(used) by operating activities		**84 472**	**29 100**
Acquisition of subsidiaries, net of cash acquired	4.1	(6 653)	428
Purchases of intangible assets and PPE		(25 731)	(16 746)
Purchases of financial assets		-	(891)
Changes in loans and advances granted		(728)	(737)
Disposals of intangible assets and PPE		5 881	6 793
Cash generated/(used) by investment activities		**(27 231)**	**(11 153)**
Issuance of loans and bonds	10.2	10 600	145 000
Repayment of loans and bonds	10.2	(12 198)	(47 050)
Payment of principal on the lease liability	10.2	(22 500)	(24 684)
Interest paid on financial liabilities	10.2	(19 133)	(18 387)
Interest paid on the lease liability	10.2	(15 567)	(11 131)
Cash generated/(used) by financing activities		**(58 798)**	**43 748**
Change in cash and cash equivalents		**(1 557)**	**61 695**
Cash and cash equivalents at start of year	10.2.2	166 099	102 431
Reclassification of cash and cash equivalents to assets and liabilities held for sale	4.2	(15 462)	999
Cash and cash equivalents at end of year	10.2.2	149 080	165 125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. THE GROUP AND ITS BUSINESS

Burger King France S.A.S. is a French simplified joint-stock company (SAS) that has its registered office at 34 Rue Mozart, 92110 Clichy. It is registered in the Paris trade register under No. 797 882 867.

The Burger King France group develops and optimizes a fast-food restaurant concept that is based predominantly on hamburgers and employs various techniques, knowledge and know-how that are appropriate for this type of restaurant.

The condensed consolidated interim financial statements (the "interim financial statements") for the six months ended June 30, 2021, present the financial position of Burger King France S.A.S and its subsidiaries (the "Group") and the company's interests in joint ventures. They are presented in euros, with figures rounded off to the nearest thousand.

The Group's financial year runs from January 1 to December 31.

2. SIGNIFICANT EVENTS OF THE PERIOD AND POST-BALANCE SHEET EVENTS

2.1. Significant events of the period

The first half of 2021 was marked by the following significant events:

Covid-19 health crisis

The health crisis arising from the Covid-19 pandemic, which began to significantly impact the Burger King France Group's business in March 2020, continued throughout the first half of 2021.

Burger King Group France had to deal with various restrictive measures, such as a ban on indoor sales until May 19, 2021, the closure of major shopping centers, and national curfews for part of the first half of the year.

Business was also affected by traffic restrictions that prevented customers from going to our restaurants, the closure of children's play areas, the lack of foreign tourists and the temporary closure of some restaurants in airports and train stations.

Despite the impact of the Covid-19 crisis on its restaurants, the Group has ensured that it has sufficient liquidity to cover its short and medium-term obligations, for itself and for each of its subsidiaries. The ability of the Group and its subsidiaries to continue as going concerns is therefore not at risk.

It should be noted that on March 14, 2020 the French government ordered the closure of restaurants until at least April 15, 2020.
Furthermore, on March 16, 2020 the government announced lockdown measures that required everyone residing in France to remain at home until at least March 31, 2020, except for reasons of absolute necessity. This lockdown period was subsequently extended.

Given the uncertainty of the health crisis, when the restaurant closures were announced in March 2020, the Group immediately decided to draw down all of its available credit lines, and most significantly the €60 million RCF line (see Note 10.2).

The Group also immediately worked with its creditors to obtain a government-guaranteed "PGE" loan for €80 million at the end of the first half of the year (see Note 10.2).

After securing this loan, the Group used its available cash to repay €40 million on the RCF line and thus reduce its use to €20 million (see Note 10.2).

Business development

After opening 21 restaurants in 2020 (including 20 under the Burger King® brand) and converting 9 restaurants previously operated under the Quick® brand to the Burger King® brand, the Group continued to expand in the first half of 2021 with:

- The opening of 17 new restaurants, including 15 operated under the Burger King® brand
- The conversion to the Burger King® brand of 15 restaurants formerly operating under the Quick® brand.

A significant portion of the investments for this development was assumed by the lessors or supported by the Group's franchisees, thus limiting the Group's remaining net investment.

System-wide sales

At June 30, 2021, the Group's system-wide sales for the first half totaled €618 million, of which continuing operations accounted for €517 million (an increase of €168 million year-on-year) and discontinued operations for €101 million (an increase of €26 million year-on-year).

The increase in the Group's system-wide sales is mainly attributable to:

- The Covid-19 health crisis's constraints on restaurant business in the first half of 2020, which resulted in the temporary closure of all restaurants between March 16 and the end of April 2020, and then the gradual reopening of restaurants, subject to restrictive measures, between the end of April and June 30, 2020
- The resumption of near-normal business activity on May 19, 2021, as the remaining Covid-19 measures were eased during the first months of 2021
- The opening of 28 new Burger King® restaurants over the 12 months up to June 30, 2021 (of which 15 in H1 2021 and 13 in H2 2020), and
- The development or expansion of new sales channels (home delivery, click & collect and pick-up parking).

However, this increase was partially offset by:

- The banning of in-restaurant sales until May 19, 2021
- The extension of the closure of shopping centers from larger than 20,000m² to larger than 10,000m², which required the closure of restaurants in these shopping centers that did not have drive-through access
- Nation-wide curfews
- Other restrictive measures, such as a 50% limit on indoor dining as of May 19, 2021, and the closure of our children's areas
- The lack of tourists
- Temporary closure of some restaurants in airports and railway stations
- The permanent closure or sale of five Quick® restaurants.

2.2. Post-balance sheet events

On July 30, 2021, Burger King France announced that it had signed an agreement with H.I.G. Capital private-equity funds to sell 107 Quick® restaurants, through the sale of 100% of the share capital of its subsidiary Quick Restaurants S.A.

This disposal will strengthen the Group's financial structure and enable it to pursue its development.

The approximately €240 million obtained from this disposal will be used to repay all of the €80 million "PGE" government-guaranteed loan granted in June 2020, and to reduce the Group's total net debt.

This disposal is expected to close before the end of 2021, subject to the satisfaction of the usual requirements for such a transaction, such as antitrust clearance.

3. BASIS OF PREPARATION

3.1. Declaration of conformity

The interim financial statements for the six months ended June 30, 2021 were prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the Group's latest annual consolidated financial statements for the year ended December 31, 2020 (the "latest annual financial statements"). They do not include all the information required for a complete set of financial statements prepared under IFRS. However, they include selected notes explaining significant events and transactions that serve to understand changes in the Group's financial position and performance since the most recent annual financial statements.
All of the relevant rules adopted by the European Union are available on the European Commission's website at https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en#individual-rps-acts-adopting-international-accounting-standards-ifrsias-and-related-interpretations-ifric

These interim financial statements were prepared under the Chair's responsibility as of July 30, 2021.

3.2. Changes in the accounting framework

Standards, amendments and interpretations which must be observed as of 1 January 2021

The main IFRS standards, amendments and interpretations which became mandatory in the European Union on 1 January 2021 are:

- Amendment to IFRS 4 Insurance Contracts: Extension of the temporary exemption from applying IFRS 9
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 - Reform of benchmark interest rates (Phase 2).

These new standards had no material impact on the Group's interim consolidated financial statements.

The extension of the IFRS 16 amendment approved by the EU on August 31, 2021 was not taken into account in the June 30, accounts and the Group does not expect this to have a material impact on the December 31, 2021 accounts.

Standards, amendments and interpretations which will become mandatory as of 1 January 2022

The following standards, amendments and interpretations must be observed as of 1 January 2022:

- Amendments to IAS 37 - Onerous Contracts: Contract performance costs
- Amendments to IFRS 1, IFRS 9, Illustrative Examples of IFRS 16 and IAS 41 – Annual Improvements to IFRSs 2018 - 2020;
- Amendments to IAS 16 – Property, Plant and Equipment: Revenue earned before the intended use

- Amendments to IFRS 3 – References to the Conceptual Framework

At the time of this publication, the Group does not expect these new standards to have a significant impact on its consolidated financial statements.

3.3. Use of estimates and judgments

In preparing its financial statements, the management of Burger King France Group must make judgments, estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses, and also the information provided in the notes to the financial statements.

Management's significant judgments in applying the Group's accounting policies and the main sources of estimation uncertainty are those described in the most recent annual financial statements.

3.4. Methods used to translate foreign currency transactions

The consolidated financial statements are presented in euros, which is the operating currency of all Group entities. All amounts are rounded to the nearest one thousand euros, unless otherwise indicated.

Transactions carried out in a foreign currency by the various Group entities are translated at the prevailing exchange rate on the date of the transaction.
At each balance sheet date, monetary assets and liabilities that are denominated in a foreign currency are retranslated at the prevailing exchange rate on the balance sheet date. Translation differences are recognized in the income statement.

3.5. Basis of assessment

The financial statements are prepared on the historical cost basis, except for derivatives which are measured at fair value.

4. CONSOLIDATION SCOPE

4.1. Business combinations

The table below shows the calculation of goodwill from the Group's acquisition of companies.

Company	Date control obtained	% interest acquired	Cash consider-ation	Non-controlling interests (1)	Fair value of identified net assets	Goodwill
Domi & Co	01/01/2021	100%	702	-	128	574
EC2V	01/01/2021	100%	800	-	395	405
Groll SAS	01/01/2021	100%	1602	-	603	999

(1) measured pro rata the net identifiable assets.

In compliance with the Group's accounting principles this €2 million in goodwill is allocated to the group of CGUs (the Group CGU) which represents the single operating segment.

The following table shows the cash flows associated with these acquisitions.

In 000 EUR	**June 2021**
Cash consideration	(1 691)
Cash and cash equivalents of the acquired entities	1 016
Acquisition of subsidiaries, net of cash	**(675)**

A total of €(6,653) thousand for "Acquisitions of subsidiaries, net of cash" was recorded in the cash flow statement. The difference of (5,978) thousand euros is explained by:

- The purchase of minority interests in Flagship, for (3,272) thousand euros, i.e. 49.29%
- The purchase of minority interests in SL2R for (2,746) thousand euros, or 44.92%
- The sale of 10% of the shares held in YHVH Restauration, for 61 thousand euros
- The adjustment of the purchase price of Dorli Burger shares, for (21) thousand euros.

In 2020, a cash advance of €1,413 thousand euros was made for the purpose of Groll SAS shares.

Acquisition expenses are recorded in "Other non-current operating expenses". No significant costs were recognized in 2021.

The contribution of these companies to sales and franchise revenues and to the net profit of the year, from their date of acquisition to June 30, 2021, is immaterial.

4.2. Discontinued operations / Assets and liabilities held for sale

In order to focus on the development of the Burger King brand in France, since 2019 the Group has been reorganizing Quick's business activities into a separate group of companies to facilitate their sale.

During the first year, the restrictive measures imposed to stop the spread of the Covid-19 virus prevented the formal launching of the process to sell Quick business activities. However, throughout this period, the Group took the necessary steps to prepare for this sale, which included setting up a dedicated management structure and proceeding with the legal reorganization of the businesses to be sold.

Given this reorganization and the steps already taken, the Group considered that the sale of this business was highly probable within the next twelve months and met the IFRS 5 classification criteria at the end of 2019 and of 2020.

As explained in the subsequent events section (see Note 2.2), efforts to sell the Quick Group were pursued in July 2021 and resulted in a purchase offer on July 29, 2021.

Given the final administrative formalities to be completed, the disposal of the business is expected to be completed in the second half of 2021, for a price of approximately €240 million, which exceeds the net asset value of the business to be sold (€238.7 million).

4.2.1. ASSETS AND LIABILITIES HELD FOR SALE

The group of companies to be sold consists of the following assets and liabilities at June 30, 2020

In 000 EUR	June 2021	Dec. 2020
Goodwill	47 584	47 584
Intangible assets	113 045	113 053
Property, plant and equipment	137 997	124 289
Inventories	64	91
Trade and other receivables	14 029	12 058
Cash and cash equivalents	17 491	2 031
Assets held for sale	330 210	299 106
Lease liabilities	64 029	59 903
Trade and other payables	27 484	13 414
Liabilities held for sale	91 513	73 317

The above assets and liabilities are measured at the lower of their carrying amount or fair value.
The increase in property, plant and equipment is attributable to the increase in rights of use resulting from the renewal of some leases in 2021.

The changes in trade and other payables are mainly due to the unwinding of inter-company relationships between the entities to be sold and those that comprise the continuing operations. There is no significant inter-company position between these two sub-groups at June 30, 2021.

4.2.2. NET INCOME OF DISCONTINUED OPERATIONS

The table below shows operating income from discontinued operations, before and after tax.

In 000 EUR	June 2021	June 2020
Discontinued operations		
Sales and franchise revenues	30 452	21 861
Cost of sales	(4 769)	(4 054)
Gross profit	**25 683**	**17 807**
Operating and occupancy costs (excl. dep. & amor.)	(2 088)	(2 061)
Depreciation and amortization (restaurants)	-	-
Profit from operations	**23 595**	**15 746**
Selling costs	(5 194)	(3 287)
Pre-opening costs	(117)	(99)
Other operating and income expenses	297	(64)
Gross operating profit of restaurants	**18 581**	**12 296**
General and administrative costs (excl. dep. and amor.)	(4 823)	(4 418)
Dep. and amort. (corporate center)	-	-
Operating profit before non-recurring items	**13 758**	**7 878**
Other non-recurring income and expenses	(3 066)	(177)
Operating profit/(loss) after non-recurring items	**10 692**	**7 701**
Net financial income/(expense)	(1 716)	(1 417)
Profit/(loss) before tax	**8 976**	**6 284**
Income tax	(1 257)	(2 022)
Net profit/(loss) from discontinued operations, net of tax	**7 719**	**4 262**

In 2021, the income tax on the discontinued operations is attributable to a tax adjustment under Belgian tax law.

4.2.3. CASH FLOW FROM DISCONTINUED OPERATIONS

Cash flows from discontinued operations are as follows:

In 000 EUR	June 2021	June 2020
Cash generated/(used) by operating activities	22 140	6 730
Cash generated/(used) by investment activities	(496)	(2 082)
Cash generated/(used) by financial activities	(6 183)	(5 647)
Change in cash and cash equivalents	15 462	(999)

The significant change in cash between December 2020 and June 2021 is attributable to the decision to make the sub-group of entities to be sold financially independent. For this purpose, one of the restructuring transactions was to provide the Quick entities with sufficient resources to cover their payments to external third parties, and to other Group entities through the direct offsetting of inter-company payables and receivables.

4.3. Consolidation scope

Company	June 2021			Dec. 2020		
	Interest	Control	Consol. method	Interest	Control	Consol. method
BURGER KING France	100%	100%	FC	100%	100%	FC
ADFR	100%	100 %	FC	55.08 %	55.08 %	FC
Aga BK	50%	50%	EM	50%	50%	EM
Aga BK INV	50%	50%	EM	50%	50%	EM
Agaquick	50%	50%	FC	50%	50%	FC
Agaquick Exploit	50%	50%	FC	50%	50%	FC
Agaquick Exploitation 2	50%	50%	FC	50%	50%	FC
Agaquick Invest	50%	50%	FC	50%	50%	FC
AURO202	100%	100%	FC	100%	100%	FC
BK E	100%	100%	FC	100%	100%	FC
BK IDF	100%	100%	FC	100%	100%	FC
BK N	100%	100%	FC	100%	100%	FC
BK OU	100%	100%	FC	100%	100%	FC
BK SE	100%	100%	FC	100%	100%	FC
BK Croissance	3.21 %	3.21 %	FC	3.21 %	3.21 %	FC
BK Développement	73.12 %	73.12 %	FC	73.12 %	73.12 %	FC
BK Expansion	84.44 %	84.44 %	FC	84.44 %	84.44 %	FC
BK Exploitation	3.21 %	3.21 %	FC	3.21 %	3.21 %	FC
BK Invest France	100%	100%	FC	100%	100%	FC
BK Services	100%	100%	FC	100%	100%	FC
BURGER KING RESTAURATION	100%	100%	FC	100%	100%	FC
BURGER KING CONSTRUCTION	100%	100%	FC	100%	100%	FC
Domi & Co	100%	100%	FC	-	-	NC
Dorli Burger	100%	100%	FC	100%	100%	FC
EC2V	100%	100%	FC	-	-	NC
Financière BKF	100%	100%	FC	100%	100%	FC
Flagship	100%	100%	FC	50.71 %	50.71 %	FC
France BKR	100%	100%	FC	100%	100%	FC
Groll SAS	100%	100%	FC	100%	100%	FC
JTL2	90%	90%	FC	-	-	NC
Logirest France	100%	100%	FC	100%	100%	FC
Montereau	100%	100%	FC	100%	100%	FC

	June 2021			Dec. 2020		
Company	Interest	Control	Consol. method	Interest	Control	Consol. method
Montmirail (ex Coquelles)	100%	100%	FC	100%	100%	FC
MLM21	90%	90%	FC	-	-	NC
Quick Exploitation	100%	100%	FC	100%	100%	FC
Quick France Exploitation	100%	100%	FC	100%	100%	FC
Quick Gestion	100%	100%	FC	100%	100%	FC
Quick Restaurants	100%	100%	FC	100%	100%	FC
Quick Services	100%	100%	FC	100%	100%	FC
SCHA20	90%	90%	FC	-	-	NC
SEMKEEP	90%	90%	FC	-	-	NC
Senart Burger	100%	100%	FC	100%	100%	FC
SL2R	100%	100%	FC	55.08%	55.08%	FC
SN2R	76.91%	76.91%	FC	76.91%	76.91%	FC
Tastyrest	100%	100%	FC	100%	100%	FC
Ulm SAS	100%	100%	FC	100%	100%	FC
YHVH Restauration	90%	90%	FC	-	-	NC

Consolidation method abbreviations:

NC means Not Consolidated

FC means Full Consolidation

EM means Equity Method

(1) Universal asset & liability transfer ("TUP") in 2021

The entries into the scope of consolidation for 2021 are described in Note 4.1 "Business combinations". The companies accounted for by the equity method are joint ventures of immaterial importance.

The Group has fully consolidated its 50% interest in the Agaquick sub-group since it considers that it controls Agaquick.

The Group holds 3.21% of BK Growth and BK Operations and consolidates them using the full consolidation method, since BK Restauration was appointed their Chair the first year they entered the Group.

On March 8, 2021, the group created five new companies (JTL2, MLM21, SCHA20, SEMKEEP and YHVH Restauration) and sold 10% of their shares on April 1, 2021.

4.4. Share attributable to non-controlling interests

- Non-controlling interests include the following minority interests in controlled entities:
- The sub-group consisting of Agaquick SAS and its subsidiaries, in which the Group has a 50% stake
- BK Expansion, 84.44% of which is held by the Group
- BK Développement, 73.12% of which is held by the Group
- BK Croissance and BK Exploitation, 3.21% of which is held by the Group
- SN2R, 76.91% of which is held by the Group.

4.5. Transactions with other related parties (joint ventures)

There are no transactions with joint ventures.

5. SEGMENT INFORMATION

The Group's Chief Operating Decision Maker ("CODM") is its Vice-Chairman and Chief Executive Officer.

The Group's business activity, which constitutes a single operating segment, is the development and operation of restaurants in France under franchise agreements or which it owns.

Note 6.1A provides a breakdown of revenue by type of product and service, with a distinction between merchandise revenue by company-owned restaurants and income from franchise agreements.
No individual customer is of significant size.

6. OPERATIONS INFORMATION

6.1. Sales and franchise income

In 000 EUR		June 2021		June 2020	
	Note	Amount	%	Amount	%
Consumer Sales	6.1.1	89 694	41%	72 794	53%
Franchisee revenues	6.1.2	92 172	42%	55 066	40%
Sales of merchandise and equipment to franchisees	6.1.3	63	0%	1 798	1%
Entry fees and other revenue	6.1.4	39 478	18%	7 848	6%
Sales and franchise revenues		**221 407**	**100%**	**137 506**	**100%**

6.1.1. CONSUMER SALES

Sales to consumers in the first half of 2021 totaled €89.7 million, which is €16.9 million more than in the first half of 2020 (€72.8 million).

This increase is mostly attributable to the Covid crisis and the factors that are responsible for the increase in system-wide sales. System-wide sales are the sales to consumers of the Group-owned restaurants and the restaurants operated by our Burger King and Quick franchise partners.

In addition to the above factors, eight restaurants that were previously operated directly by the Group were franchised over the past 12 months. The impact of this was partially offset by the Group's taking over of two restaurants previously operated under a franchise.

6.1.2. ROYALTIES AND OTHER CHARGES TO FRANCHISEES

At June 30, 2021, there were 337 franchised restaurants, compared to 291 a year earlier.

Franchisees revenue for the first half of 2021 totaled €92.2 million, vs. €55.1 million in the first half of 2020, for an increase of €37.1 million.
This increase over the previous year is mainly attributable to the increase in retail sales, as explained above.
In addition to the above:

- The transfer to franchisees of eight restaurants the Group operated directly was partially offset by the Group's takeover of two franchised restaurants.
- The support provided to our franchisees during the Covid-19 crisis in the first half of 2020 – which involved temporary adjustments to royalty payments under formal contract amendments, the suspension of guaranteed minimum royalties during lockdown periods, and variable royalty schedules to facilitate the resumption of normal business activity – had a much greater impact on sales than the support provided in the first half of 2021.
- The permanent closure or sale of five Quick® restaurants.

Future minimum non-cancellable lease payment receivables

In 000 EUR	**June 2021**	**June 2020**
Less than 1 year	56 638	48 107
From the 2nd to 5th year inclusive	215 337	186 445
More than 5 years	56 302	65 124
Total minimum non-cancellable royalty payment receivables	**328 277**	**299 676**

6.1.3. SALES OF MERCHANDISE AND EQUIPMENT TO FRANCHISES

Sales of merchandise and equipment to franchisees totaled 63 thousand euros in the first half of 2021, vs. 1.8 million euros in the first half of 2020.
This sharp drop between the two periods is mainly due to the decrease in equipment sales by the Logirest

subsidiary.

6.1.4. ENTRY FEES AND OTHER REVENUE

In 000 EUR	June 2021	June 2020
Entry fees and network access fees	3 058	1 394
Other revenue	36 420	6 454
Total	**39 478**	**7 848**

"Other revenue" in the first half consisted mainly of revenue from property development contracts (for €32.9 million) with external lessors for the development of the Burger King® restaurant network and the creation of new restaurants, for which revenue is recognized on a percentage-of-completion basis, and to a lesser extent of sales to franchise partners and other non-Group partners.

Most of the costs relating to these "Other sales" are included in "Total cost of sales" under "Cost of supplies and merchandise" (see Note 6.2)

The change in other sales between H1 2021 and H1 2020 is mainly attributable to the number of Burger King® restaurants completed or under construction under property development contracts.

Deferred income from network and franchise entry fees is included in "Other non-current liabilities" (see Note 6.7) and in "Other current liabilities" (see Note 6.5.4). It is broken down in the following table:

In 000 EUR	June 2021	Dec. 2020
Non-current deferred income (lease liabilities)	10 419	9 804
Current deferred income (lease liabilities)	2 555	2 338
Total	**12 974**	**12 142**

6.2. Gross and operating profit and margin

In 000 EUR	June 2021	%	June 2020	%
Sales and franchise revenues	**221 407**	**100%**	**137 506**	**100%**
Cost of supplies and merchandise	(52 250)	(24%)	(26 539)	(19%)
Cost of restaurant personnel	(25 541)	(12%)	(26 021)	(19%)
Total cost of sales	**(77 791)**	**(35%)**	**(52 560)**	**(38%)**
Gross profit	**143 616**	**65%**	**84 946**	**62%**
Operating and occupancy costs	(17 650)	(8%)	(16 376)	(12%)
Depreciation and amortization (restaurants)	(35 388)	(16%)	(35 913)	(26%)
Profit from operations	**90 578**	**41%**	**32 658**	**24%**

"Cost of supplies and merchandise" consists mainly of the cost of the food and non-food merchandise and raw materials required by the Group's directly operated restaurants, and the costs arising from property development contracts entered into with external lessors to develop the Burger King® restaurant network and create new restaurants, which are recognized on a percentage-of-completion basis.

The sales corresponding to these "Cost of supplies and merchandise" are included in "Sales and franchise income" under "Sales to consumers" (see Note 6.1.1) and "Other sales" (see Note 6.1.4).

The change in the "Cost of supplies and merchandise" between H1 2021 and H1 2020 is mainly due to the number of Burger King® restaurants completed or under construction under property development contracts (27.4 million euros in H1 2021 vs. 2.2 million euros in H1 2020).

6.3. Operating profit before non-recurring items

Operating profit before non-recurring items breaks down as follows:

In 000 EUR	June 2021	June 2020
Profit from operations	**90 578**	**32 658**
Selling costs	(16 733)	(9 861)
BK brand royalties	(22 431)	(14 325)
Pre-opening costs	(268)	(350)
Other operating and income expenses	1 312	899
Gross operating profit of restaurants	**52 458**	**9 021**
General and administrative costs (excl. dep. and amor.)	(18 521)	(17 546)
Dep. and amort. (corporate center)	(3 066)	(2 896)
Other corporate income and expenses	(72)	712
Operating profit before non-recurring items	**30 799**	**(10 710)**

The table below breaks down "Operating profit before non-recurring items".

In 000 EUR	June 2021	June 2020
Net capital gain on the disposal of intangible assets and PPE	1 221	4 222
Reversals of operating provisions	25	52
Reversals of impairment losses expected on trade receivables	920	-
Other income	161	555
Total other operating income	2 327	4 829
Loss on disposals of intangible assets and PPE	(39)	(394)
Operating provisions	(478)	-
Impairment losses expected on trade receivables	-	(3 163)
Other expenses	(499)	(374)
Total other operating expenses	(1 015)	(3 930)
Total other operating income and expenses	1 312	899

Other income and other expenses for the first half of 2021 consist mainly of capital gains on real property realized when directly operated restaurants were transferred to franchisees, and of reversals of expected impairment losses on trade receivables in response to a decrease in credit risk.

6.4. Other non-recurring income and expenses

The table below breaks down Other non-recurring operating income and expenses

In 000 EUR	June 2021	June 2020
Quick n'King 2020 conversion project	(1 536)	(3 012)
Reversal/(Reduction) of impairment test value	0	456
Other	(8)	(517)
Total other non-current income and expenses	(1 544)	(3 073)

Quick n'King 2020 conversion project

The expenses presented on this line are mainly restaurant closure and conversion costs.

- Restaurant closure costs are primarily comprised of the disposal of the property, plant and equipment and intangible assets of restaurants that are closed or sold. In the first half of 2021, the Group closed one restaurant (vs. one in H1 2020).
- Conversion expenses consist mainly of the amortization of rights of use recognized during the period of the conversion work, personnel expenses and the cost of scrapping Quick's PPE and intangible assets. In the first half of 2021, the Group converted 15 restaurants (versus 3 in H1 2020).

6.5. The working capital requirement

6.5.1. INVENTORIES

In ooo EUR	June 2021	Dec. 2020	Change
Raw materials, supplies and merchandise in restaurants	1 663	1 958	(295)
Supplies and merchandise at Logirest	255	246	9
Gross total	**1 918**	**2 204**	**(286)**
Impairment	(246)	(246)	-
Net total	**1 672**	**1 958**	**(286)**

6.5.2. TRADE RECEIVABLES

In ooo EUR	June 2021	Dec. 2020	Change
Trade receivables	54 238	60 021	(5 783)
Total trade receivables at nominal value	**54 238**	**60 021**	**(5 783)**
Impairment of receivables due to expected losses	(5 981)	(7 044)	1 063
Net total	**48 257**	**52 977**	**(4 720)**

Information on the impairment of trade receivables and the Group's exposure to credit risk is provided in Note 10.4.4.

6.5.3. TAX ASSETS AND OTHER CURRENT ASSETS

In ooo EUR	June 2021	Dec. 2020	Change
Current tax assets	**1 284**	**3 357**	**(2 073)**
Tax receivables excluding income tax	9 780	8 340	1 440
Prepaid expenses	6 164	8 168	(2 004)
Supplier discount, rebate and refund receivables	406	1 807	(1 401)
Other	2 028	4 103	(2 075)
Other current assets	**18 378**	**22 418**	**(4 040)**
Total	**19 662**	**25 775**	**(6 113)**

Tax receivables (other than on income tax) are mainly on deductible VAT.

Prepaid expenses consist mainly of the short-term portion of network entry fees, which are spread over the term of the master franchise agreement.

6.5.4. OTHER CURRENT LIABILITIES

In 000 EUR	June 2021	Dec. 2020	Change
Other tax liabilities	15 438	14 649	789
Employee and social liabilities	25 987	22 692	3 295
Deferred income	7 669	15 442	(7 773)
Other	903	955	(52)
Total	**49 997**	**53 738**	**(3 741)**

Deferred income consists of the short-term portion of entry fees spread over the term of the franchise agreement.

6.5.5. CHANGES IN WORKING CAPITAL

The change in the working capital requirement breaks down as follows:

In 000 EUR	June 2021	June 2020
Effect of change in inventories	315	19
Effect of change in trade receivables and other current assets	7 961	(3 250)
Effect of change in trade payables and other liabilities	1 464	7 762
Total	**9 740**	**4 531**

The improvement in the impact of the change in trade receivables of €8.0 million observed over the period is mainly attributable to:

- Reversals of impairment losses recognized in 2020 following the payment of invoices for March 2020, which was deferred to 2021,
- The payment of invoices issued to third party lessors in 2020.

This change is partially offset by the increase in trade receivables resulting from the recovery of business.

The deterioration of the positive impact of the change in trade payables and other current liabilities, from €7.8 million at the end of June 2020 to €1.5 million at the end of June 2021, is mainly attributable to the suspension of the payment of some Q2 2020 rents at the end of June 2020 under agreements negotiated with our main lessors during the Covid-19 crisis. The suspended payments were, for the most part, settled during the second half of 2020.

6.6. Non-current financial assets

Non-current financial assets consist of the following:

In 000 EUR	June 2021	Dec. 2020	Change
Loans and guarantees net of impairment	11 749	11 179	570
Fair value of derivative instruments	-	(1)	1
Total	**11 749**	**11 178**	**571**

6.7. Other non-current liabilities

In 000 EUR	June 2021	Dec. 2020	Change
Deposits and guarantees	393	393	-
Deferred income on entry fees	10 419	9 804	615
Other	1 143	1 391	(248)
Total	**11 955**	**11 588**	**367**

Deferred income is the long-term portion of the entry fees spread over the term of the franchise agreement.

7. PERSONNEL EXPENSES

The table below shows personnel expenses recognized in ordinary operating income.

In 000 EUR	**June 2021**	**June 2020**
Head office staff salaries and social-security charges	(12 900)	(10 780)
Restaurant staff salaries and social-security charges	(28 711)	(31 384)
Training expenses	(391)	(180)
Other personnel expenses	(7 397)	(8 147)
Total personnel expenses	**(49 399)**	**(50 490)**

The personnel expenses of restaurant staff are recorded under "cost of sales", while those of head office staff are recorded under "general and administrative expenses".
These personnel expenses include subsidies for short-time work, which breaks down as follows:

- Head office: €1.6 million at June 30, 2021 vs. €2.6 million at June 30, 2020
- Restaurants: €2.0 million at June 30, 2021 vs. €4.7 million at June 30, 2020.

Personnel expenses at June 30, 2021 were comparable to those at June 30, 2020, as the beginning of 2021 was also impacted by restrictive health measures.

Other personnel expenses are mainly travel and sundry restaurant staff expenses.

8. INTANGIBLE ASSETS AND PPE

8.1. Goodwill

The goodwill allocated at the Group level is mainly attributable to:

- the acquisition, in 2015, by Burger King France SAS of 100% of the share capital of Financière Quick SAS (for €171 million), less the impact of the disposal in 2016 of operations in Belgium and Luxembourg (€44 million) and the share of goodwill allocated in 2019 to the business to be disposed of (€48 million see Note 4.2.1)
- the acquisition, in 2017; of BDBK and PINTO (€76 million)
- the acquisition, in 2018, of seven individually immaterial companies/restaurants (€9 million)
- the acquisition, in 2019, of seven individually immaterial companies/restaurants (€2 million)
- the acquisition, in 2020, of four individually immaterial companies/restaurants (€2 million) and of individually immaterial company business goodwill (€869 thousand)
- the acquisition, in 2021, of three individually immaterial companies/restaurants (€0.6 million) and of individually immaterial company business goodwill (€1 million)
- The classification, since December 31, 2019, of the Quick business goodwill as an asset held for sale.

The table below shows the change in goodwill.

In 000 EUR	Dec. 2020	Acquisitions	Disposals	IFRS 5 reclass.	June 2021
Goodwill	234 537	1 682	-	-	236 219
Impairment of Goodwill	-	-	-	-	-
Total net value	**234 537**	**1 682**	**-**	**-**	**236 219**

Changes in goodwill are attributable to the acquisition of controlling interests during the period (see Note 4.1) and to the acquisition of business assets. For IFRS 5 reclassifications, see Note 4.2.1.

In 000 EUR	Dec. 2019	Acquisitions	Disposals	IFRS 5 reclass.	Dec. 2020
Goodwill	230 721	6 207	-	(2 391)	234 537
Impairment of Goodwill	-	-	-	-	-
Total net value	**230 721**	**6 207**	**-**	**(2 391)**	**234 537**

8.2. Other intangible assets

2021

In 000 EUR	Software and other rights	Total
At December 31, 2020		
Gross value	9 045	9 045
Depreciation, impairment & provisions	(5 438)	(5 438)
Net value	**3 607**	**3 607**
Transactions during the year		
Acquisitions	1 129	**1 129**
Disposals	-	**-**
Provisions net of reversals	(1 242)	**(1 242)**
Business combinations	-	**-**
Reclassifications and other transactions	(413)	**(413)**
IFRS 5 reclassification	(16)	**(16)**
Total transactions	**(542)**	**(542)**
At June 30, 2021		
Gross value at end of year	9 679	9 679
Depreciation, amort. and provisions at end of year	(6 614)	(6 614)
Net value at end of year	**3 065**	**3 065**

2020

In 000 EUR	Software and other rights	Total
At December 31, 2019		
Gross value	8 823	8 823
Depreciation, impairment & provisions	(5 056)	(5 056)
Net value	**3 767**	**3 767**
Transactions during the year		
Acquisitions	3 633	**3 633**
Disposals	(2 767)	**(2 767)**
Provisions net of reversals	(2 323)	**(2 323)**
Business combinations	-	**-**
Reclassifications and other transactions	1 352	**1 352**
IFRS 5 reclassification	(55)	**(55)**
Total transactions	**(160)**	**(160)**
At December 31, 2020		
Gross value at end of year	9 045	9 045
Depreciation, amort. and provisions at end of year	(5 438)	(5 438)
Net value at end of year	**3 607**	**3 607**

8.3. Property, plant and equipment

Property, plant and equipment can be broken down as follows:

In 000 EUR	**June 2021**	**Dec. 2020**
Property, plant and equipment owned by the Group	254 345	254 064
Rights of use under leases	504 351	458 388
Total net value	**758 696**	**712 452**

Changes in rights of use are presented in Note 8.3.2.

8.3.1. PROPERTY, PLANT AND EQUIPMENT OWNED BY THE GROUP

The table below breaks down owned property, plant and equipment.

2021

In 000 EUR	**Land**	**Buildings**	**Technical installations and equipment**	**PPE under construction**	**Other PPE**	**Total**
At December 31, 2020						
Gross value	25 118	289 005	43 982	16 355	39 573	414 033
Depreciation, impairment & provisions	(6 249)	(108 223)	(25 234)	-	(20 263)	(159 969)
Net value	**18 869**	**180 782**	**18 748**	**16 355**	**19 310**	**254 064**
Transactions during the year						
Acquisitions	297	3 666	670	18 980	986	**24 599**
Disposals	(32)	(1 429)	(128)	(3 826)	(267)	**(5 682)**
Provisions net of reversals	(427)	(8 454)	(2 616)	-	(1 587)	**(13 084)**
Business combinations	-	-	-	254	-	**254**
Reclassifications and other transactions	521	15 102	1 161	(19 557)	2 019	**(754)**
IFRS 5 reclassification	(53)	(2 749)	(642)	(883)	(725)	**(5 052)**
Total transactions	**306**	**6 136**	**(1 555)**	**(5 032)**	**426**	**281**
At June 30, 2021						
Gross value at end of year	25 794	301 829	43 979	11 323	40 562	423 487
Depreciation, amort. and provisions at end of year	(6 619)	(114 911)	(26 786)	-	(20 826)	(169 142)
Net value at end of year	**19 175**	**186 918**	**17 193**	**11 323**	**19 736**	**254 345**

The main changes in 2021 are explained below:

- Purchases: €25.0 million, consisting of investments required to open new restaurants or to convert existing Quick® restaurants to the Burger King® brand
- Disposals: €5.7 million, consisting mainly of investments made to open new restaurants that were sold to operators.

2020

In 000 EUR	Land	Buildings	Technical installations and equipment	PPE under construction	Other PPE	Total
At December 31, 2019						
Gross value	28 507	287 489	43 368	9 349	51 688	420 401
Depreciation, impairment & provisions	(5 916)	(100 823)	(21 949)	-	(26 681)	(155 369)
Net value	**22 591**	**186 666**	**21 419**	**9 349**	**25 007**	**265 032**
Transactions during the year						
Acquisitions	343	5 169	959	37 120	1 370	**44 961**
Disposals	(4 083)	(7 640)	(1 316)	(2 241)	(1 950)	**(17 230)**
Provisions net of reversals	(871)	(20 683)	(7 465)	-	(1 988)	**(31 007)**
Business combinations	-	18	25	-	22	**65**
Reclassifications and other transactions	1 069	20 103	5 720	(25 026)	(2 552)	**(686)**
IFRS 5 reclassification	(180)	(2 851)	(594)	(2 847)	(599)	**(7 071)**
Total transactions	**(3 722)**	**(5 884)**	**(2 671)**	**7 006**	**(5 697)**	**(10 968)**
At December 31, 2020						
Gross value at end of year	25 118	289 005	43 982	16 355	39 573	414 033
Depreciation, amort. and provisions at end of year	(6 249)	(108 223)	(25 234)	-	(20 263)	(159 969)
Net value at end of year	**18 869**	**180 782**	**18 748**	**16 355**	**19 310**	**254 064**

The main changes in 2020 are explained below:

- Purchases: €45.0 million, consisting of investments required to open new restaurants or to convert existing Quick® restaurants to the Burger King® brand
- Disposals: €17.2 million, consisting mainly of investments made to open new restaurants that were sold to operators.

8.3.2. RIGHTS OF USE

The table below breaks down rights of use by type.

2021

In 000 EUR	Commercial and construction leases	Leasehold rights	Vehicles and IT equipment	Total
At December 31, 2020				
Gross value	497 123	61 293	2 073	560 489
Depreciation, impairment & provisions	(90 607)	(10 231)	(1 263)	(102 101)
Net value	**406 516**	**51 062**	**810**	**458 388**
Transactions during the year				
Increases	77 604	-	1 959	**79 563**
Decreases	(1 097)	(172)	(152)	**(1 421)**
Depreciation and amortization	(23 004)	(30)	(513)	**(23 547)**
Business combinations	-	-	-	**-**
IFRS 5 reclassification	(8 110)	-	(522)	**(8 632)**
Total transactions	45 393	(202)	772	45 963
At June 30, 2021				
Gross value at end of year	562 059	61 121	2 633	625 813
Depreciation, amort. and provisions at end of year	(110 150)	(10 261)	(1 051)	(121 462)
Net value at end of year	**451 909**	**50 860**	**1 582**	**504 351**

Lease rights are attached to commercial and construction leases.

2020

In 000 EUR	Commercial and construction leases	Leasehold rights	Vehicles and IT equipment	Total
At December 31, 2019, restated*				
Gross value	437 224	61 751	1 695	500 670
Depreciation, impairment & provisions	(42 815)	(8 854)	(750)	(52 419)
Net value	**394 409**	**52 897**	**945**	**448 251**
Transactions during the year				
Increases	129 925	-	790	**130 715**
Decreases	(57 290)	(458)	(37)	**(57 785)**
Depreciation and amortization	(46 671)	(1 377)	(824)	**(48 872)**
Business combinations	(1)	-	-	**(1)**
IFRS 5 reclassification	(13 856)	-	(64)	**(13 920)**
Total transactions	12 107	(1 835)	(135)	10 137
At December 31, 2020				
Gross value at end of year	497 123	61 293	2 073	560 489

Depreciation, amort. and provisions at end of year	(90 607)	(10 231)	(1 263)	(102 101)
Net value at end of year	**406 516**	**51 062**	**810**	**458 388**

8.4. Impairment losses

8.4.1. IMPAIRMENT TESTING OF RESTAURANT CGUS

The Group individually tested 38 restaurants that had been in business for at least 12 months at June 30, 2021, showed an indication of impairment (i.e. a significant decline in sales at the end of June 2021 compared to projected sales), and were mainly located in shopping centers.

These tests resulted in no any additional impairment losses.

The recoverable amount of these CGUs was assessed on the basis of their value in use, as determined using various operational assumptions (notably sales and franchise revenue growth and profit margin) and the following DCF assumptions, which are identical to those used for the assessment at December 31, 2020:

In %	June 2021	Dec. 2020
Discount rate	7.00%	7.00%
Perpetual growth rate used to determine the terminal value	2.00%	2.00%
The sales growth rate over the five years of the MTP*	1.50%	1.50%

* This growth rate is not applied until 2022 (when management considers that business will have recovered from the Covid-19 crisis).

Although the CGUs tested were not impaired, management discovered that a reasonably possible change in key assumptions could cause the carrying amount to exceed the recoverable amount.

The Group has individually re-tested the CGUs by changing the key valuation assumptions as follows:

- Increasing the discount rate by 0.50 percentage points, from 7.00% to 7.50%
- Decreasing the perpetual growth rate used to determine the terminal value, from 2% to 1.50%
- Decreasing the sales growth rate over the 5-year business plan from 1.50% to 0.50%

These changes had no material impact on the impairment of restaurant CGUs.

8.4.2. IMPAIRMENT TESTING OF THE GROUP AS A WHOLE

The impairment testing at June 30, 2021 did not require a review of the impairment recognized at December 31, 2020. The recoverable amount of the Group as a whole was therefore not assessed at June 30, 2021. The excess recoverable amount recognized at December 31, 2020 (approximately €593 million) was sufficient.

At December 31, 2020, Management had however discovered that a reasonably possible change in the DCF assumptions could cause the recoverable amount to be less than the carrying amount. The table below shows the assumption percentages at which the recoverable amount will equal the carrying amount.

	Rate at which the recoverable amount will equal the carrying amount
In %	**Dec. 2020**
Discount rate	11.76%
Perpetual growth rate used to determine the terminal value	(4.45%)
Sales growth rate used to determine the terminal value	(6.19%)

8.5. Off-balance sheet commitments on assets under construction

Off-balance sheet commitments granted on assets under construction totaled €4.9 million at June 30, 2021, vs. €7.7 million at December 31, 2020.

9. CONTINGENT LIABILITIES AND PROVISIONS

2021

In 000 EUR	Commercial, legal and employee dispute risks	Employee benefits	Total
At December 31, 2020			
Net value at start of year	3 830	3 387	7 217
Transactions during the year			
Provisions	462	-	**462**
Reversals used	(818)	-	**(818)**
Reversals not used	(111)	-	**(111)**
Business combinations	-	-	-
Actuarial gains/(losses) & other transactions	(195)	-	**(195)**
IFRS 5 reclassification	-	-	-
Total transactions	**(662)**	**-**	**(662)**
At June 30, 2021			
Net value at end of year	3 168	3 387	6 555

2020

In 000 EUR	Commercial, legal and employee dispute risks	Employee benefits	Total
At December 31, 2019			
Net value at start of year	3 691	3 535	7 226
Transactions during the year			
Provisions	305	593	**898**
Reversals used	-	(413)	**(413)**
Reversals not used	(231)	-	**(231)**
Business combinations	-	-	-
Actuarial gains/(losses) & other transactions	65	21	**86**
IFRS 5 reclassification	-	(349)	**(349)**
Total transactions	**139**	**(148)**	**(9)**
At December 31, 2020			
Net value at end of year	3 830	3 387	7 217

In 2021, the changes concern disputes with employees and tax authorities.

The Group is also involved in several legal proceedings with a former France Quick international master franchisee, for which the Group has made no provision as it does not consider this risk to be material.

10. FINANCIAL MATTERS AND INSTRUMENTS

10.1. Net financial income/expense

The table below breaks down the Group's net financial income.

In 000 EUR	**June 2021**	**June 2020**
Interest on bond debt	(17 633)	(17 678)
Unused RCF credit line fee	(199)	(115)
Interest on bank debt	(728)	(719)
Gross debt expense	**(18 560)**	**(18 511)**
Short-term investment income	197	127
Net debt expense	**(18 363)**	**(18 384)**
Change in the fair value of non-hedging derivatives	-	36
Other financial income	**-**	**36**
Interest on lease liability (IFRS 16)	(13 816)	(11 473)
Cash flow hedges - reclassification from other comprehensive income (including hedging costs)	(115)	(228)
Bond refinancing expenses	(1 354)	(1 274)
Sundry bank charges and other	(241)	(203)
Other financial expenses	**(15 525)**	**(13 179)**
Net financial income/expense	**(33 888)**	**(31 527)**

10.2. Financial liabilities, liabilities on commitments to purchase minority interests, and lease liabilities

Financial liabilities, liabilities on commitments to purchase minority interests, and lease liabilities are shown in the table below:

2021

		Cash flow			Non-monetary changes					
In 000 EUR	1 Jan. 2021	Inflows from new liabilities	Interest paid	Repayment of debt	Unpaid interest expense	IFRS 16 impact on leases	Change in scope	IFRS 5 reclass	Reclass & other transactions	June 2021
NON-CURRENT FINANCIAL LIABILITIES										
Bond issues	618 948	-	-	-	-	-	-	-	1 439	620 387
Bank loans	32 295	10 600	-	(1 304)	-	-	126	-	(24 483)	17 234
Derivatives	-	-	-	-	-	-	-	-	-	-
Other financial liabilities of more than 1 year	1 650	-	-	(250)	-	-	-	-	(245)	1155
Total financial liabilities	**652 893**	**10 600**	**-**	**(1 544)**	**-**	**-**	**126**	**-**	**(23 289)**	**638 776**
Minority interest purchase commitment liabilities	24 425	-	-	-	-	-	-	-	1 688	26 113
Lease liabilities	381 104	-	-	-	-	76 640	-	(3 502)	(23 252)	430 990
Total non-current liabilities	**1 058 422**	**10 600**	**-**	**(1 544)**	**-**	**76 640**	**126**	**(3 502)**	**(44 853)**	**1 095 879**
CURRENT FINANCIAL LIABILITIES										
Bonds and accrued interest	3 113	-	(5 862)	-	5 687	-	-	-	-	2 938
Bank loans and accrued interest	98 034	-	(217)	(10 643)	42	-	50	-	24 474	111 740
Bank overdrafts	51	(53)	-	-	-	-	-	2	-	-
Other financial liabilities maturing during the year	1 253	-	(292)	-	266	-	-	-	248	1 475
Total financial liabilities	**102 451**	**(53)**	**(6 371)**	**(10 643**	**5 995**	**-**	**50**	**2**	**24 722**	**116 153**
Lease liabilities	42 374	-	-	(22 500)	-	2 329	-	(624)	22 907	44 486
Total current financial liabilities	**144 825**	**(53)**	**(6 371)**	**(33 143)**	**5 995**	**2 329**	**50**	**(622)**	**47 629**	**160 639**
Total financial liabilities	**1 203 247**	**10 547**	**(6 371)**	**(34 697)**	**5 995**	**78 969**	**176**	**(4 124)**	**2 776**	**1 256 518**

The main transactions during the period were the repayment of the €10.6 million BNPP credit line which fell due on April 11, 2021 and was renewed for the same amount on June 30, 2021.

Liabilities on commitments to purchase minority interests are described in Note 10.2.3.

2020

		Cash flow			Non-monetary changes					
In 000 EUR	1 Jan. 2020	Inflows from new liabilities	Interest paid	Repayment of debt	Unpaid interest expense	IFRS 16 impact on leases	Change in scope	IFRS 5 reclass	Reclass & other transactions	Dec. 2020
NON-CURRENT FINANCIAL LIABILITIES										
Bond issues	616 198	-	-	-	-	-	-	-	2750	618 948
Bank loans	29 329	60 000	-	(40 000)	-	-	-	-	(17 034)	32 295
Derivatives	40	-	-	-	-	-	-	-	(40)	-
Other financial liabilities of more than 1 year	1 650	-	-	-	-	-	-	-	-	1 650
Total financial liabilities	**647 217**	**60 000**	**-**	**(40 000)**	**-**	**-**	**-**	**-**	**(14 324)**	**652 893**
Minority interest purchase commitment liabilities	23 510	-	-	-	-	-	-	-	915	24 425
Lease liabilities	356 166	-	-	-	-	78 219	-	(4 598)	(48 683)	381 104
Total non-current liabilities	**1 026 893**	**60 000**	**-**	**(40 000)**	**-**	**78 219**	**-**	**(4 598)**	**(62 092)**	**1058 422**
CURRENT FINANCIAL LIABILITIES										
Bonds and accrued interest	3 185	-	(5 772)	-	5 567	-	-	-	133	3 113
Bank loans and accrued interest	4 068	85 000	(9)	(8 566)	384	-	-	-	17 157	98 034
Bank overdrafts	1 701	-	-	-	-	-	-	(1)	(1 649)	51
Other financial liabilities maturing during the year	1 852	-	(132)	(490)	126	-	-	-	(103)	1 253
Total financial liabilities	**10 806**	**85 000**	**(5 913)**	**(9 056)**	**6 077**	**-**	**-**	**(1)**	**15 538**	**102 451**
Lease liabilities	43 474	-	-	(44 633)	-	1 363	2	(1 117)	43 285	42 374
Total current financial liabilities	**54 280**	**85 000**	**(5 913)**	**(53 689)**	**6 077**	**1 363**	**2**	**(1 118)**	**58 823**	**144 825**

Total financial liabilities	1 081 173	145 000	(5 913)	(93 689)	6 077	79 582	2	(5 716)	(3 269)	1 203 247

10.2.1. GROSS DEBT

The Group's gross debt consists of the following:

In 000 EUR	**June 2021**	**Dec. 2020**
Fixed-rate tranche	313 645	312 975
Floating-rate tranche	309 679	309 085
Total bond debt	**623 324**	**622 061**
Fixed-rate bank debt	89 024	90 392
Floating-rate bank debt	39 950	39 937
Total bank loans	**128 974**	**130 329**
Derivatives	**-**	**-**
BPI France - "Growth loan"	2 021	2 294
Other	610	609
Total other financial liabilities	**2 631**	**2 903**
Bank overdrafts	**-**	**51**
Total	**754 929**	**755 344**

All debts were contracted in euros.

Bank loans

In June 2020, the Group obtained a government-guaranteed "PGE" loan to meet its cash requirements during the Covid-19 crisis. Of this €80 million loan, €60 million was allocated to France BKR and €20 million to Burger King France. The loan was arranged with a pool of three banks and is backed by a 90% government guarantee.
Although no interest was paid in 2020, a guarantee fee of 0.5% was.

In June 2021, the repayment of the government-backed PGE loan was deferred by one year and its maturity was extended for a further year. It will therefore fall due on June 18, 2023.
On June 18, 2021, the guarantee fee was increased from 0.5% to 1.0% and the pool banks will charge interest on their advances at an average rate of Euribor + 0.24% (0% floor).

Although this loan is due on June 30, 2023, it is classified as a current liability since it may immediately fall due if significant assets are disposed of.
Since the planned disposal of the Quick business (see Post-balance sheet events and Note 4.2) would meet this criterion, this loan has been classified as a current liability to ensure consistent accounting treatment.

Bond issues

The table below shows the key characteristics of the Group's bond issues:

In 000 EUR	Carrying amount	Nominal	Maturity date	Repayment	Rate
High-yield bond issue • Fixed-rate tranche	315 000	100 and multiple of 1 about this amount	01/05/2024	in fine	6%
High-yield bond issue • Floating-rate tranche	310 000	100 and multiple of 1 about this amount	01/05/2023	in fine	Euribor + 5.25%

Burger King France's €625 million bond issue of April 21, 2017, which was completed on 19 December 2017, is composed of the following two tranches:

- A fixed-rate €315 million tranche, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on May 1, 2024 and paying 6% interest (semi-annual)

- A floating-rate tranche of €310 million, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on May 1, 2023 and paying Euribor +5.25% (quarterly). This tranche was issued in two phases: initially on April 21, 2017 for €250 million, with proceeds of 99.5% and the balance recognized as an issuance discount, and subsequently on 19 December 2017 for €60 million, with proceeds of 101.75% and the balance recognized as an issuance premium.

Burger King France may prepay all or part of these bonds.

The €16.9 million in bond issuance costs are spread over the term of the bond. They were €7.4 million at June 30, 2021, vs. €8.8 million at December 31, 2020.

This change is explained by the spreading out of bond issuance costs in 2021.

Breakdown of debt before and after hedging instruments

	June 2021		Dec. 2020	
In 000 EUR	Debt before hedging	Debt after hedging	Debt before hedging	Debt after hedging
Fixed rate debt	404 690	404 690	405 655	405 655
Hedged floating-rate debt		-		150 000
Floating-rate debt	350 239	350 239	349 689	199 689
Total	**754 929**	**754 929**	**755 344**	**755 344**

The change in variable debt after hedging corresponds to a €150 million interest rate cap that expired in May 2021.

The revolving credit facility (RCF)

In April 2017, Burger King France set up a €60 million 5-year RCF with a pool of seven banks. The interest rate from 1 January to June 30, 2021 is Euribor +3.0% (with a 0% floor).

As soon as the announcement was made that restaurants would close in March 2020, the Group decided to draw down all of its €60 million RCF line.

At the end of June 2020, the Group used its available cash to repay €40 million of the RCF line, thus reducing the used portion to €20 million.
At June 30, 2021, €20 million of this line of credit had been used.

If over 35% of the RCF is used, the Group's quarterly leverage ratio (EBITDA / net debt) must not exceed 7.5.

On June 30, 2021, the covenant did not apply since less than 35% of the RCF was used.

10.2.2. CASH AND CASH EQUIVALENTS

In 000 EUR	**June 2021**	**Dec. 2020**	**Change**
Cash	149 080	166 150	(17 070)
Cash assets	**149 080**	**166 150**	**(17 070)**
Bank overdrafts	-	(51)	51
Cash liabilities	**-**	**(51)**	**51**
Net cash	**149 080**	**166 099**	**(17 019)**

The change in net cash is mainly explained by the transfer of cash from the Group's continuing operations to the discontinued operations.

10.2.3. COMMITMENTS TO PURCHASE MINORITY INTERESTS

The Group has granted Picpain a put option on its interest in Agaquick. The exercise price of this option was calculated using a contractually predetermined formula. The option may be exercised in 2027.

Since the non-controlling interests are still entitled to their share of Agaquick's earnings, the Group has opted for a "mixed" accounting treatment of this commitment.

1) The put liability was recognized against the carrying amount of the non-controlling interests and the difference between the liability recorded for the purchase commitment and the carrying amount of the non-controlling interests is deducted from the Group's share of equity.
2) A share of Agaquick's net income is allocated to the non-controlling interests in the consolidated income statement.

The Group also has an option to purchase all of the shares that Picpain holds in Agaquick, which it may exercise pursuant to the shareholders' agreement in 2039, or in the event of a change in the ownership structure of Picpain's Agaquick shares, or in the event of a legal dispute for which Picpain is held liable.

10.3. Classification and fair value of financial instruments

2021

	Accounting categories				Fair value			
In 000 EUR	Financial assets & liab. at amortized cost	Financial instruments at fair value through income	Cash flow hedging instruments	Total net book value	Level 1: actively quoted prices when available	Level 2: internal model with observable market data	Level 3: internal model without observable market data	Fair value
Derivative assets	-	-	-	-	-	-	-	-
Total non-current financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash	149 080	-	-	149 080	Note 1	Note 1	Note 1	-
Total current financial assets	**149 080**	**-**	**-**	**149 080**	**-**	**-**	**-**	**-**
Total assets	**149 080**	**-**	**-**	**149 080**	**-**	**-**	**-**	**-**
Bond issues	620 387	-	-	620 387	620 387	-	-	620 387
Other bank loans and other financial liabilities	18 389	-	-	18 389	18 389	-	-	18 389
Lease liability	430 990	-	-	430 990	Note 2	Note 2	Note 2	-
Minority interest purchase commitment liabilities	26 113	-	-	26 113	-	-	26 113	26 113
Total non-current financial liabilities	**1 095 879**	**-**	**-**	**1 095 879**	**638 776**	**-**	**26 113**	**664 889**
Bank loans and accrued interest	111 740	-	-	111 740	111 740	-	-	111 740
Bonds and accrued interest	2 938	-	-	2 938	2 938	-	-	2 938
Lease liability	44 486	-	-	44 486	Note 2	Note 2	Note 2	-
Bank overdrafts	-			-	Note 1	Note 1	Note 1	-
Other current financial liabilities	1 475	-	-	1 475	Note 1	Note 1	Note 1	-
Total current financial liabilities	**160 639**	**-**	**-**	**160 639**	**114 678**	**-**	**-**	**114 678**
Total liabilities	**1 256 518**	**-**	**-**	**1 256 518**	**753 454**	**-**	**26 113**	**779 567**
Total	**(1 107 438)**	**-**	**-**	**(1 107 438)**	**(753 454)**	**-**	**(26 113)**	**(779 567)**

2020

	Accounting categories				Fair value			
In 000 EUR	Financial assets & liab. at amortized cost	Financial instruments at fair value through income	Cash flow hedging instruments	Total net book value	Level 1: actively quoted prices when available	Level 2: internal model with observable market data	Level 3: internal model without observable market data	Fair value
Derivative assets	-	-	-	-	-	-	-	-
Total non-current financial assets	-	-	-	-	-	-	-	-
Cash	166 150	-	-	166 150	Note 1	Note 1	Note 1	-
Total current financial assets	166 150	-	-	166 150	-	-	-	-
Total assets	166 150	-	-	166 150	-	-	-	-
Bond issues	618 948	-	-	618 948	618 948	-	-	618 948
Other bank loans and other financial liabilities	33 945	-	-	33 945	33 945	-	-	33 945
Lease liability	381 104	-	-	381 104	Note 2	Note 2	Note 2	-
Derivative liabilities	-	-	-	-			-	-
Minority interest purchase commitment liabilities	24 425	-	-	24 425	-	-	24 425	24 425
Total non-current financial liabilities	1 058 422	-	-	1 058 422	652 893	-	24 425	677 318
Bank loans and accrued interest	98 034	-	-	98 034	98 034	-	-	98 034
Bonds and accrued interest	3 113	-	-	3 113	3 113	-	-	3 113
Lease liability	42 374	-	-	42 374	Note 2	Note 2	Note 2	-
Bank overdrafts	51			51	Note 1	Note 1	Note 1	-
Other current financial liabilities	1 253	-	-	1 253	Note 1	Note 1	Note 1	-
Total current financial liabilities	144 825	-	-	144 825	101 147	-	-	101 147
Total liabilities	1 203 247	-	-	1 203 247	754 040	-	24 425	778 465
Total	(1 037 097)	-	-	(1 037 097	(754 040)	-	(24 425)	(778 465)

Note 1: the net book value of current financial assets and liabilities is considered to be reasonably approximate to their fair value.

Note 2: As allowed under IFRS, the fair value of the lease liability and its level in the fair-value hierarchy is not provided.

The fair value of other financial instruments was determined as follows:

- High-yield bonds and floating-rate loans: their fair value is considered to be near their carrying amount, as the impact of a change in the Group's credit spread is considered immaterial
- Other fixed-rate financial debts and minority buy-out commitment debts: the fair value of debt is determined for each loan by discounting future cash flows at the closing market rate.
- Standard valuation models were used to estimate the fair value of derivatives.

10.4. Risk management

10.4.1. GENERAL RISK MANAGEMENT POLICY

The Group's day-to-day business activities are exposed to interest-rate risk.

The Group is exposed to the risk that an increase in interest rates may increase its floating-rate debt.

Foreign exchange risks are immaterial due to the limited volume of import purchases in non-euro currencies and the lack of income in these currencies.

The Group has little exposure to credit risk because its income comes mainly from restaurants, where payments are made almost immediately (in cash or by bank card, restaurant voucher, etc.) and from its franchisees, most of whom are in good financial health.

10.4.2. INTEREST RATE RISK

As of May 2021, the Group stopped using caps to hedge its floating-rate bonds.

In 2020, the Group used caps to hedge its floating-rate bond debt. These derivatives are qualified as cash flow hedging instruments.

The table below shows the key characteristics of the derivative instruments used in 2020:

	Dec. 2020	
In 000 EUR	**Notional amount**	**Maturity**
Interest rate cap	100 000	01/05/2021
Interest rate cap	50 000	01/05/2021
Cash flow hedging derivatives	**150 000**	
Rate swap		
Non-hedging derivatives	**0**	

The results of interest rate risk sensitivity analysis are shown below.

At June 30, 2021	0.5% decrease in interest rates		0.5% increase in interest rates	
In 000 EUR	Impact on equity	Impact on income	Impact on equity	Impact on income
Investments	-	(400)	-	400
TOTAL IMPACT	**-**	**(400)**	**-**	**400**

At December 31, 2020	0.5% decrease in interest rates		0.5% increase in interest rates	
In 000 EUR	Impact on equity	Impact on income	Impact on equity	Impact on income
Investments	-	(400)	-	400
TOTAL IMPACT	**-**	**(400)**	**-**	**400**

Despite the fact that the hedging instruments matured in the first half of 2021, the Group believes that the interest rate risk has not increased, as interest rates are currently negative.

10.4.3. CURRENCY RISK

The Group's exposure to currency risk is very limited as most of its business is conducted in Europe.

There were no currency hedging commitments at June 30, 2021 or at December 31, 2020.

Given the limited exposure to foreign exchange risk the latter had no material impact on income (as in 2020).

10.4.4. CREDIT RISK

Credit risk includes all forms of counterparty default and is closely monitored by the Group.

Deposits and guarantees

The credit risk on deposits and guarantees is considered to be limited.

Cash and cash equivalents

With regard to cash and cash equivalents, the credit risk is considered to be limited insofar as:

- they are invested with first-class banks or with Bertrand Holding, which ensures that the Group has day-to-day access to funds and is not exposed to capital risk, by selecting appropriate banking partners and investments vehicles.

- they are invested exclusively in money market instruments.

Trade receivables

Trade receivables are the amounts owed by franchisees.

They may be impaired on the basis of expected credit losses. Indicators of expected losses include, for example, significant financial difficulties of a franchisee or a breach of the franchise agreement (e.g. payment is past due more than x days). These receivables deemed to be at risk are fully impaired if there are indicators of expected credit loss. At June 30, 2021, this impairment totaled €5.5 million, vs. €6.9 million at December 31, 2020. In 2020, the risk of non-recovery was assessed for €2.7 million of the business lease fees for March 2020, the payment dates for which were deferred throughout 2021. In the first half of 2021, franchisees were charged 1/12th of their March 2020 fee each month, with no defaults observed. The provision for this was accordingly decreased to €1.3 million at June 30, 2021.

A statistics-based provision is made for receivables that are not impaired on the basis of expected credit losses. This statistical provision is based on the history of credit losses actually incurred over the past ten years. At June 30, 2021, this provision was €64 thousand, vs. €64 thousand at December 31, 2020.

Given the large number of customers, there is no risk of concentration of trade receivables.

10.4.5. LIQUIDITY RISK AND DEBT PAYMENT SCHEDULE

The prepayment of the Group's financial liabilities is only required when there is a contractual change in the control of a group entity.

The Group's policy is to ensure that it has sufficient liquidity to meet its obligations. There is limited short-term liquidity risk as cash assets and credit lines can be quickly mobilized to cover current liabilities.

Current debt includes the €80 million government-guaranteed "PGE" loan (see Note 10.2). However, the Group plans to repay it when the Quick business is disposed of (see Note 4.2). The Group therefore believes that it has sufficient resources to cover the €211 million in current liabilities, which include the 80 million PGE loan that will immediately fall due if the Quick business is sold.

The table below shows the maturity profile of financial liabilities at June 30, 2021:

		Contractual cash flows								
In 000 EUR	Book value	Total non-discounted contractual cash flows	< 1 yr	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	5 to 6 yr	6 to 7 yr	Over 7 yr
Non-derivative financial liabilities										
Bond issues	630 773	714 612	35 311	345 401	333 900	-	-	-	-	-
Bank loans and overdraft facilities	128 974	131 422	113 945	12 991	2 022	1 213	847	404	-	-
Other financial liabilities	2 630	2 707	1 527	1 180	-	-	-	-	-	-
Lease liability	475 476	787 284	77 982	73 916	72 131	70 086	65 549	61 257	56 038	310 325
o/w the liability on the scope to be sold		*89 267*	*12 273*	*9 929*	*8 635*	*7 682*	*6 879*	*6 354*	*6 109*	*31 408*
Minority interest purchase commitment liability	26 113	26 113	-	-	-	-	-	-	26 113	-
Total	1 263 966	1 662 137	228 765	433 488	408 053	71 299	66 396	61 661	82 151	310 325
Derivative liabilities										
Interest rate swaps used for hedging	-	- -	-	-	-	-	-	-	-	
Total	-	- -	-	-	-	-	-	-	-	

The table below shows the maturity profile of financial liabilities at December 31, 2020:

		Contractual cash flows								
In 000 EUR	Book value	Total non-discounted contractual cash flows	< 1 yr	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	5 to 6 yr	6 to 7 yr	Over 7 yr
Non-derivative financial liabilities										
Bond issues	630 863	726 502	35 401	35 401	334 400	321 300	-	-	-	-
Bank loans and overdraft facilities	130 380	131 394	98 706	27 047	2 220	1 672	923	732	94	-
Other financial liabilities	2 903	2 894	1 190	1 196	508	-	-	-	-	-
Lease liability	423 478	675 521	72 652	68 754	65 981	64 942	61 898	57 122	52 927	231 245
o/w the liability on the scope to be sold		*84 743*	*11 498*	*9 750*	*7 476*	*6 740*	*6 148*	*5 554*	*5 373*	*32 203*
Minority interest purchase commitment liability	24 425	24 425	-	-	-	-	-	-	24 425	-
Total	1 212 049	1 560 736	207 949	132 398	403 109	387 914	62 821	57 854	77 446	231 245
Derivative liabilities										
Interest rate swaps used for hedging	-	- -	-	-	-	-	-	-	-	
Total	-	- -	-	-	-	-	-	-	-	

Financial covenants

The Group is subject to the following financial covenant at the balance sheet date.

Covenant to be observed	**Borrowing subject to covenant**	**Testing frequency**
Consolidated net debt / Consolidated EBITDA must be < 7.5 if over 35% of credit line is used	Burger King France €60 million RCF	Quarterly

At June 30, 2020, the outstanding amount of the RCF credit line was 20 million euros.

Since this amount is less than 35% of the credit line, the Group is not required to comply with the following ratio: Consolidated net debt / Consolidated EBITDA < 7.5.

10.5. Off-balance sheet commitments given as collateral for loans

The Group has made the following off-balance sheet commitments to provide collateral for the €625 million in bonds issued in 2017:

- Pledging of bank accounts
- Pledging of intra-group receivables
- Pledging of Burger King France's receivables on Bertrand Holding under the cash management agreement
- Pledging of shares held in Financière BKF, BK Services, France BKR, Burger King Construction and Burger King Restauration.

In 2019, the following off-balance sheet commitments were provided to provide collateral for new credit lines:

- Letter of intent to Crédit Mutuel on behalf of Agaquick
- Pledging of a France BKR business to BNPP, with renewal of the pledge when the credit line was re-extended on June 30, 2021.

In June 2021 (see Note 10.2.1 Bank loans), the repayment of the government-backed PGE loan was deferred by one year and its maturity was extended for a further year to June 18, 2023. The guarantee fee was increased from 0.5% to 1.0% on June 18, 2021. If the PGE loan is repaid before June 18, 2023, the Group will be required to pay the guarantee fee up until this date.

11. INCOME TAX

Breakdown of income tax expense

In 000 EUR	**June 2021**	**June 2020**
Current tax	(7 919)	1 006
Deferred tax	8 453	(1 723)
Income tax	**534**	**(717)**

Income tax expense is recognized at the amount determined on the basis of the profit before tax for the interim period multiplied by management's best estimate of the weighted average annual tax rate expected for the full year. This rate is adjusted for the tax effect of certain items that are fully recognized in the interim period. Accordingly, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate in the annual financial statements.

For the six-month period ending June 30, 2021, the Group's effective tax rate for its continuing operations is 11.53%. This effective tax rate was calculated using the 2021 budgeted operating income after restatement of the IFRS 16 annual financial charges, depreciation and amortization.

12. SHAREHOLDERS EQUITY

Share capital

The Group's share capital was €39,161,544 at June 30, 2021, as in 2020.

At June 30, 2021, Burger King France's share capital consisted of:

- 587,700 ordinary shares with a par value of €0.01
- 566,700 Class A preference shares with a par value of €0.01
- 783 Class B preference shares with a par value of €50 thousand.

Share premium

The share premium totaled €163.3 million at June 30, 2021, as in 2020.

Dividends

Burger King France did not pay any dividends in 2021, as in 2020.

13. TRANSACTIONS WITH OTHER RELATED PARTIES

Transactions with parent companies involve the following services:

- a service agreement signed with TOPCO
- a cash pooling and management agreement between Burger King France and BH SAS
- a business development agreement between Burger King France and BH SAS for 2020.
- real property finance leases with companies related to BH SAS.
- construction leases with companies related to BH SAS.

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Burger King France S.A.S.

Société par Actions Simplifiée

34 rue Mozart – 92110 Clichy

Capital social: €.39.161.544

Statutory Auditors' Review report on the interim consolidated financial statements

Period from January 1 to June 30, 2021

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This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

Burger King France S.A.S.

34 rue Mozart – 92110 Clichy
Capital social : €.39.161.544

Statutory Auditors' Review report on the interim consolidated financial statements

Period from January 1 to June 30, 2021

To the President,

In our quality of statutory auditors of Burger King France S.A.S. and in answer to your request, we have reviewed the accompanying interim condensed consolidated financial statements, for the period from January 1 to June 30, 2021, ("**the Interim Consolidated Financial Statements")** as they are attached to this report.

We highlight that the first set of interim consolidated financial statements have been prepared as at June 30, consequently we have not audited nor reviewed the corresponding figures relating to the period from January 1 to June 30, 2020.

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

These Interim Consolidated Financial Statements are the responsibility of the President. Our responsibility is to express a conclusion on these Interim Consolidated Financial Statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional doctrine of the French national auditing body (*Compagnie nationale des commissaires aux comptes*) related to this engagement. A review consists primarily of making inquiries of persons responsible for financial and accounting matters and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Consolidated Financial Statements are not prepared in conformity with IAS 34 - International Financial Reporting Standards as adopted by the European Union related to financial statements presented for an interim period.

This report is governed by French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Every part irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

French original signed at Paris-La-Défense and Paris, on September 30, 2021, by

The Statutory Auditors

KPMG S.A.

Eric Ropert
Partner

Adrien Johner
Partner

EXELMANS AUDIT & CONSEIL

Stéphane Dahan
Partner

2020 Consolidated Financial Statements
GROUPE BURGER KING FRANCE

BURGER KING
BURGER KING
PLAY KING

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In 000 EUR	Notes	Dec. 2020	Dec. 2019 restated *
NON-CURRENT ASSETS		**966 885**	**964 224**
Goodwill	8.1	234 537	230 721
Intangible assets	8.2	3 607	3 767
Property, plant and equipment	8.3	712 452	713 283
Non-current financial assets	6.6	11 178	11 284
Deferred tax assets	11.2	491	834
Financial receivables and other non-current assets	6.7	4 620	4 335
CURRENT ASSETS		**246 860**	**175 150**
Inventories	6.5.1	1 958	2 159
Trade receivables	6.5.2	52 977	41 475
Current tax assets	6.5.3	3 357	2 502
Other current assets	6.5.3	22 418	24 882
Cash and cash equivalents	10.2.2	166 150	104 132
Assets held for sale	4.3	**299 106**	**271 475**
TOTAL ASSETS		**1 512 851**	**1 410 849**
TOTAL EQUITY		**91 185**	**119 251**
Share capital	12.1	39 162	39 162
Share premiums	12.1	163 301	163 301
Retained earnings (including net profit for the period)		(111 315)	(84 359)
Attributable to non-controlling interests	4.5	37	1 147
NON-CURRENT LIABILITIES		**1 077 956**	**1 049 564**
Non-current provisions	9	7 217	7 226
Financial liabilities	10.2	652 893	647 217
Non-current lease liabilities	10.2	381 104	356 166
Other financial liabilities	10.2	24 425	23 510
Other non-current liabilities	6.8	11 588	10 660
Deferred tax liabilities	11.2	729	4 785
CURRENT LIABILITIES		**270 393**	**180 934**
Financial liabilities	10.2	102 451	10 806
Current lease liabilities	10.2	42 374	43 474
Trade payables	6.5.4	71 630	72 050
Current tax liabilities		200	1 773
Other current liabilities	6.5.5	53 738	52 831
Liabilities held for sale	4.3	**73 317**	**61 100**
TOTAL LIABILITIES & EQUITY		**1 512 851**	**1 410 849**

* The statement of financial position for 2020 was restated to comply with the IFRIC standard of December 2019 (see Note 3.6).

CONSOLIDATED INCOME STATEMENT

In 000 EUR	Notes	Dec. 2020	Dec. 2019 restated *
Continuing operations			
Sales and franchise revenues	6.1	364 402	490 546
Cost of sales		(131 836)	(181 887)
Gross profit	6.2	**232 566**	**308 659**
Operating and occupancy costs (excl. dep. & amor.)		(32 416)	(44 730)
Depreciation and amortization (restaurants)		(71 685)	(73 266)
Profit from operations	6.2	**128 465**	**190 663**
Selling costs		(28 230)	(38 808)
BK brand royalties		(35 409)	(37 939)
Selling costs		(454)	(433)
Other operating and income expenses	6.3	10 775	16 746
Gross operating profit of restaurants		75 147	130 229
General and administrative costs (excl. dep. and amor.)		(36 156)	(40 339)
Dep. and amort. (corporate center)		(5 550)	(5 933)
Other corporate income and expenses		(1 139)	1 647
Operating profit before non-recurring items		32 302	85 604
Other non-recurring income and expenses	6.4	(12 912)	(19 378)
Operating profit/(loss) after non-recurring items		19 390	66 226
Net financial income/(expense)	10.1	(65 614)	(62 170)
Profit/(loss) before tax		(46 224)	4 056
Share of profit/(loss) of companies consolidated using the equity method		(21)	62
Income tax	11.1	2 900	(207)
Net income from continuing operations		(43 345)	3 911
Net Income from assets held for sales and discontinued operations	4.3	14 204	4 104
Net profit/(loss) for the period		(29 141)	8 015
Share of non-controlling interests		(73)	1 600
Group's share of net income		(29 068)	6 415

* The income statement for 2019 was restated to comply with the IFRIC standard of December 2019 (see Note 3.6).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In 000 EUR	Notes	Dec. 2020	Dec. 2019 restated *
Net consolidated profit/(loss) for the year		(29 141)	8 015
Revaluation of the net liability on post-employment benefits	7.3.1	(5)	(181)
Related tax assets/(liability)		1	63
Other comprehensive income not subsequently reclassified to profit or loss		(4)	(118)
Cash-flow hedging	10.4.2	367	241
Related tax assets/(liability)		(120)	(83)
Other comprehensive income which may subsequently be reclassified to profit or loss		247	158
Total other comprehensive income		243	40
Total comprehensive income		(28 898)	8 055
Group's share		(28 825)	6 448
Share attributable to non-controlling interests		(73)	1 607

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In 000 EUR	Notes	Share capital	Share premium	Actuarial gain/loss and cash-flow hedging reserve	Consolidated reserves and net income	Group's equity	Non-controlling interests	Total equity
At 31 December 2018		**40 012**	**163 301**	**1 139**	**(86 146)**	**118 306**	**796**	**119 102**
Net profit/(loss) for the year		-	-	-	7 053	7 053	1 600	8 653
Other comprehensive income		-	-	33	-	33	7	40
Total comprehensive income		**-**	**-**	**33**	**7 053**	**7 086**	**1 607**	**8 693**
Capital reduction	12.1	(850)	-	-	-	(850)	-	(850)
Dividend distribution	12.1	-	-	-	(7 190)	(7 190)	-	(7 190)
Minority interest purchase commitment liabilities	10.2.3	-	-	-	(1 365)	(1 365)	(2 206)	(3 571)
Business combinations	4.2	-	-	-	-	-	950	950
RSU plan expenses	7.4	-	-	-	2 723	2 723	-	2 723
Other changes		-	-	-	32	32	-	32
At 31 December 2019		**39 162**	**163 301**	**1 172**	**(84 893)**	**118 742**	**1 147**	**119 889**
Net profit/(loss) for the year		-	-	-	(29 068)	(29 068)	(73)	(29 141)
Other comprehensive income		-	-	243	-	243	-	243
Total comprehensive income		**-**	**-**	**243**	**(29 068)**	**(28 825)**	**(73)**	**(28 898)**
Capital reduction	12.1	-	-	-	-	-	-	-
Dividend distribution	12.1	-	-	-	-	-	-	-
Minority interest purchase commitment liabilities	10.2.3	-	-	-	119	119	(1 034)	(915)
Business combinations	4.2	-	-	-	-	-	-	-
RSU plan expenses	7.4	-	-	-	75	75	-	75
Other changes		-	-	-	1 038	1 038	(3)	1 035
At 31 December 2020		**39 162**	**163 301**	**1 415**	**(112 729)**	**91 149**	**37**	**91 185**

CONSOLIDATED CASH FLOW STATEMENT

In 000 EUR	Notes	Dec. 2020	Dec. 2019 restated *
Consolidated net profit/(loss)		(29 141)	8 015
Adjustments			
Elim. of profit/(loss) of equity-method companies		21	(62)
Elim. of depreciation, amortization and impairment	8.2 et 8.3	80 278	79 635
Elim. of profit/(loss) on discounting		332	174
Elim. of gains/(losses) on asset disposals	8.2 et 8.3	(1 856)	(371)
Calculated income/(expense) of share-based payments	7.4	75	2 723
Other income and expenses with no impact on cash		(699)	(1 343)
Cash flow after the net cost of debt and taxes		49 010	88 771
Elim. of income tax expense/(income)	4.3.2 et 11.1	6 001	11 756
Elim. of the net cost of debt and other financial income and expenses	10.1	72 449	65 577
Cash flow before the net cost of debt and taxes		127 460	166 104
Change in the working capital requirement	6.5.6	(9 711)	(245)
Income tax paid		(8 757)	(9 116)
Cash generated/(used) by operating activities		108 992	156 743
Acquisition of subsidiaries, net of cash	4.2	(1 011)	1 730
Purchases of intangible assets and PPE		(45 202)	(89 139)
Purchases of financial assets		(666)	(278)
Changes in loans and advances granted		(830)	(747)
Disposals of intangible assets and PPE		14 925	82 998
Disposals of financial assets		-	1
Interest received		-	391
Cash generated/(used) by investment activities		(32 784)	(5 044)
Capital increase		-	(850)
Dividends paid to the Group's shareholders		-	(7 190)
Issuance of loans and bonds	10.2	145 000	18 250
Repayment of loans and bonds	10.2	(49 056)	(8 931)
Payment of principal on the lease liability	10.2	(44 633)	(48 624)
Interest paid on financial liabilities	10.2	(36 753)	(39 374)
Interest paid on the lease liability	10.2	(27 768)	(20 387)
Cash generated/(used) by financing activities		(13 210)	(107 106)
Change in cash and cash equivalents		62 998	44 593
Cash and cash equivalents at start of year	10.2.2	102 431	60 533
Reclassification of cash and cash equivalents to assets and liabilities held for sale	4.3	670	(2 695)
Cash and cash equivalents at year end	10.2.2	166 099	102 431

* The cash flow statement for 2019 was restated to comply with the IFRIC standard of December 2019 (see Note 3.6).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. THE GROUP AND ITS BUSINESS

Burger King France S.A.S. is a French simplified joint-stock company (SAS) that has its registered office at 34 Rue Mozart, 92110 Clichy. It is registered in the Paris trade register under No. 797 882 867.

The Group develops and optimizes a fast-food restaurant concept that is based predominantly on hamburgers and employs various techniques, knowledge and know-how that are appropriate for this type of restaurant.

The consolidated financial statements present the accounting situation of Burger King France S.A.S and its subsidiaries (together the "Group") and interests held in joint ventures. They are presented in euros, with figures rounded off to the nearest thousand.

The Group's financial year runs from 1 January to 31 December.

The consolidated financial statements for the year ended 31 December 2020 were approved by the Chairman on 31 March 2021 and will be proposed for approval at the forthcoming annual shareholders meeting.

2. SIGNIFICANT EVENTS OF 2019 AND POST-BALANCE SHEET EVENTS

2.1. Significant events of 2019

2020 was marked by the following significant events.

Covid-19 health crisis

The year 2020 was marked by the Covid-19 health crisis and by the consequences of the French government's measures to stop the pandemic from spreading, which included:

- the closure of restaurants on 14 March 2020 until at least 15 April 2020.
- the lockdown requirement, announced on 16 March 2020, requiring everyone residing in France remain at home unless absolutely necessary, until at least 31 March 2020. This lockdown period was subsequently extended.

As soon as the Burger King France Group learned of the government's initial measures, it closed all Burger King and Quick restaurants.
Initially, all restaurants were unable to provide takeaway and/or home delivery service. It quickly became apparent that it would take some time until the Group's restaurants would be able to ensure that their employees and customers were protected from the coronavirus.

With the exception of a few restaurants for which drive and home delivery sales resumed at the end of April 2020, to enable us to test our pandemic safety measures, the vast majority remained closed for all business until May 6, 2020.
As this time and until the end of June, we gradually reopened our restaurants for drive and home delivery service, subject to strict health safety requirements. At the start of June, we were able to resume sales in our restaurants, while complying with social distancing rules. Takeaway and "Click n' Collect" sales were also developed.

In the third quarter of 2020, we opened all of our restaurants with full service, with the exception of those in airports, train stations and other locations highly dependent on tourism. We observed a strong recovery in business, despite the impact of the mandatory closures of some locations.

From 30 October 2020, until 15 December 2020, the French government imposed a second nationwide lockdown, which was followed by a 9pm curfew until the end of the year.
Unlike during the first lockdown, we were allowed to maintain drive, home delivery, take-away and Click n' Collect service. Only dining areas had to be closed.
With the experience gained during the first lockdown, we were able to keep all of our restaurants open (except for those in city centers, shopping malls and "tourist" areas), albeit under deteriorated business conditions.

Given the uncertainty of the health crisis, when the restaurant closures were announced in March, the Group immediately decided to draw down all of its available credit lines, and most significantly the €60 million RCF line (see Note 10.2).

The Group also immediately worked with its creditors to obtain a government-guaranteed "PGE" loan for €80 million at the end of the first half of the year (see Note 10.2).

After securing this loan, the Group used its available cash to repay €40 million on the RCF line and thus reduce its use to €20 million (see Note 10.2).

To support its franchisees during this period, the Group also agreed to temporary concessions on royalty payments in formal amendments to franchise agreements. This included the waiver of guaranteed minimum royalties during lockdown periods, and the implementation of variable royalty schedules to support the resumption of business activity as of 6 May 2020. These temporary measures resulted in a decrease in royalties and other revenue from franchisees (see Note 6.1.2).

During all phases of lockdown and depressed business activity, the Group implemented cost containment measures to reduce the impact of restaurant closures and the sharp drop in or complete lack of in-restaurant sales. These measures included, but were not limited to, the following:

- Short-time work schedules for restaurant and support staff (see Note 7.2)
- Suspension or termination of service contracts whenever possible
- Negotiations with our main partners, insurers, suppliers, and in particular lessors, the impact of which may be seen in our 2020 accounts.

These measures reduced cash consumption during the first lockdown, partially offset operating losses, and reduced fixed costs in subsequent periods.

Despite the significant impact of the Covid-19 crisis on its restaurants, the Group has ensured that it has sufficient liquidity to cover its short and medium-term obligations, for itself and for each of its subsidiaries. The ability of the Group and its subsidiaries to continue as going concerns is therefore not at risk.

Business development

After opening 25 restaurants in 2019 (including 22 under the Burger King® brand) and converting 29 restaurants previously operated under the Quick® brand to the Burger King® brand, the Group continued to expand in 2020 with:
The opening of 21 new restaurants, including 20 operated under the Burger King® brand
The conversion to the Burger King® brand of 9 restaurants formerly operating under the Quick® brand.
A significant portion of the investments for this development was assumed by the lessors or supported by the Group's franchisees, thus limiting the Group's remaining net investment.

System-wide sales

The Group's system-wide sales totaled €1.08 billion at 31 December 2020, of which €889 million was from continuing operations (€245 million less than the previous year) and €193 million from discontinued operations (for a year-on-year decrease €34 million).
The decrease in the Group's system-wide sales is mainly attributable to:

- The Covid-19 crisis and its impact on restaurant operations
- The permanent closure or sale of five Quick restaurants

However, this decline was partially offset by the opening of 21 restaurants (of which 20 under the Burger King® brand) and the conversion of 9 Quick® restaurants to Burger King®.

2.2. Post-balance sheet events

The beginning of 2021 was marked by the ongoing Covid-19 crisis and the French government's new health measures, which included a 6pm curfew, the closure of large shopping centers, and local lockdown restrictions on weekends.

Despite these measures, the vast majority of the Group's restaurants continued to operate, albeit under less favorable conditions.

3. BASIS OF PREPARATION

3.1. Declaration of conformity

The consolidated financial statements of the Burger King France Group for 2020 were prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB as adopted mandatorily in the European Union at 31 December 2020, and with SIC and IFRIC interpretations thereof.

All of the relevant rules adopted by the European Union are available on the European Commission's website at https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en#individual-rps-acts-adopting-international-accounting-standards-ifrsias-and-related-interpretations-ifric

3.2. Changes in the accounting framework

Standards, amendments and interpretations which must be observed as of 1 January 2020

The main IFRS standards, amendments and interpretations which became mandatory in the European Union on 1 January 2020 are:

- Amendments to IAS 1 and IAS 8 - *Definition of "significant"*
- Amendments to IFRS 9, IAS 39 and IFRS 7 - *Benchmark Reform (Phase 1)*
- Amendments to IFRS 3 - *Definition of a Business*
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendment to IFRS 16 - *Leases*: *Covid-19 related rent concessions granted to lessees*, applicable as of 1 June 2020.

Note: the consequences of the IFRS IC's decision published in December 2019 on the terms of lease within the scope of IFRS 16 have been recognized in the consolidated financial statements at December 31, 2020, by retrospectively amending the 2019 consolidated financial statements (see Note 3.6).

Apart from the changes to IFRS 16 (the effects of which are explained in Note 3.6), the other standards had no impact on the Group's accounts.

Standards, amendments and interpretations which will become mandatory as of 1 January 2021

The following standards, amendments and interpretations must be observed as of 1 January 2021:

- Amendment to IFRS 4 Insurance Contracts: Extension of the temporary exemption from applying IFRS 9
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 - Reform of benchmark interest rates (Phase 2).

At the time of this publication, the Group does not expect these new standards to have a significant impact on its consolidated financial statements.

3.3. Use of estimates and judgments

In preparing its financial statements, the management of Burger King France Group must make judgments, estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses, and also the information provided in the notes to the financial statements.

The Group's management makes these estimates and assessments on an ongoing basis, based on past experience and various factors it considers to be reasonable.

Unexpected changes in events and circumstances, and particularly in the economic environment of the Group's business activity, may cause its financial results to differ from these estimates.

The most significant estimates and judgments that the management of Burger King France Group has made in applying the accounting policies that have the most significant impact on its financial statements mainly have to do with:

- Impairment tests on fixed assets and goodwill (Note 8.4)
- The measurement of rights of use and lease liabilities in accordance with IFRS 16 (Notes 8.3.2)

3.4. Methods used to translate foreign currency transactions

The consolidated financial statements are presented in euros, which is the Group's functional currency. Amounts are rounded to the nearest thousand euros, unless otherwise stated.

Transactions carried out in a foreign currency by the various Group entities are translated at the prevailing exchange rate on the date of the transaction.
At each balance sheet date, monetary assets and liabilities that are denominated in a foreign currency are retranslated at the prevailing exchange rate on the balance sheet date. Translation differences are recognized in the income statement.

3.5. Basis of assessment

The financial statements are prepared on the historical cost basis, except for derivatives which are measured at fair value.

3.6. Impacts of the application of the IFRS IC decision issued on 16 December 2019"

3.6.1. PRINCIPLE

On 16 December 2019, the IFRS IC issued a decision clarifying the determination of the terms for leases within the scope of IFRS 16 - Leases, and in particular:

- the determination of the enforceable period of a lease that is automatically renewable or which has an indefinite term, and which may be terminated by a party to the lease with due notice. One of the issues raised was the concept of "penalty", which serves to determine the enforceable period.
- the link between the depreciation period for fixtures and fittings that cannot be separated from the leased asset, and the term of the lease under IFRS 16.

The IFRS IC has:

- concluded that an economic (rather than a strictly legal) approach should be used to determine a lease's enforceable period
- clarified the link between the IFRS 16 lease term and the depreciation period for fixtures and fittings that cannot be separated from the leased asset.

In determining the IFRS 16 terms of French "3/6/9" leases, which moreover are automatically renewable, the Group has also taken into consideration the conclusions of the ANC (the French accounting standards authority), issued on July 3, 2020 and which supersede those of 16 February 2018. The Group has conducted analyses to determine the effects of this and made the necessary changes to its financial and accounting information systems in the second half of 2020.

The main impact of the ANC's decision was to extend the IFRS 16 term of certain leases and increase the rights of use and commitments for these leases correspondingly. The impacts of this change in accounting policy were recognized retrospectively as of the IFRS 16 transition date, i.e. 1 January 2019. The consolidated financial statements for 2019 have also been restated in accordance with this decision.

Our analyses focused in particular on leases of underlying assets (restaurants) with inseparable fixtures and fittings and a residual net book value at the end of the IFRS 16 term that could result in a significant penalty (within the meaning of the IFRS IC decision) for the Group. For such leases, it was sometimes necessary to extend the IFRS 16 lease term.

3.6.2. IMPLICATIONS FOR FINANCIAL STATEMENTS

The Group has opted to observe the simplified retrospective method as of 1 January 2019. The 2018 financial statements have thus not been restated.
The total impact of the application of IFRS 16 and the IFRS IC's decision on the balance sheet is €417.7 million at January 1, 2019 (vs. €374.5 million in the 2019 consolidated financial statements).

The effects of the transition are summarized in the table below.

In 000 €	**31 December 2018 reported**	**IFRS 16 reclassifications**	**IFRS IC - IFRS 16 reclassifications**	**At 1 January 2019**
Intangible assets *	195 069	(79 448)		115 621
Property, plant and equipment	302 341	458 979	43 246	804 566
Other current assets (prepaid expenses) **	7 341	(5 080)		2 261
Lease liability	3 840	374 451	43 246	421 537
Deferred tax assets				-
Impact on equity		-	-	

* Leasehold rights are reclassified as rights of use
** Entry fees and prepaid rent are reclassified as rights of use

The table below reconciles the off-balance sheet lease commitments of the 2018 financial statements with the IFRS 16 lease liability subsequent to the IFRIS IC's decision.

In 000 EUR	At 1 January 2019
Operating lease commitments at 31 December 2018	485 499
Differences in the terms used due to termination and extension options that are reasonably certain to be exercised	59 880
Lease commitments not discounted under IFRS 16 at 1 January 2019 restated	545 379
Effect of discounting	(128 405)
Lease commitments not discounted under IFRS 16 at 1 January 2019 restated	416 974
Finance lease liability under IAS 17 at 31 December 2018	3 840
Other	723
Total lease commitments at 1 January 2019 restated	**421 537**

3.6.3. RESTATED 2019 FINANCIAL STATEMENTS

The comparative 2019 income statement, consolidated statement of financial position and cash flow statement were restated to account for the application of the IFRS IC's decision of 16 December 2019.

The IFRS 16 accounting principles observed for the consolidated financial statements as of January 1, 2019 are described in Note 8.3.2.

3.6.3.1. RESTATED 2019 INCOME STATEMENT

In 000 EUR	**31/12/2019 reported**	**IFRIC IFRS 16**	**31/12/2019 restated**
Sales and franchise revenues	490 546	-	490 546
Cost of sales	(181 887)	-	(181 887)
Gross profit	308 659	-	308 659
Operating and occupancy costs (excl. dep. & amor.)	(44 730)	-	(44 730)
Depreciation and amortization (restaurants)	(75 901)	2 635	(73 266)
Profit from operations	188 028	2 635	190 663
Selling costs	(38 808)	-	(38 808)
BK brand royalties	(37 939)	-	(37 939)
Pre-opening costs	(433)	-	(433)
Other operating and income expenses	16 746	-	16 746
Gross operating profit of restaurants	127 594	2 635	130 229
General and administrative costs (excl. dep. and amor.)	(40 339)	-	(40 339)
Dep. and amort. (corporate center)	(5 933)	-	(5 933)
Other corporate income and expenses	1 647	-	1 647
Operating profit before non-recurring items	**82 969**	**2 635**	**85 604**
Other non-recurring income and expenses	(19 378)	-	(19 378)
Operating profit/(loss) after non-recurring items	**63 591**	**2 635**	**66 226**
Net financial income/(expense)	(58 562)	(3 608)	(62 170)
Profit/(loss) before tax	**5 029**	**(973)**	**4 056**
Share of profit/(loss) of companies consolidated using the equity method	62	-	62
Income tax	(542)	335	(207)
Net income from continuing operations	**4 549**	**(638)**	**3 911**
Income from assets held for sales and discontinued operations	4 104	-	4 104
Net profit/(loss) for the period	**8 653**	**(638)**	**8 015**

3.6.3.2. RESTATED 2019 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In 000 EUR	**31/12/2019 reported**	**IFRIC IFRS 16**	**31/12/2019 restated**
NON-CURRENT ASSETS	921 616	42 608	964 224
Goodwill	230 721		230 721
Intangible assets	3 767		3 767
Property, plant and equipment	671 010	42 273	713 283
Interests in equity-method companies	0		0
Non-current financial assets	11 284		11 284
Deferred tax assets	499	335	834
Financial receivables and other non-current assets	4 335		4 335
CURRENT ASSETS	175 150	-	175 150
Inventories	2 159		2 159
Trade receivables	41 475		41 475
Current tax assets	2 502		2 502
Other current assets	24 882		24 882
Cash and cash equivalents	104 132		104 132
Assets held for sales	**271 475**		**271 475**
TOTAL ASSETS	1 368 241	42 608	1 410 849
TOTAL EQUITY	119 889	(638)	119 251
Share capital	39 162		39 162
Share premiums	163 301		163 301
Retained earnings (including net profit for the period)	(83 721)	(638)	(84 359)
Attributable to non-controlling interests	1 147		1 147
NON-CURRENT LIABILITIES	1 006 318	43 246	1 049 564
Non-current provisions	7 226		7 226
Financial liabilities	647 217		647 217
Non-current lease liabilities	312 920	43 246	356 166
Other financial liabilities	23 510		23 510
Other non-current liabilities	10 660		10 660
Deferred tax liabilities	4 785		4 785
CURRENT LIABILITIES	180 934	-	180 934
Financial liabilities	10 806		10 806
Current lease liabilities	43 474		43 474
Trade payables	72 050		72 050
Current tax liabilities	1 773		1 773
Other current liabilities	52 831		52 831
Liabilities held for sale	61 100		61 100

TOTAL LIABILITIES & EQUITY	1 368 241	42 608	1 410 849

3.6.3.3. RESTATED 2019 CASH FLOW STATEMENT

In 000 EUR	**31/12/2019 reported**	**IFRIC IFRS 16**	**31/12/2019 restated**
Total consolidated net profit/(loss)	8 653	(638)	8 015
Adjustments			
Elim. of profit/(loss) of equity-method companies	(62)	-	(62)
Elim. of depreciation, amortization and impairment	82 270	(2 635)	79 635
Elim. of profit/(loss) on discounting	174	-	174
Elim. of gains/(losses) on asset disposals	(371)	-	(371)
Calculated income/(expense) of share-based payments	2 723	-	2 723
Other income and expenses with no impact on cash	(1 343)	-	(1 343)
Cash flow after the net cost of debt and taxes	92 044	(3 273)	88 771
Elim. of income tax expense/(income)	12 091	(335)	11 756
Elim. of the net cost of debt and other financial income and expenses	61 969	3 608	65 577
Cash flow before the net cost of debt and taxes	166 104	-	166 104
Change in the working capital requirement	(245)	-	(245)
Income tax paid	(9 116)	-	(9 116)
Cash generated/(used) by operating activities	156 743	-	156 743
Acquisition of subsidiaries, net of cash	1 730	-	1 730
Purchases of intangible assets and PPE	(89 139)	-	(89 139)
Changes in loans and advances granted	(278)	-	(278)
Purchases of financial assets	(747)	-	(747)
Disposals of intangible assets and PPE	82 998	-	82 998
Disposals of financial assets	1	-	1
Interest received	391	-	391
Proceeds of disposal of discontinued operations, less cash included		-	-
Cash generated/(used) by investment activities	(5 044)	-	(5 044)
Capital increase	**(850)**	**-**	**(850)**
Dividends paid to the Group's shareholders	(7 190)	-	(7 190)
Issuance of loans and bonds	18 250	-	18 250
Repayment of loans and bonds	(8 931)	-	(8 931)
Payment of principal on the lease liability	(48 624)	-	(48 624)
Interest paid on financial liabilities	(39 374)	-	(39 374)
Interest paid on the lease liability	(20 387)	-	(20 387)
Dividends paid to minority shareholders		-	-
Other flows from financing transactions		-	-
Cash generated/(used) by financing activities	(107 106)	-	(107 106)
Change in cash and cash equivalents	44 593	-	44 593
Cash and cash equivalents at start of year	60 533	-	60 533
Reclassification of cash and cash equivalents to assets and liabilities held for sale	(2 695)	-	(2 695)
Cash and cash equivalents at year end	102 431	-	102 431

4. CONSOLIDATION SCOPE

4.1. Accounting principles observed for the scope of consolidation

Consolidation of subsidiaries

A subsidiary is a company which the Group controls. A subsidiary is a company which the Group controls. The Group controls a company when it is exposed to, or is entitled to, variable returns from its relationship with the company and may have an impact on these returns through its control over the company. The financial statements of a subsidiary are included in the consolidated financial statements as of the date that such control is initially obtained and until it ceases.

Equity method of accounting for joint ventures

A joint venture is a form of partnership that gives the Group joint control over a company and rights to the net assets of the joint venture, but no rights to its assets or obligations in respect of its liabilities. Burger King France uses the equity method to account for its joint ventures.

4.2. Business combinations

Business combinations are recognized using the acquisition method. Accordingly, the acquiree's identifiable assets and liabilities are generally recognized at their fair value at the acquisition date.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the acquiree) plus the amount recognized for any non-controlling interest in the acquiree, less the net amount recognized (generally at fair value) for the identifiable assets and liabilities acquired. Non-controlling interests are measured when control is gained, either pro rata to the identifiable net assets or at fair value, depending on the option selected.

When the difference thus determined is negative, and after the various components are remeasured, it can be immediately taken to income, in "other non-recurring income and expenses".

Goodwill is subsequently measured at cost less any impairment loss. In accordance with IAS 36, impairment losses are recognized immediately in the income statement and are irreversible.

The table below shows the calculation of goodwill from the Group's acquisition of companies.

Company	Date taken over	% interest acquired	Cash consid-eration	Non-controlling interests (1)	Fair value of identifiable net assets	Goodwill
D Lys Burger	01/01/2020	100%	804	-	407	397
Senart Burger	01/06/2020	100%	905	-	471	434
Dorli Burger	01/07/2020	100%	237	-	37	200

(1) measured pro rate the net identifiable assets.

In accordance with the Group's accounting principles, this €1 million in goodwill is allocated to the Group CGU.

The following table shows the cash flows associated with these acquisitions.

In 000 EUR	Dec. 2020
Cash consideration	(1 946)
Cash and cash equivalents of the companies acquired	935
Acquisition of subsidiaries, net of cash	**(1 011)**

A total of €(1,011) thousand for "Acquisitions of subsidiaries, net of cash" was recorded in the cash flow statement.

Acquisition expenses are recorded in "Other non-current operating expenses". No significant costs were recognized in 2020.

The contribution of these companies to sales and franchise income and to annual income, from their date of acquisition to 31 December 2020, is immaterial.

4.3. Discontinued operations / Assets and liabilities held for sale

A non-current asset or a group of associated assets and liabilities is considered to be held for sale in the following cases, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations":

- the asset or group is available for immediate sale in its present condition
- its sale is highly likely, which is the case when management has undertaken efforts to sell the asset or group and to find a buyer at a reasonable price and has committed to sell it within one year.

Non-current assets, groups of assets or businesses held for sale are measured at the lower of their carrying amount or their fair value (i.e. the estimated selling price), net of disposal costs. They are presented on a separate line on the balance sheet and are no longer depreciated or amortized. Joint ventures are no longer accounted for using the equity method.

A discontinued operation is a component of the Group's operations which has business activities and cash flows that are clearly distinct from those of the rest of the Group, and which:

- represents a major and distinct line of business or geographic area
- is part of a coordinated plan to divest a major and distinct line of business or geographic area, or
- is a subsidiary acquired exclusively to be resold.

The classification takes place on the date of disposal or earlier if the activity meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had met the criteria of a discontinued operation at the beginning of the comparative period.

In order to focus on the development of the Burger King brand in France, since 2019 the Group has been reorganizing Quick's business activities into a separate group of companies to facilitate their sale.

During the first year, the restrictive measures imposed to stop the spread of the Covid-19 virus prevented the formal launching of the process to sell Quick business activities. However, throughout this period, the Group took the necessary steps to prepare for this sale, which included setting up a dedicated management structure and proceeding with the legal reorganization of the businesses to be sold.

In view of this reorganization and the steps already taken, the Group considers that the sale of this business is very likely within the next twelve months and that it meets the IFRS 15 classification criteria.

4.3.1. ASSETS AND LIABILITIES HELD FOR SALE

The group of companies to be sold consists of the following assets and liabilities at 31 December 2020

In 000 EUR	**Dec. 2020**	**Dec. 2019**
Goodwill	47 584	45 193
Intangible assets	113 053	113 018
Property, plant and equipment	124 289	103 277
Inventories	91	124
Trade and other receivables	12 058	7 163
Cash and cash equivalents	2 031	2 700
Assets held for sale	299 106	271 475
Lease liabilities	59 903	54 188
Trade and other payables	13 414	6 912
Liabilities held for sale	73 317	61 100

The above assets and liabilities are measured at the lower of their carrying amount or fair value.
The increase in goodwill is attributable to the reclassification of business acquisitions and contractual compensation paid to franchisees (see Note 8.1).

The increase in property, plant and equipment is attributable to the increase in rights of use resulting from the renewal of some leases in 2020.

4.3.2. NET INCOME OF DISCONTINUED OPERATIONS

The table below shows operating income from discontinued operations, before and after tax.

In 000 EUR	Dec. 2020	Dec. 2019
Discontinued operations		
Sales and franchise revenues	54 609	97 182
Cost of sales	(8 913)	(35 570)
Gross profit	45 696	61 612
Operating and occupancy costs (excl. dep. & amor.)	(4 026)	(5 629)
Depreciation and amortization (restaurants)	-	(12 942)
Profit from operations	41 670	43 041
Selling costs	(7 265)	(14 438)
Pre-opening costs	(322)	(261)
Other operating and income expenses	(36)	209
Gross operating profit of restaurants	**34 047**	**28 551**
General and administrative costs (excl. dep. and amor.)	(8 295)	(8 893)
Operating profit before non-recurring items	**25 752**	**19 658**
Other non-recurring income and expenses	(341)	(1 147)
Operating profit/(loss) after non-recurring items	**25 411**	**18 511**
Net financial income/(expense)	(2 306)	(2 858)
Profit/(loss) before tax	**23 105**	**15 653**
Income tax	(8 901)	(11 549)
Net profit/(loss) from discontinued operations	**14 204**	**4 104**

In 2020, income tax on discontinued operations include a charge of €2.2 million paid to the Belgian tax authorities, vs. a charge of €6.1 million in 2019.

4.3.3. CASH FLOW FROM DISCONTINUED OPERATIONS

Cash flows from discontinued operations are as follows: Consolidation scope Dec. 2019

In 000 EUR	**Dec. 2020**	**Dec. 2019**
Cash generated/(used) by operating activities	16 562	19 891
Cash generated/(used) by investing activities	(6 634)	(2 986)
Cash generated/(used) by financing activities	(10 598)	(10 500)

Change in cash and cash equivalents	**(670)**	**6 405**

4.4. Consolidation scope

Company	Dec. 2020			Dec. 2019		
	% Interest	% Control	Consol. method	% Interest	% Control	Consol. method
BURGER KING France	100%	100%	FC	100%	100%	FC
ADFR	55.08 %	55.08 %	FC	55.08 %	55.08 %	FC
Aga BK	50%	50%	EM	50%	50%	EM
Aga BK INV	50%	50%	EM	50%	50%	EM
Agaquick	50%	50%	FC	50%	50%	FC
Agaquick Exploit	50%	50%	FC	50%	50%	FC
Agaquick Exploitation 2	50%	50%	FC	50%	50%	FC
Agaquick Invest	50%	50%	FC	50%	50%	FC
AURO202	100%	100%	FC	100%	100%	FC
BK E	100%	100%	FC	100%	100%	FC
BK IDF	100%	100%	FC	100%	100%	FC
BK N	100%	100%	FC	100%	100%	FC
BK OU	100%	100%	FC	100%	100%	FC
BK SE	100%	100%	FC	100%	100%	FC
BK Croissance	3.21 %	3.21 %	FC	3.21 %	3.21 %	FC
BK Développement	73.12 %	73.12 %	FC	73.12 %	73.12 %	FC
BK Expansion	84.44 %	84.44 %	FC	84.44 %	84.44 %	FC
BK Exploitation	3.21 %	3.21 %	FC	3.21 %	3.21 %	FC
BK Services	100%	100%	FC	100%	100%	FC
BURGER KING RESTAURATION	100%	100%	FC	100%	100%	FC
BURGER KING CONSTRUCTION	100%	100%	FC	100%	100%	FC
D Lys Burger	-	-	(1)	-	-	NC
Dorli Burger	100%	100%	FC	-	-	NC
EHRTNT	-	-	(1)	100%	100%	FC
Financière Quick	100%	100%	FC	100%	100%	FC
Flagship	50.71 %	50.71 %	FC	50.71 %	50.71 %	FC
France Quick	100%	100%	FC	100%	100%	FC
Friedland	-	-	(1)	100%	100%	FC
Groll Restauration	100%	100%	FC	-	-	NC
Houdemont	-	-	(1)	76.91 %	76.91 %	FC
J eri	-	-	(1)	100%	100%	FC
Logirest France	100%	100%	FC	100%	100%	FC
MGL	-	-	(1)	100%	100%	FC
Montereau	100%	100%	FC	100%	100%	FC

	Dec. 2020			Dec. 2019		
Company	% Interest	% Control	Consol. method	% Interest	% Control	Consol. method
Montmirail (ex Coquelles)	100%	100%	FC	100%	100%	FC
PINTO	-	-	FC	100%	100%	FC
Pyramides	-	-	EM	100%	100%	EM
Quick Exploitation	100%	100%	EM	100%	100%	EM
Quick France Exploitation	100%	100%	FC	100%	100%	FC
Quick Gestion	100%	100%	FC	100%	100%	FC
Quick Immo	-	-	FC	100%	100%	FC
Quick Invest	100%	100%	FC	100%	100%	FC
Quick Restaurants	100%	100%	FC	100%	100%	FC
Quick Services	100%	100%	FC	100%	100%	FC
R2K	-	-	FC	100%	100%	FC
Senart Burger	100%	100%	FC	-	-	FC
SL2R	55.08%	55.08%	FC	55.08%	55.08%	FC
SN2R	76.91%	76.91%	FC	76.91%	76.91%	FC
Tastyrest	100%	100%	FC	100%	100%	FC
ULM SAS	100%	100%	FC	100%	100%	FC

Consolidation method abbreviations:

NC means Not Consolidated

FC means Full Consolidation

EM means Equity Method

(1) Universal asset & liability transfer ("TUP") in 2020

The changes in the scope of consolidation in 2020 are described in Note 4.2 "Change in the scope of consolidation". The companies accounted for by the equity method are joint ventures of immaterial importance.

The Group has fully consolidated its 50% interest in the Agaquick sub-group since it considers that it controls Agaquick.

4.5. Share attributable to non-controlling interests

Non-controlling interests are initially measured either at their fair value or at the pro rata share of the net identifiable assets acquired at the acquisition date.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The non-controlling interests are:

- The sub-group consisting of Agaquick SAS and its subsidiaries, in which the Group has a 50% stake
- BK Expansion, 84.44% of which is owned by the Group
- BK Développement, 73.12% of which is owned by the Group
- Flagship, 50.71% of which is owned by the Group
- BK Croissance and BK Exploitation, of which the Group holds 3.21%
- SL2R and its subsidiary ADFR, 55.08% of which is owned by the Group
- SN2R and its subsidiary Houdemont, 76.91% of which is owned by the Group.

As at 31 December 2019, only the investment in the Agaquick sub-group was material for the Group at 31 December 2020. The following table presents the key financial figures of this wholly owned sub-group before intra-group eliminations.

In 000 EUR	Dec. 2020	Dec. 2019
Income statement		
Revenue	19 028	30 283
Operating profit	5 361	9 924
Net income (loss)	1 263	4 320
Group's share	630	2 158
Share attributable to non-controlling interests	633	2 162

In 000 EUR	Dec. 2020	Dec. 2019
Statement of financial position		
Non-current assets	38 266	43 450
Current assets	15 211	11 763
Non-current liabilities	12 487	17 455
Current liabilities	9 302	7 643

In 000 EUR	Dec. 2020	Dec. 2019
Cash generated/(used) by operating activities	1 096	1 759
Cash generated/(used) by investing activities	1 588	(3 447)
Cash generated/(used) by financing activities	(1 490)	3 166
Change in cash and cash equivalents	**1 194**	**1 478**

4.6. Transactions with other related parties (joint ventures)

There are no transactions with joint ventures.

5. SEGMENT INFORMATION

Under IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenue and incur expenses
- whose operational results are regularly monitored by the chief operating decision maker
- for which separate financial information is available.

The Group's Chief Operating Decision Maker ("CODM") is its Vice-Chairman and Chief Executive Officer.

The Group's business activity, which constitutes a single operating segment, is operating restaurants in France under franchise agreements or which it owns.

Note 6.1 provides a breakdown of revenue by type of product and service, with a distinction between merchandise sales by company-owned restaurants and income from franchise agreements.
All sales are generated in France. No individual customer is of significant size.

6. OPERATIONS INFORMATION

6.1. Sales and franchise revenues

Sales and franchise income consist of:

- the sales of foodservice products and services through company-operated restaurants within the scope of IFRS 15
- brand royalties and other income paid by franchisees within the scope of IFRS 15
- sales of merchandise and equipment to franchisees
- entry fees and other sales, which include network access fees and entry fees invoiced to franchisees and revenue from services provided to non-Group partners who are not franchisees.

In 000 EUR		Dec. 2020		Dec. 2019	
	Note	**Amount**	**%**	**Amount**	**%**
Sales to consumers	6.1.1	178 299	49%	290 406	59%
Franchisee royalties	6.1.2	149 348	41%	176 726	36%
Sales of merchandise and equipment to franchises	6.1.3	2 866	1%	7 540	2%
Entry fees and other sales	6.1.4	33 889	9%	15 874	3%
Sales and franchise revenues		**364 402**	**100%**	**490 546**	**100%**

6.1.1. CONSUMER SALES

Revenue from sales to consumers includes the revenue from the sale of hamburgers and other food products at the Group's company-owned restaurants and of related catering services.

Sales revenue is recognized when the control of the products sold (the "merchandise") is transferred to the customer, i.e. when payment is made at the cash register for sales to consumers in company-operated restaurants.

Revenue is valued net of returns, rebates, trade discounts and quantity discounts.

Sales to consumers amounted to €178.3 million in 2020, vs. €290.4 million in 2019, for a decrease of €112.1 million.

This decrease is mainly due to the Covid-19 crisis measures, and to a lesser extent to the transfer of eight directly operated restaurants to a franchisee and the closure of one directly operated restaurant. This decrease was partially offset by three new directly operated restaurants, two of which were previously operated under a franchise agreement and one of which was opened.

6.1.2. ROYALTIES AND OTHER CHARGES TO FRANCHISEES

The various types of franchise agreements are: full franchise, shared franchise, business lease, and business lease with investment. The percentage paid depends on the type of agreement. Royalties and other charges to franchisees (excluding rent) comprise:

- the royalties received from franchisees for the use of the Burger King® and Quick® brands.
- National advertising fees received from franchisees as their contribution to the national advertising budget
- Business lease fees received from the leasing of Group-owned businesses.

Brand royalties

Each month, franchisees are invoiced for brand royalties, the amount of which is a contractual percentage of their sales and other income. These royalties are recognized when the franchise revenue is earned, in accordance with the royalty exemption provided for under IFRS 15, with the exception of annual guaranteed minimums which are recognized on a straight-line basis.

National advertising charges

Franchisees are billed monthly for their contribution to the national advertising budget, which is a percentage of the franchise's revenue. It is recorded when this revenue is earned, as it is considered that national advertising activities do not apply to any service that is distinct from the license to use the brand and the know-how.

Business lease royalties

As lessor, Burger King France Group has entered into real property leases and business leases (with or without investment) with its franchisees.

The term of business leases is 9+9 years for Burger King® restaurants, and from 3 to 12 years for Quick restaurants.

The royalties paid under these leases are a contractual percentage of the franchise revenue and are invoiced in consideration of the use of the business assets, the occupation of the premises and the leasehold interest.

These business leases are operating leases for the lessor under IFRS 16.

Lease payments are recognized in the income statement on a straight-line basis over the term of the lease.

The Group had 325 franchised restaurants at 31 December 2020, vs. 304 at 31 December 2019.

The total transaction price for services that were not fully provided at the balance sheet date is immaterial.

Franchise royalties totaled €149.3 million in 2020, which is €27.4 million less than in 2019 (€176.7 million).
This decrease is mainly attributable to:

- the impact of the Covid-19 measures on the sales of our franchisees

- the Group's efforts to support franchisees during the Covid-19 crisis, which included temporary concessions on royalty payments in formal amendments to franchise agreements, the waiver of guaranteed minimum royalties during lockdown periods, and the implementation of variable royalty schedules to support the resumption of business activity.
- the Group's direct operation of two restaurants previously operated under franchise agreements
- the permanent closure or sale of four restaurants.

This decrease was partially offset by the transfer of eight restaurants previously operated to franchisees and the opening of 19 restaurants under franchise agreements.

Future minimum guaranteed payments of royalties:

In 000 EUR	Dec. 2020	Dec. 2019
Less than 1 year	51535	47 588
From the 2nd to 5th year inclusive	198 231	182 842
More than 5 years	79155	109 576
Total minimum payments to be received on operating leases	328 921	340 006

6.1.3. SALES OF MERCHANDISE AND EQUIPMENT TO FRANCHISES

Merchandise and equipment are sold to franchisees by the Group's subsidiary Logirest France.

Revenue from the sale of merchandise and equipment is recognized when their control is transferred to the franchisee, which is the invoice date.

Sales of merchandise and equipment to franchisees totaled €2.9 million in 2020 vs. €7.5 million in 2019.
This decrease is mainly due to the Group's outsourcing, late in Q1 2019, of its purchasing and logistics business for its Quick® restaurants. However, subsidiary Logirest still continues to directly operate an equipment sales and logistics business.

6.1.4. ENTRY FEES AND OTHER SALES

Network entry and franchise entry fees.

Network entry and franchise entry fees are charged to franchisees in consideration of the transfer of know-how, the use of the brand, territorial exclusivity and assistance in opening a restaurant.

They are invoiced at the start of the contract. As with brand royalties, they are considered to be remuneration for the license to use the trademark and know-how, and not remuneration for distinct services.

As this is a "variable license" within the meaning of IFRS 15, this income is recognized over the term of the franchise agreement, and on a straight-line basis, since it is considered that the Group's services as a franchisor are provided uniformly over the term of the agreement.

Fees invoiced at the start of the contract that have not yet been recognized in "Sales and franchise income" are recognized in current and non-current deferred income.

Other revenue

Other revenue consist mainly of the from services provided to non-Group partners who are not franchisees.

In 000 EUR	Dec. 2020	Dec. 2019
Network and franchise entry fees	3 693	5 106
Other revenue	30 196	10 768
Total	**33 889**	**15 874**

Deferred income from network and franchise entry fees is included in "Other non-current liabilities" (see Note 6.8) and "Other current liabilities" (see Note 6.5.5). It is broken down in the following table:

In 000 EUR	Dec. 2020	Dec. 2019
Non-current deferred income (lease liabilities)	9 804	10 115
Current deferred income (lease liabilities)	2 338	2 390
Total	12 142	12 505

6.2. Gross and operating profit and margin

Cost of sales comprises the cost of supplies and merchandise, the cost of restaurant staff and the cost of other sales to the Group's non-franchised external partners.

- The cost of supplies and merchandise consists of is the cost of the raw materials and merchandise required to make the finished products sold to consumers (see Note 6.1.1), the cost of the raw materials, merchandise and equipment the Group sells to franchisees (see Note 6.1.3), and the incurred costs of materials and services that are necessary to provide the services sold to the Group's external and non-franchised partners (see Note 6.1.4).
- Restaurant personnel costs include salaries, the employer's social security charges, and the benefits paid to Group employees whose work is directly related to the selling of products to consumers (see Note 6.1.1)

Occupancy and operating costs mainly include the costs of energy, maintenance, security, and taxes (business tax, property tax, etc.). Depreciation corresponds to the depreciation or amortization of restaurant assets and rights of use.

In 000 EUR	Dec. 2020	%	Dec. 2019	%
Sales and franchise revenues	364 402	100%	490 546	100%
Cost of supplies and merchandise	(73 611)	(20%)	(91 714)	(19%)
Cost of restaurant personnel	(58 225)	(16%)	(90 173)	(18%)
Total cost of sales	(131 836)	(36%)	(181 887)	(37%)
Gross profit	232 566	64%	308 659	63%
Operating and occupancy costs	(32 416)	(9%)	(44 730)	(9%)
Depreciation and amortization (restaurants)	(71 685)	(20%)	(73 266)	(15%)
Profit from operations	128 465	35%	190 663	39%

6.3. Operating profit before non-recurring items

Operating profit before non-recurring items is composed of the following items:

- The operating profit (see Note 6.2)
- Selling expenses, which are the advertising and marketing expenses the Group incurs for the restaurants it operates and for those operating under a franchise agreement, for which national advertising fees are charged (see Note 6.1.2)
- Burger King brand royalties paid to Burger King Corporation
- Restaurant opening costs include all of the costs incurred prior to the opening of a restaurant and which are necessary for its opening, such as personnel expenses while staff is being trained, staff recruitment costs, lease payments, the cost of advertising the restaurant opening, and the initial purchase of minor non-depreciable items that are needed to operate the restaurant.
- Other ordinary operating income and expenses, which are mainly:
  - Capital gains or losses on the disposal of fixed assets required to set up franchised operations or for real estate transactions
  - Charges to/reversals of impairment losses expected on trade receivables
- General and administrative expenses (excluding depreciation and amortization), which consist of the various expenses the Group incurs for the support services that are necessary to ensure the smooth operation of its business
- Head-office depreciation and amortization
- Other head-office income and expenses

Operating profit before non-recurring items breaks down as follows:

In 000 EUR	Dec. 2020	Dec. 2019 restated *
Profit from operations	**128 465**	**190 663**
Selling cots	(28 230)	(38 808)
BK brand royalties	(35 409)	(37 939)
Pre-opening costs	(454)	(433)
Other operating and income expenses	10 775	16 746
Gross operating profit of restaurants	**75 147**	**130 229**
General and administrative expenses (excl. dep. and amor.)	(36 156)	(40 339)
Dep. and amort. (corporate center)	(5 550)	(5 933)
Other corporate income and expenses	(1 139)	1 647
Operating profit before non-recurring items	**32 302**	**85 604**

The table below breaks down Other ordinary operating income and expenses

In 000 EUR	Dec. 2020	Dec. 2019
Net capital gain on the disposal of intangible assets and PPE	7 376	3 793
Reversals of operating provisions	146	655
Reversals of impairment losses expected on trade receivables	-	473
Other income	7 575	42 515
Total other operating income	15 097	47 436
Loss on disposals of intangible assets and PPE	(574)	(143)
Operating provisions	(85)	(232)
Impairment losses expected on trade receivables	(3 186)	-
Other expenses	(477)	(30 315)
Total other operating expenses	(4 322)	(30 690)
Total other operating income and expenses	10 775	16 746

Other income and expenses in 2020 consist mainly of capital gains realized on the sale of land and/or premises, and of income received from some of our partners as a result of negotiations in the wake of the Covid-19 crisis.

6.4. Other non-recurring income and expenses

Other non-recurring income and expenses consist of unusual, abnormal and infrequent items that are attributable to a major event during the year that could give a misleading impression of the Group's performance.

The table below breaks down Other non-recurring operating income and expenses

In 000 EUR	Dec. 2020	Dec. 2019
Quick n'King 2020 conversion project	(10 007)	(18 711)
Reversal/(Reduction) of impairment test value	(2 509)	8 837
Other	(396)	(9 504)
Total other non-recurring income and expenses	(12 912)	(19 378)

Quick n'King 2020 transformation project

The expenses presented on this line are mainly restaurant closure and conversion costs and the expense of the RSU plan (see Note 7.4).

- Restaurant closure costs are primarily comprised of the disposal of the property, plant and equipment and intangible assets of restaurants that are closed or sold. The Group closed five restaurants in 2020 (vs. 13 in 2019).
- Conversion expenses consist mainly of lease payments during the conversion work, personnel expenses and the cost of scrapping Quick's PPE and intangible assets. The Group converted nine restaurants in 2020 (vs. 29 in 2019).

Other

This line consists mainly of expenses incurred in 2019 to settle the dispute with a former France Quick master franchisee (see Note 9). It also includes the recognition of negative goodwill and of provisions and reversals for contingencies.

6.5. Working capital requirement

6.5.1. INVENTORIES

Inventories are stated at the lower of their cost or net realizable value.

The Group's inventories consist of supplies, equipment and food products.

They are recognized at cost, which includes the purchase price plus customs duties, other non-recoverable taxes, and the costs of transportation and handling incurred in bringing inventory items to their storage site.

Equipment inventory is valued using the weighted average cost method.

The food products inventory is valued using the FIFO method (First in, First Out) given the rapid turnover of this inventory and the rules that apply to its management.

In 000 EUR	Dec. 2020	Dec. 2019	Change
Raw materials, supplies and merchandise in restaurants	1 958	2 159	(201)
Supplies and merchandise at Logirest	246	289	(43)
Gross total	**2 204**	**2 448**	**(244)**
Impairment	(246)	(289)	43
Net total	**1 958**	**2 159**	**(201)**

6.5.2. TRADE RECEIVABLES

Trade and other operating receivables are initially recognized at their fair value, which is generally their nominal value. There are no trade receivables that are pledged or insured.

In accordance with IFRS 9, the Group uses the simplified method to measure trade receivables and recognizes expected credit losses over the life of the receivable. Expected credit losses are estimated using an allowance matrix that is based on historical credit loss experience and is adjusted for specific factors relating to the creditor, current general economic conditions and forecasts of future economic conditions that are obtainable at the balance sheet date without incurring undue cost or effort.

In 000 EUR	Dec. 2020	Dec. 2019	Change
Trade receivables	60 021	45 257	14 764
Total trade receivables at nominal value	60 021	45 257	14 764
Impairment of receivables due to expected losses	(7 044)	(3 782)	(3 262)
Net total	52 977	41 475	11 502

The increase in trade receivables in 2020 is mainly due to the deferral of business lease payments granted to franchisees.

Information on the impairment of trade receivables and the Group's exposure to credit risk is provided in Note 10.4.4.

6.5.3. TAX ASSETS AND OTHER CURRENT ASSETS

In 000 EUR	**Dec. 2020**	**Dec. 2019**	**Change**
Current tax assets	3 357	2 502	855
Tax receivables excluding income tax	8 340	11 673	(3 333)
Prepaid expenses	8 168	6 301	1 867
Supplier discount, rebate and refund receivables	1 807	4 341	(2 534)
Other	4 103	2 567	1 536
Other current assets	22 418	24 882	(2 464)
Total	25 775	27 384	(1 609)

Tax receivables (other than on income tax) are mainly on deductible VAT.

Prepaid expenses consist mainly of the short-term portion of network entry fees, which are spread over the term of the master franchise agreement.

6.5.4. TRADE PAYABLES

Trade payables are initially recognized at their fair value, which is generally their nominal value.

6.5.5. OTHER CURRENT LIABILITIES

In 000 EUR	**Dec. 2020**	**Dec. 2019**	**Change**
Other tax liabilities	14 649	15 122	(473)
Employee and social liabilities	22 692	24 147	(1 455)
Deferred income	15 442	12 981	2 461
Other	955	581	374
Total	**53 738**	**52 831**	**907**

Deferred income includes rent received in advance on certain subleases or leases to franchisees and the short-term portion of entry fees spread over the term of the franchise agreement.

6.5.6. CHANGES IN WORKING CAPITAL

The change in the working capital requirement breaks down as follows:

In 000 EUR	**Dec. 2020**	**Dec. 2019**
Effect of change in inventories	270	6 590
Effect of change in trade receivables and other current assets	(16 612)	18 653
Effect of change in trade payables and other liabilities	6 631	(25 488)
Total	**(9 711)**	**(245)**

The negative impact of the change in trade receivables (€16.6) million in 2020 vs. 2019 is mainly attributable to:

- The deferral until 2021 of the payment of franchisee brand royalties, advertising expenses and lease payments of March 2020 as a result of the Covid-19 crisis

The positive impact of the change in trade payables and other current liabilities (€6.6 million) is mainly due to:

- The increase in trade payables on leases subsequent to renegotiations with landlords in the wake of the Covid-19 crisis.

6.6. Non-current financial assets

Loans and guarantees pertain mainly to the Group's operating leases as lessee. They are initially recognized at fair value and subsequently measured at amortized cost.

The Group uses caps and swaps to hedge its variable-rate bond debt. These derivatives are measured at fair value. The method used to recognize changes in their fair value depends on whether there is a documented hedging relationship as defined in IFRS 9:

- in the absence of a hedging relationship, changes in fair value are taken to income
- if there is a documented relationship for hedging cash flows, the change in the fair value of the effective portion of the hedging derivative is initially recorded in other comprehensive income while that of the ineffective portion is directly taken to the income statement.

However, the time value of the options is recognized separately as a hedging cost. It is recognized in other comprehensive income and accumulated in the hedging reserve within equity. It is recycled to the income statement over the term of the hedge.

Non-current financial assets consist of the following:

In 000 EUR	**Dec. 2020**	**Dec. 2019**	**Change**
Loans and guarantees net of impairment	11 179	10 533	646
Fair value of derivative instruments	(1)	4	(5)
Other	-	747	(747)
Total	**11 178**	**11 284**	**(106)**

Other non-current financial assets in 2019 are the shares in D-Lys Burger acquired on 31 December 2019.

6.7. Other non-current assets.

Other non-current assets consist mainly of the long-term portion of prepaid expenses recognized for network entry fees, which are spread over the term of the master franchise agreement.

6.8. Other non-current liabilities

Deposits and guarantees received pertain mainly to the Group's operating leases as lessor. They are initially recognized at fair value and subsequently measured at amortized cost.

In 000 EUR	**Dec. 2020**	**Dec. 2019**	**Change**
Deposits and guarantees	393	414	(21)
Deferred income on entry fees	9 804	10 115	(311)
Other	1 391	131	1 260
Total	**11588**	**10 660**	**928**

Deferred income is the long-term portion of the entry fees spread over the term of the franchise agreement.

7. EMPLOYEE BENEFITS

7.1. Workforce

The workforce includes employees employed under fixed-term and permanent contracts.

The Group's average full-time equivalent headcount was 3,246 in 2020, vs. 3,448 in 2019.

7.2. Personnel expenses

Personnel expenses are recognized as services are provided.

The table below shows personnel expenses recognized in ordinary operating income.

In 000 EUR	**Dec. 2020**	**Dec. 2019**
Head office staff salaries and social-security charges	(23 024)	(26 897)
Restaurant staff salaries and social-security charges	(62 607)	(86 111)
Training expenses	(559)	(736)
Other personnel expenses	(14 865)	(11 866)
Total personnel expenses	(101 055)	(125 610)

The personnel expenses of restaurant staff are recorded under "cost of sales", while those of head office staff are recorded under "general and administrative expenses".

The decrease in salaries and personnel expenses in 2020 was mainly due to the short-time work implemented when restaurants were closed during the lockdowns and after curfews. The French government's short-time work subsidies totaled €8.3 million.

Other personnel expenses are mainly travel and sundry restaurant staff expenses.

7.3. Employee benefits

The Group's employees receive short-term benefits (paid leave, sick leave, etc.), post-employment benefits based on defined contributions (social security plans and ARRCO/AGIRC supplementary pension plans) and on defined benefits (lump-sum retirement payments), as well as other long-term benefits (length-of-service and long-service bonuses).

In 000 EUR	**Dec. 2020**	**Dec. 2019**
Lump-sum retirement payments	3 213	3 384
Other long-term employee benefits	174	151
Total	3 387	3 535

7.3.1. LUMP-SUM RETIREMENT PAYMENTS

French law provides for the payment of a lump-sum retirement benefit that is a function of the employees' length of service with the Group and his or her salary at the time of retirement.

The Group's obligation in respect of this benefit is valued annually by an independent actuary using the projected unit credit method. Revaluations of the liability (actuarial gains and losses) are recognized in other comprehensive income. The service cost is recognized as an operating expense, in "general and administrative expenses", while the associated interest expense is recognized as a financial expense.

Main assumptions used for the calculation of defined benefit plans

Actuarial assumptions	**Dec. 2020**	**Dec. 2019**
Discount rate at 31 December	0,35%	0,70%
Salary growth rate	3.00%	3.00%
Retirement age	Burger King and Quick head-office personnel: 63 yr Burger King and Quick restaurants personnel: 62 yr	Burger King and Quick head-office personnel: 63 yr Burger King and Quick restaurants personnel: 62 yr
Mortality table	INSEE 2014 - 2016	INSEE 2012 - 2014

The discount rate is based on the yields of high-quality, long-term corporate bonds with maturities equivalent to the term of the liabilities measured.

The term of pension plans was 12 years at 31 December 2020.

Change in the present value of the lump-sum retirement benefit obligation Items recognized in equity

Change in commitments	Dec. 2020	Dec. 2019
Present value of commitments at 1 January	**3 384**	**3 039**
Cost of services	243	213
Interest on the commitment	24	49
Benefits paid	(119)	(8)
Business combinations	-	49
Assumed actuarial gain/(loss)	156	353
Actual actuarial gain/(loss)	(151)	(172)
IFRS 5	(324)	(139)
Present value of commitments at 31 December	**3 213**	**3 384**

Included in other comprehensive income

Included in other comprehensive income	Dec. 2020	Dec. 2019
Actual gain/(loss)	(151)	(172)
Assumed gain/(loss)	156	353
Total	**5**	**181**

Lump-sum retirement benefit expenses recognized in income

Pension expense for the year	Dec. 2020	Dec. 2019
Cost of services	243	213
Interest on the commitment	24	49
Plan curtailments and settlements	(119)	(8)
Cost for the year	**148**	**254**

Sensitivity analysis

At the reporting date, the reasonably possible changes in the relevant actuarial assumptions shown in the table below would have increased or decreased the lump-sum retirement benefit obligation by the amounts shown (assuming no change in other assumptions).

	Dec. 2020		Dec. 2019	
In 000 EUR	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	404	(475)	385	(453)
Expected salary increase (1% change)	(457)	398	(437)	380

7.3.2. OTHER LONG-TERM EMPLOYEE BENEFITS

At 31 December 2020, the Group recognized €174 thousand for length-of-service bonuses and long-service awards (vs. €151 thousand in 2019).

7.4. Share-based compensation

The fair value of performance shares granted to employees is recognized in income in "other non-current expenses" over the vesting period, with a corresponding increase in equity.

This fair value was determined using an EBITDA-multiple model, the terms of vesting plans, the market data available at the grant date and the assumptions of the Group's management.

For its RSU plan, implemented in 2018, the Group recognized an expense of €75 thousand in 2020, vs. €2.7 million in 2019.

7.5. Compensation of key management personnel (related parties)

In 2020, key executives received compensation of €3.0 million, compared to €3.1 million in 2019.

This compensation includes the salaries of these executives, benefits in kind, contributions to defined contribution post-employment benefit plans and the expense of defined benefit post-employment plan.
These executives are also entitled to RSU (see Note 7.4).

8. INTANGIBLE ASSETS AND PPE

8.1. Goodwill

Goodwill is mainly attributable to the following:

- in December 2015, the acquisition by Burger King France SAS of 100% of the capital of Financière Quick SAS (€171 million), less the proceeds from the disposal of operations in Belgium and Luxembourg in 2016 (€44 million)
- in 2017, the acquisition of BDBK and PINTO (€76 million)
- in 2018, the acquisition of seven individually immaterial companies/restaurants (€9 million)
- in 2019, the acquisition of seven individually immaterial companies/restaurants (€2 million)
- in 2020, the acquisition of four individually immaterial companies/restaurants (€2 million) and the increase in individually immaterial company business goodwill (€869 thousand)
- the classification, since December 31, 2019, of the Quick business goodwill as an asset held for sale.

The table below shows the change in goodwill.

In 000 EUR	Dec. 2019	Acquisitions	Disposals	IFRS 5 reclass.	Dec. 2020
Goodwill	230 721	6 207	-	(2 391)	234 537
Impairment of Goodwill	-	-	-	-	-
Total net value	230 721	6 207	-	(2 391)	234 537

Goodwill acquisitions reflect the acquisitions made during the year (see Note 4.2), the contractual compensation paid to franchisees, and the increase in business goodwill. For IFRS 5 reclassifications, see Note 4.3.1.

In 000 EUR	Dec. 2019	Acquisitions	Disposals	IFRS 5 reclass.	Dec. 2020
Goodwill	272 355	3 559	-	(45 193)	230 721
Impairment of Goodwill	-	-	-	-	-
Total net value	272 355	3 559	-	(45 193)	230 721

8.2. Other intangible assets

Intangible assets acquired separately are initially recognized at cost while those acquired in a business combination are recognized at their fair value at the date of acquisition.

After their initial recognition, intangible assets are not remeasured. Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life. Useful lives are reviewed at each balance sheet date. Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, or more frequently if there is an indication of impairment (see Note 8.4).

The "Quick®" brand

The "Quick®" brand, which has been classified under IFRS 5 since 31 December 2019, is an intangible asset with an indefinite useful life, in consideration of the fact that it is almost 40 years old and its reputation. There is assumed to be no foreseeable limit to the period during which the brand will generate net cash inflows for the Group.

Other intangible assets with finite useful lives

Other intangible assets with finite useful lives consist mainly of software and patents, licenses and concessions. The amortization of these assets is calculated on a straight-line basis over the following estimated useful lives:

	Number of years
Software	3 to 7
Patents, licenses and concessions	5

2020

In 000 EUR	Software and other rights	Total
At 31 December 2019		
Gross value	8 823	8 823
Depreciation, amort. and provisions	(5 056)	(5 056)
Net value	**3767**	**3767**
Transactions during the year		
Acquisitions	3 633	**3633**
Disposals	(2 767)	**(2767)**
Provisions net of reversals	(2 323)	**(2323)**
Business combinations	-	**-**
Reclassifications and other transactions	1 352	**1352**
IFRS 5 reclassification	(55)	**(55)**
Total transactions	**(160)**	**(160)**
At 31 December 2020		
Gross value at year end	9 045	9 045
Depreciation, amort. and provisions at year end	(5 438)	(5 438)
Net value at year end	**3607**	**3607**

2019

In 000 EUR	Acquisitions	Software and other rights	Brand	Total
At 31 December 2018				
Gross value	88 568	8 545	300 000	397 113
Depreciation, amort. and provisions	(9 120)	(5 924)	(187 000)	(202 044)
Net value	**79448**	**2621**	**113000**	**195069**
Impact of first adoption of IFRS 15				
Gross value	(88 568)	-	-	(88 568)
Depreciation and amortization	9 120	-	-	9 120
Net value	**(79448)**	**-**	**-**	**(79448)**
At 1 January 2019				
Gross value	-	8 545	300 000	308 545
Depreciation, amort. and provisions	-	(5 924)	(187 000)	(192 924)
Net value at 1 January 2019	**-**	**2621**	**113000**	**115621**
Transactions during the year				
Acquisitions	-	388	-	**388**
Disposals	-	(41)	-	**(41)**
Provisions net of reversals	-	(1 543)	-	**(1543)**
Business combinations	-	46	-	**46**
Reclassifications and other transactions	-	2 314	-	**2314**
IFRS 5 reclassifications	-	(18)	(113 000)	**(113018)**
Total transactions	**-**	**1 146**	**(113 000)**	**(111 854)**
At 31 December 2018				
Gross value at year end	-	8 823	-	8 823
Depreciation, amort. and provisions at year end	-	(5 056)	-	(5 056)
Net value at year end	**-**	**3767**	**-**	**3767**

8.3. Property, plant and equipment

Property, plant and equipment can be broken down as follows:

In 000 EUR	**Dec. 2020**	**Dec. 2019 restated***
Property, plant and equipment owned by the Group	254 064	265 032
Rights of use under leases	458 388	448 251
Total net value	**712 452**	**713 283**

* Rights of use have been restated subsequent to the reclassifications explained in Note 3.6.

8.3.1. PROPERTY, PLANT AND EQUIPMENT OWNED BY THE GROUP

The Group's property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss. There are no borrowing costs that are directly attributable to the purchase, construction or fabrication of an eligible asset pursuant to IAS 23. No borrowing costs have therefore been capitalized.

Where an item of property, plant and equipment comprises significant components that have different useful lives, these components are recognized and depreciated separately.

Depreciation of property, plant and equipment is calculated using the straight-line method over the following estimated useful lives:

	Number of years
Buildings	20 to 30
Amenities	8 to 12
Restaurant equipment and furniture	7
Other PPE	5

The table below breaks down owned property, plant and equipment.

2020

In 000 EUR	Land	Buildings	Technical installations and equipment	PPE under construct.	Other PPE	Total
At 31 December 2019						
Gross value	28 507	287 489	43 368	9 349	51 688	420 401
Depreciation, amort. and provisions	(5 916)	(100 823)	(21 949)	-	(26 681)	(155 369)
Net value	**22 591**	**186 666**	**21 419**	**9 349**	**25 007**	**265 032**
Transactions during the year						
Acquisitions	343	5 169	959	37 120	1 370	**44 961**
Disposals	(4 083)	(7 640)	(1 316)	(2 241)	(1 950)	**(17 230)**
Provisions net of reversals	(871)	(20 683)	(7 465)	-	(1 988)	**(31 007)**
Business combinations	-	18	25	-	22	**65**
Reclassifications and other transactions	1 069	20 103	5 720	(25 026)	(2 552)	**(686)**
IFRS 5 reclassification	(180)	(2 851)	(594)	(2 847)	(599)	**(7 071)**
Total transactions	**(3 722)**	**(5 884)**	**(2 671)**	**7 006**	**(5 697)**	**(10 968)**
At 31 December 2020						
Gross value at year end	25 118	289 005	43 982	16 355	39 573	414 033
Depreciation, amort. & provisions at year end	(6 249)	(108 223)	(25 234)	-	(20 263)	(159 969)
Net value at year end	**18 869**	**180 782**	**18 748**	**16 355**	**19 310**	**254 064**

The main changes in fiscal 2020 are explained below:

- Purchases: €45.0 million, consisting of investments made mainly on behalf of lessors, to open new restaurants or to convert existing Quick® restaurants to the Burger King® brand
- Disposals: €17.2 million, consisting mainly of investments made to open new restaurants that were sold to lessors

2019

In 000 EUR	Land	Buildings	Technical installations and equipment	PPE under construct.	Other PPE	Total
At 31 December 2018						
Gross value	32 632	361 814	65 755	10 754	63 700	534 655
Depreciation, amort. and provisions	(8 682)	(151 642)	(37 414)	-	(39 566)	(237 304)
Net value at 1 January 2019	**23 950**	**210 172**	**28 341**	**10 754**	**24 134**	**297 351**
Transactions during the year						
Acquisitions	2 654	15 818	1 467	68 820	2 670	**91 429**
Disposals	(2 864)	(29 687)	(5 302)	(36 259)	(3 092)	**(77 203)**
Provisions net of reversals	(1 022)	(18 045)	(7 261)	-	(5 008)	**(31 336)**
Business combinations	146	3 714	1 913	3	1 675	**7 451**
Reclassifications and other transactions	2 998	24 967	4 671	(33 804)	7 393	**6 225**
IFRS 5 reclassification	(3 271)	(20 273)	(2 410)	(166)	(2 765)	**(28 885)**
Total transactions	**(1 359)**	**(23 506)**	**(6 922)**	**(1 405)**	**873**	**(32 319)**
At 31 December 2019						
Gross value at year end	28 507	287 489	43 368	9 349	51 688	420 401
Depreciation, amort. & provisions at year end	(5 916)	(100 823)	(21 949)	-	(26 681)	(155 369)
Net value at year end	**22 591**	**186 666**	**21 419**	**9 349**	**25 007**	**265 032**

The main changes in fiscal 2019 are explained below:

- Purchases: €91.4 million, consisting of investments made mainly on behalf of lessors, to open new restaurants or to convert existing Quick® restaurants to the Burger King® brand
- Disposals: €77.2 million, consisting mainly of investments made to open new restaurants that were sold to lessors
- Business combinations: €7.5 million, mainly BK Exploitation, BK Croissance, SL2R and R2K.

8.3.2. RIGHTS OF USE

LEASES

The Group adopted IFRS 16 Leases for the first time on 1 January 2019.

Lessees are required to recognize all leases (with some exceptions) in a way that is largely similar to the method required for finance leases under IAS 17, i.e. recognizing as an asset the right to use the underlying leased asset, and as a lease liability the obligation to pay lease payments over the lease term.
However, the standard provides for exemptions for leases of 12 months or less an leases for low-value assets. The Group has used these two exemptions.
Under IFRS 16, a contract or part of a contract is or contains a lease if it grants the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has observed IFRS 16 in accordance with the simplified retrospective method, which recommends recording the cumulative effect of the adoption of IFRS 16 as an adjustment to the balance of reserves at 1 January 2019.
The Group presents the "rights of use" asset in the statement of financial position under property, plant and equipment on the same line as the underlying asset of the same nature that it owns in full, and presents lease liabilities on the "current/non-current lease liabilities" lines of "current/non-current financial liabilities".
The Group recognizes a "right-of-use" asset and a lease liability at the inception of the lease. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment loss, with possible adjustment to account for certain revaluations of the lease liability.

The lease liability is initially measured at the present value of the lease payments due but not yet paid at the start date of the contract. The discount rate used corresponds to the interest rate implicit in the lease or, if this cannot be easily determined, the marginal borrowing rate (based on the lending term and not the maturity date). The Group uses the marginal borrowing rate as the discount rate.
The lease liability is then increased by the interest expense and reduced by the amount of the lease payments. It is remeasured if there is a change in future lease payments subsequent to a change in an index or rate or to a re-estimation of the amount payable under a residual value guarantee, or in the event of a revaluation of the exercise of a purchase option or the extension or non-exercise of a termination option (in which case said payments becomes reasonably certain).

Deferred tax assets and liabilities are recognized on rights of use and lease liabilities, considering that tax deductions on lease payments are attributable to the liability and then offset.

On 16 December 2019, the IFRS IC issued its final decision on the assessment of lease terms and depreciation periods for immovable fixtures and fittings, deeming it unnecessary to amend IFRS 16 to clarify the concept of "enforceable period".
With this decision, the Committee seeks to clarify the method used to determine the lease term, since it does not accept the legal approach of determining the period during which a lease is enforceable solely on the basis of the terms of the lease agreement. The Committee thus considers that a lease remains enforceable for as long as the lessee or the lessor would suffer a significant loss if the lease were terminated. Accordingly, even in the absence of an option that enables the lessee to extend a lease at its discretion, the reasonably certain term of the lease must be assessed to determine the corresponding lease liability and the value of the right of use. In the

Committee's view, the concept of "loss" should be considered broadly and not limited to contractual or monetary penalties.
With regard to the depreciation period for immovable fittings and fixtures, the Committee notes that:

- The term of a lease should be taken into account when determining the depreciation period of the fittings and fixtures
- The existence of fixtures or fittings that are not fully depreciated and which would have to be abandoned and removed if the lease is terminated is one example of a loss to be considered when determining the lease's enforceable period.

In determining the IFRS 16 terms of French "3/6/9" leases, which moreover are automatically renewable, the Group has also taken into consideration the conclusions of the ANC (the French accounting standards authority), issued on July 3, 2020 and which supersede those of 16 February 2018.

LEASE PREMIUMS

A lease premium is inseparable from the lease itself since the lessee could not have entered into the lease agreement without incurring the cost of the lease premium and would not have incurred that cost if it had not been able to enter into the lease agreement. Therefore, the lease premium is a direct cost initially incurred by the Group as lessee that is included in the initial measurement of the right of use.

It was considered that the right of use is composed of the following two significant and distinct elements, which need to be amortized separately as their future economic benefits are consumed at different rates:

- the lease premium
- the other leasehold interests that constitute the right of use.

For the lease premium, an analysis of the relevant restaurants showed that in the vast majority of cases the restaurant's location and "premium" characteristics ensured that the lease premium's value at the end of the lease would be at least equivalent to its current value. Accordingly, this component was not amortized.

The other components of the right of use are amortized over the useful life of the right of use, which is the lease term.

The table below breaks down rights of use by type.

2020

In 000 EUR	Commercial and construction leases	Leasehold interest	Vehicles & IT equipment	Total
At 31 December 2019 restated*				
Gross value	437 224	61 751	1 695	500 670
Depreciation, amort. and provisions	(42 815)	(8 854)	(750)	(52 419)
Net value	394 409	52 897	945	448 251
Transactions during the year				
Increases	129 925	-	790	130 715
Decreases	(57 290)	(458)	(37)	(57 785)
Depreciation and amortization	(46 671)	(1 377)	(824)	(48 872)
Business combinations	(1)	-	-	(1)
IFRS 5 reclassification	(13 856)	-	(64)	(13 920)
Total transactions	12 107	(1 835)	(135)	10 137
At 31 December 2020				
Gross value at year end	497 123	61 293	2 073	560 489
Depreciation, amort. and provisions at year end	(90 607)	(10 231)	(1 263)	(102 101)
Net value at year end	406 516	51 062	810	458 388

2019

In 000 EUR	Commercial and construction leases	Leasehold interest	Vehicles & IT equipment	Total
At 1 January 2019				
Gross value	387 590	88 568	1 137	477 295
Depreciation, amort. and provisions	(4 206)	(9 120)	-	(13 326)
Net value	383 384	79 448	1 137	463 969
Impact of application of IFRIC IFRS 16				
Gross value	39 638	-	-	39 638
Depreciation and amortization	2 635	-	-	2 635
Net value at 1 January 2019	425 657	79 448	1 137	506 242
Transactions during the year				
Increases	122 828	-	708	123 536
Decreases	(43 985)	(11 320)	(9)	(55 314)
Depreciation and amortization	(56 453)	5 212	(830)	(52 071)
Business combinations	-	250	-	250
IFRS 5 reclassification	(53 638)	(20 693)	(61)	(74 392)
Total transactions	(31 248)	(26 551)	(192)	(57 991)
At 31 December 2019 restated*				
Gross value at year end	437 224	61 751	1 695	500 670
Depreciation, amort. and provisions at year end	(42 815)	(8 854)	(750)	(52 419)
Net value at year end	394 409	52 897	945	448 251

8.4. Impairment of intangible assets

Whenever warranted by a significant internal or external event or circumstance, the Group performs impairment tests on its goodwill, other intangible assets and property, plant and equipment. Goodwill, intangible assets with indefinite useful lives and assets under construction are also tested annually for impairment.

The Group performed asset impairment tests at the following two levels:

- On each Cash Generating Unit (CGU), which is defined as the smallest group of assets whose cash flows are largely independent of the cash flows of other assets or groups of assets. For the Group, each restaurant corresponds to a CGU, whether directly operated or franchised. The net book value of CGUs includes all tangible and intangible assets, except for the brand and goodwill.
- At the level of the group of CGUs which comprise the Group as a whole, including goodwill, the brand and all other tangible and intangible assets, since it is at this level that the Group can monitor the synergy gains of business combinations.

This impairment test consists of comparing the recoverable amount of an asset (or of a CGU or group of CGUs) with its carrying amount, including rights of use.

The recoverable amount of an asset (or of a CGU or group of CGUs) is the higher of its value in use or its fair value less the cost of disposal.

Value in use is the present value of the estimated future cash flows expected from the use of assets. Cash flow projections are based on the Group's five-year business plan restated for the new IFRS 16 standard (lease cancellation) and are extrapolated to infinity at a long-term growth rate.

Cash flows are discounted at the WACC based on market assumptions. This rate is calculated using the risk-free interest rate , the market risk premium and a size premium. It does not include the Group's debt and tax structure.

When the recoverable amount is less than the net book value of the asset or group of assets tested, an impairment loss is recognized for the difference. In the case of a group of assets, the impairment is initially charged to goodwill.

If the recoverable amount of an asset other than goodwill rises back above its net book value at a later date the impairment loss recognized on this asset may be reversed. This reversal cannot exceed the impairment loss initially recorded less any depreciation or amortization that would otherwise have been recognized. Impairment losses on goodwill cannot be reversed.

8.4.1. IMPAIRMENT TESTING OF RESTAURANT CGUs

The Group individually tested 309 restaurants that had been in operation for at least 12 months at 31 December 2020.

These tests resulted in the following impairment losses for five restaurants in 2020 (vs. 5 restaurants in 2019), which were recorded in other non-current operating expenses:

	Dec. 2019			Dec. 2018		
In 000 EUR	Net book value	Recoverable value	Impairment	Net book value	Recoverable value	Impairment
Intangible assets	1 605	0	(1 605)	494	282	(212)
Property, plant and equipment	8 083	4 551	(3 532)	5 507	3 090	(2 416)
Total restaurant CGU & impairment	**9 688**	**4 551**	**(5 137)**	**6 000**	**3 372**	**(2 628)**

The recoverable amount of these CGUs was assessed on the basis of their value in use, as determined using various operational assumptions (notably sales and franchise revenue growth and profit margin) and the following DCF assumptions:

In %	**Dec. 2020**	**Dec. 2019**
Discount rate	7.00%	8.10%
Perpetual growth rate used to determine the terminal value	2.00%	2.00%
Sales growth rate over the five years of the business plan *	1.50%	1.50%

* This growth rate is not applied until 2022 (when management considers that business will have recovered from the Covid-19 crisis).

The following factors were taken into account to determine the discount rate:

- the risk-free rate, which is the historical average of the yields of eurozone long-term government bonds;
- a market risk premium of 7.9% at 31 December 2020, which is based on the historical average of equity market returns observed in the eurozone;
- the size premium, which is the excess return that is necessary to compensate for the risk associated with the company's size relative to other companies in its market. The size premium used at 31 December 2020 is 1.9% (vs. 2.8% at 31 December 2019).

For the CGUs that are not impaired, management has determined that a reasonably possible change in key assumptions could cause the carrying amount to exceed the recoverable amount.

The Group has individually re-tested the non-impaired CGUs by changing the key valuation assumptions as follows:

- Increasing the discount rate from 7% to 7.50%
- Decreasing the perpetual growth rate used to determine the terminal value, from 2% to 1.50%
- Decreasing the sales growth rate over the 5-year business plan from 1.50% to 0.50%

These changes had no material impact on the impairment of restaurant CGUs individually or in aggregate.

8.4.2. IMPAIRMENT TESTING OF THE GROUP AS A WHOLE

The recoverable amount of the Group as a whole was assessed on the basis of its value in use, as determined using various operational assumptions (notably sales and franchise revenue growth and profit margin) and the following DCF assumptions:

In %	Dec. 2020	Dec. 2019
Discount rate	7.00%	8.10%
Perpetual growth rate used to determine the terminal value	2.00%	2.00%
Sales growth rate over the five years of the business plan *	1.50%	1.50%

* This growth rate is not applied until 2022 (when management considers that business will have recovered from the Covid-19 crisis).

The Group's estimated recoverable amount at 31 December 2020 exceeds its carrying amount by approximately €593 million.

Management has determined that a reasonably possible change in the DCF assumptions could cause the recoverable amount to be less than the carrying amount. The table below shows the assumption percentages at which the recoverable amount will equal the carrying amount. Rate at which the recoverable value will equal the net book value.

	Rate at which the recoverable value will equal the net book value	
In %	Dec. 2020	Dec. 2019
Discount rate	11.76%	13.60%
Perpetual growth rate used to determine the terminal value	(4.45%)	(8.20%)
Sales growth rate used to determine the terminal value	(6.19%)	(15.30%)

8.5. Off-balance sheet commitments on assets under construction

Off-balance sheet commitments granted on assets under construction totaled €7.7 million at 31 December 2020, vs. €4.0 million at 31 December 2019.

9. CONTINGENT LIABILITIES AND PROVISIONS

A provision is recognized when the Group has a legal or constructive obligation at the balance sheet date which is due to a past event that is likely to result in an outflow of resources, the amount of which can be reliably estimated.

The provision is the best estimate of the amount that is required to settle the current obligation as of the balance sheet date.

2020

In 000 EUR	Commercial, legal and employee dispute risks	Employee benefits	Total
At 31 December 2019			
Net value at start of year	**3691**	**3535**	**7226**
Transactions during the year			
Provisions	305	593	**898**
Reversals used	-	(413)	**(413)**
Reversals not used	(231)	-	**(231)**
Business combinations	-	-	**-**
Actuarial gains/(losses) & other transactions	65	21	**86**
IFRS 5 reclassification	-	(349)	**(349)**
Total transactions	**139**	**(148)**	**(9)**
At 31 December 2020			
Net value at year end	**3 830**	**3 387**	**7 217**

2019

In 000 EUR	Commercial, legal and employee dispute risks	Employee benefits	Total
At 31 December 2019			
Net value at start of year	**6000**	**3098**	**9098**
Transactions during the year			
Provisions	1 238	463	**1701**
Reversals used	(2 680)	(195)	**(2875**
Reversals not used	(732)	-	**(732)**
Business combinations	1	49	**50**
Actuarial gains/(losses) & other transactions	(136)	259	**123**
IFRS 5 reclassification	-	(139)	**(139)**
Total transactions	**(2309)**	**437**	**(1872**
At 31 December 2020			
Net value at year end	**3691**	**3535**	**7226**

Employee benefits are described in Note 7.3.

In 2020, the changes concern disputes with employees and tax authorities.

The Group is also involved in several legal proceedings with another of France Quick's former international master franchisee, for which the Group has made no provision as it does not consider this risk to be material.

The change in provisions for commercial, legal and employee dispute risks in 2019 is mainly explained by the reversal of the provision recognized in 2016 for a dispute with a former France Quick international master franchisee.

In an arbitration decision issued in the second quarter of 2019, the International Chamber of Commerce in Paris found France Quick's decision to terminate its franchise and brand agreements on the grounds of an irremediable breach to be wrongful and ordered France Quick to compensate this former franchisee for its expenses and investments. The provision recognized over the previous years was therefore reversed and the associated expense was recorded under "Other non-recurring income and expenses", and the attachment was released.

10. FINANCIAL MATTERS AND INSTRUMENTS

10.1. Net financial income/expense

The cost of gross financial debt consists mainly of interest paid on bonds, credit-line fees (unused RCF), fees on PGE government-guaranteed loans, and interest on other bank debts.

The cost of net financial debt is the cost of gross financial debt plus income from investments in cash equivalents.

Other financial income and expenses consist mainly of:

- Interest on lease liabilities
- Mandatory refinancing costs
- Changes in the fair value of derivative instruments (caps and swaps)
- Pro-rated cap premiums
- Various bank charges
- Interest on post-employment plan liabilities.

Interest is calculated using the effective interest rate method.

The table below breaks down the Group's net financial income.

In 000 EUR	**Dec. 2020**	**Dec. 2019 restated ***
Interest on bond debt	(35 447)	(35 402)
Unused RCF fee	(308)	(502)
Interest on bank debt	(1 475)	(656)
Gross debt expense	**(37 230)**	**(36 560)**
Short-term investment income	520	391
Net debt expense	**(36 710)**	**(36 169)**
Change in the fair value of non-hedging derivatives	40	38
Other financial income	**40**	**38**
Interest on lease liability (IFRS 16)	(25 386)	(21 141)
Cash flow hedges - reclassification from other comprehensive income (including hedging costs)	(408)	(520)
Bond refinancing expenses	(2 587)	(2 434)
Sundry bank charges and other	(563)	(1 945)
Other financial expenses	**(28 944)**	**(26 040)**
Financial profit/(loss)	**(65 614)**	**(62 170)**

10.2. Financial liabilities, liabilities on commitments to purchase minority interests, and lease liabilities

Financial liabilities are initially recognized at fair value less transaction costs, and subsequently at amortized cost using the effective interest rate method.

Non-current financial liabilities consist mainly of bond liabilities, which are recorded net of refinancing costs due in more than year, and bank debt due in more than one year. Current financial liabilities consist of bank debt that is due over the next twelve months, the portion of bond refinancing costs due within one year, bank overdrafts, the PGE government-guaranteed loan, and accrued interest on loans.

Financial liabilities, liabilities on commitments to purchase minority interests, and lease liabilities are shown in the table below:

2020

		Cash flow			Non-monetary changes					
In 000 EUR	**1 Jan. 2020**	**Inflows from new liabilities**	**Interest paid**	**Repayment of debt**	**Unpaid interest expense**	**IFRS 16 impact on leases**	**Change in scope**	**IFRS 5 reclas.**	**Reclass & other transactions**	**Dec. 2020**
NON-CURRENT FINANCIAL LIABILITIES										
Bond issues	616 198	-	-	-	-	-	-	-	2 750	618 948
Bank loans	29 329	60 000	-	(40 000)	-	-	-	-	(17 034)	32 295
Derivatives	40	-	-	-	-	-	-	-	(40)	-
Other financial liabilities of more than 1 year	1 650	-	-	-	-	-	-	-	-	1 650
Total financial liabilities	**647 217**	**60 000**	**-**	(40 000)	-	-	-	-	(14 324)	652 893
Minority interest purchase commitment liabilities	23 510	-	-	-	-	-	-	-	915	24 425
Lease liabilities	356 166	-	-	-	-	78 219	-	(4 598)	(48 683)	381 104
Total non-current liabilities	**1 026 893**	**60 000**	**-**	(40 000)	-	78 219	-	(4 598)	(62 092)	1 058 422
CURRENT FINANCIAL LIABILITIES										
Bonds and accrued interest	3 185	-	(5 772)	-	5 567	-	-	-	133	3 113
Bank loans and accrued interest	4 068	85 000	(9)	(8 566)	384	-	-	-	17 157	98 034
Bank overdrafts	1 701	-	-	-	-	-	-	(1)	(1 649)	51
Other financial liabilities maturing during the year	1 852	-	(132)	(490)	126	-	-	-	(103)	1 253
Total financial liabilities	**10 806**	**85 000**	**(5 913)**	(9 056)	6 077	-	-	(1)	15 538	102 451
Lease liabilities	43 474	-	-	(44 633)	-	1 363	2	(1 117)	43 285	42 374
Total current financial liabilities	**54 280**	**85 000**	**(5 913)**	(53 689)	6 077	1 363	2	(1 118)	58 823	144 825
Total financial liabilities	**1 081 173**	**145 000**	**(5 913)**	(93 689)	6 077	79 582	2	(5 716)	(3 269)	1 203 247

The main transactions during the year were the drawdown of €60 million on the RCF line, the repayment of €40 million of this, and the obtaining of a €80 million government-guaranteed PGE loan (see Note 10.2.1).

Liabilities on commitments to purchase minority interests are described in Note 10.2.3.

2019

In 000 EUR	1 Jan. 2020	Cash flow			Non-monetary changes					Dec. 2019 restated *
		Inflows from new liabilities	Interest paid	Repayment of debt	Unpaid interest expense	IFRS 16 impact on leases	Change in scope	IFRS 5 reclas.	Reclass & other transactions	
NON-CURRENT FINANCIAL LIABILITIES										
Bond issues	613 611	-	-	-	-	-	-	-	2 587	616 198
Bank loans	13 715	15 250	-	(4 429)	-	-	5 554	-	(761)	29 329
Derivatives	127	-	-	-	-	-	-	-	(87)	40
Other financial liabilities of more than 1 year	2 500	-	-	(850)	-	-	-	-	-	1 650
Total financial liabilities	629 953	15 250	-	(5 279)	-	-	5 554	-	1 739	647 217
Minority interest purchase commitment liabilities	19 939	-	-	-	-	-	-	-	3 571	23 510
Lease liabilities	369 704	-	-	-	-	114 296	-	(46 146)	(81 688)	356 166
Total non-current liabilities	1 019 596	15 250	-	(5 279)	-	114 296	5 554	(46 146)	(76 378)	1 026 893
CURRENT FINANCIAL LIABILITIES										
Bonds and accrued interest	3 427	-	(5 861)	-	5 576	-	-	-	43	3 185
Bank loans and accrued interest	3 246	3 000	(26)	(3 399)	8	-	585	-	654	4 068
Bank overdrafts	617	1 101	-	-	-	-	8	(5)	(20)	1 701
Other financial liabilities maturing during the year	2 190	-	(141)	(253)	132	-	-	-	(76)	1 852
Total financial liabilities	9 480	4 101	(6 028)	(3 652)	5 716	-	593	(5)	601	10 806
Lease liabilities	51 833	-	-	(48 624)	-	(33 140)	-	(8 042)	81 447	43 474
Total current financial liabilities	61 313	4 101	(6 028)	(52 276)	5 716	(33 140)	593	(8 047)	82 048	54 280
Total financial liabilities	1 080 909	19 351	(6 028)	(57 555)	5 716	81 156	6 147	(54 193)	5 670	1 081 173

* The 2019 debt transition table was restated in accordance with the IFRIC standard of December 2019, as explained in Note 3.6.

10.2.1. GROSS DEBT

Gross debt is the sum of current and non-current bank and bond debt.

The Group's gross debt consists of the following:

In 000 EUR	**Dec. 2020**	**Dec. 2019**
Fixed-rate tranche	312 975	311 698
Floating-rate tranche	309 085	307 685
Total bond debt	**622 061**	**619 383**
Fixed-rate bank debt	90 392	13 623
Variable-rate bank debt	39 937	19 774
Total bank loans	**130 329**	**33 397**
Derivatives	**-**	**40**
BPI France - "Growth loan"	2 294	2 517
Other	609	985
Total other financial liabilities	**2 903**	**3 502**
Bank overdrafts	**51**	**1 701**
Total	**755 344**	**658 023**

All debts were contracted in euros.

Bank loans

In June 2020, the Group obtained a government-guaranteed "PGE" loan to meet its cash requirements during the Covid-19 crisis. Of this €80 million loan, €60 million was allocated to France Quick and €20 million to Burger King France. The loan was arranged with a pool of three banks and is backed by a 90% government guarantee.
Although no interest was due in 2020, there is a guarantee fee of 0.5%.
The term of the loan is 12 months. It may be extended annually for up to five years.

Although the Group may automatically extend the term of this loan beyond the initial 12 months, it is classified as a current liability since it may immediately fall due if significant assets are disposed of.
Since the planned disposal of the Quick business (see Note 4.3) would meet this criterion, for reasons of consistency this loan has been classified as current debt, even though the Group plans to have the loan automatically extended pending the completion of this disposal.

Bond issues

The table below shows the key characteristics of the Group's bond issues:

In 000 EUR	Carrying amount	Nominal	Maturity date	Repayment	Rate
High-yield bond	315 000	100 and multiple of 1	01//05/2024	in fine	6%
•		Fixed-rate tranche		above this amount	
High-yield bond	310 000	100 and multiple of 1	01//05/2023	in fine	Euribor+5.25%
•		Floating-rate tranche		above this amount	

Burger King France's €625 million bond issue of 21 April 2017, which was completed on 19 December 2017, is composed of the following two tranches:

- A fixed-rate €315 million tranche, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on 1 May 2024 and paying 6% interest (semi-annual)

- A floating-rate tranche of €310 million, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on 1 May 2023 and paying Euribor +5.25% (quarterly). This tranche was issued in two phases: initially on 21 April 2017 for €250 million, with proceeds of 99.5% and the balance recognized as an issuance discount, and subsequently on 19 December 2017 for €60 million, with proceeds of 101.75% and the balance recognized as an issuance premium.

Burger King France may call some or all of these bonds.

The €16.9 million in bond issuance costs are spread over the term of the bond. They were €8.8 million at 31 December 2020, vs. €11.4 million at 31 December 2019.

This change is explained by the spreading out of bond issuance costs in 2020.

Debt before and after hedging instruments:

	Dec. 2020		Dec. 2019	
In 000 EUR	**Debt before hedging**	**Debt after hedging**	**Debt before hedging**	**Debt after hedging**
Fixed rate debt	405 655	405 655	328 954	328 954
Hedged floating-rate debt		150 000		200 000
Floating-rate debt	349 689	199 689	329 069	129 069
Total	755 344	755 344	658 023	658 023

The change in variable debt after hedging corresponds to a €50 million interest rate cap that expired in May 2020.

The revolving credit facility (RCF)

In April 2017, Burger King France set up a €60 million 5-year RCF with a pool of seven banks. The current margin is Euribor +2.5%, with a 0% floor.

As soon as the announcement was made that restaurants would close in March 2020, the Group decided to draw down all of its €60 million RCF line.

At the end of June, the Group used its available cash to repay €40 million of the RCF line, thus reducing the used portion to €20 million.
At December 31, 2020, €20 million of this line of credit had been used.

If over 35% of the RCF is used, the Group's quarterly leverage ratio (EBITDA / net debt) must not exceed 7.5.

Although this ratio was exceeded at December 31, 2020, the covenant did not apply since less than 35% of the RCF was used.

10.2.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short-term deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash and are exposed to an insignificant risk of loss.

In the cash flow statement, this item is composed of cash and cash equivalents, less bank overdrafts.

In 000 EUR	**Dec. 2020**	**Dec. 2019**	**Change**
Cash	166 150	104 132	62 018
Cash assets	166 150	104 132	62 018
Bank overdrafts	(51)	(1 701)	1 650
Cash liabilities	(51)	(1 701)	1 650
Net cash	166 099	102 431	63 668

The change in net cash is mainly explained by the grant ing of the government-guaranteed PGE loan.

10.2.3. COMMITMENTS TO PURCHASE MINORITY INTERESTS

Liabilities on commitments to purchase minority interests are recorded at the present value of the estimated exercise price of the put option granted to the minority shareholder relative to the carrying amount of the non-controlling interests. The difference between the liability thus recorded and the carrying amount of the non-controlling interests is deducted from the Group's share of equity.

After its initial recognition, the liability is carried at amortized cost and subsequent changes are recognized in equity.

In the consolidated income statement, a share of the net income of the Agaquick sub-group is allocated to the non-controlling interests that are still entitled to a share of the subsidiary's earnings.

The Group has granted Picpain a put option on its interest in Agaquick. The exercise price of this option was calculated using a contractually predetermined formula. The option may be exercised in 2027.

Since the non-controlling interests are still entitled to their share of Agaquick's earnings, the Group has opted for a "mixed" accounting treatment of this commitment.

1) The put liability was recognized against the carrying amount of the non-controlling interests and the difference between the liability recorded for the purchase commitment and the carrying amount of the non-controlling interests is deducted from the Group's share of equity.
2) A share of Agaquick's net income is allocated to the non-controlling interests in the consolidated income statement.

The Group also has an option to purchase all of the shares that Picpain holds in Agaquick, which it may exercise pursuant to the shareholders' agreement in 2039, or in the event of a change in the ownership structure of Picpain's Agaquick shares, or in the event of a legal dispute for which Picpain is held liable.

10.3. Classification and fair value of financial instruments

The fair value hierarchy levels are:

- Level 1: fair value based on prices quoted in an active market
- Level 2: fair value measured using observable market data (other than the prices included in Level 1)
- Level 3: fair value determined using valuation techniques based on unobservable market data. 2019 Accounting categories

2020

	Accounting categories				Fair value			
In 000 EUR	Financial assets & liab. at amortized cost	Financial instru. at fair value through income	Cash flow hedging instru.	Total net book value	Level 1: actively quoted prices when available	Level 2: internal model with observabl e market data	Level 3: internal model without observable market data	Fair value
Derivative assets	--	-	-	-	-	-	-	-
Total non-current financial assets	-	-	-	-	-	-	-	-
Cash	166 150	-	-	166 150	Note 1	Note 1	Note 1	-
Total current financial assets	1 66 150	-	-	166 150	-	-	-	-
Total assets	**166 150**	-	-	**166 150**	-	-	-	-
Bond issues	618 948	-	-	618 948	618 948	-	-	618 948
Other bank loans and other financial liabilities	33 945	-	-	33 945	33 945	-	-	33 945
Lease liability	381 104	-	-	381 104	Note 2	Note 2	Note 2	-
Minority interest purchase commitment liabilities	24 425	-	-	24 425	-	-	24 425	24 425
Total non-current financial liabilities	**1 058 422**	-	-	**1 058 422**	**652 893**	-	**24 425**	677 318
Bank loans and accrued interest	98 034	-	-	98 034	98 034	-	-	98 03
Bonds and accrued interest	3 113	-	-	3 113	3 113	-	-	3 113
Lease liability	42 374			42 374	Note 2	Note 2	Note 2	-
Bank overdrafts	51	-	-	51	Note 1	Note 1	Note 1	-
Other current financial liabilities	1 253	-	-	1 253	Note 1	Note 1	Note 1	-
Total current financial liabilities	**144 825**	-	-	**144 825**	101 147	-	-	101 147
Total liabilities	**1 203 247**	-	-	**1 203 247**	754 040	-	**24 425**	778 465
Total	**(1 037 097)**	-	-	**(1 037 097)**	(754 040)	-	**(24 425)**	**(778 465)**

2019

	Accounting categories				Fair value			
In 000 EUR	**Financial assets & liab. at amortized cost**	**Financial instru. at fair value through income**	**Cash flow hedging instru.**	**Total net book value**	**Level 1: actively quoted prices when available**	**Level 2: internal model with observable market data**	**Level 3: internal model without observable market data**	**Fair value**
Derivative assets	--	-	5	5	-	5	-	5
Total non-current financial assets	-	-	5	5	-	5	-	5
Cash	104 132	-	-	104 132	Note 1	Note 1	Note 1	-
Total current financial assets	104 132	-	-	104 132	-	-	-	-
Total assets	104 132	-	5	104 137	-	5	-	5
Bond issues	616 198	-	-	616 198	616 198	-	-	616 198
Other bank loans and other financial liabilities	30 979	-	-	30 979	30 979	-	-	30 979
Lease liability	356 166	-	-	356 166	Note 2	Note 2	Note 2	-
Derivatives liability	-	40	-	40		40	-	40
Minority interest purchase commitment liabilities	23 510	-	-	23 510	-	-	23 510	23 510
Total non-current financial liabilities	1 026 853	40	-	1 026 893	647 177	40	23 510	670 727
Bank loans and accrued interest	4 068	-	-	4 068	4 068	-	-	4 068
Bonds and accrued interest	3 185	-	-	3 185	3 185	-	-	3 185
Lease liability	43 474	-	-	43 474	Note 2	Note 2	Note 2	-
Bank overdrafts	1 701			1 701	Note 1	Note 1	Note 1	-
Other current financial liabilities	1 852	-	-	1 852	Note 1	Note 1	Note 1	-
Total current financial liabilities	54 280	-	-	54 280	7 253	-	-	7 253
Total liabilities	1 081 133	40	-	1 081 173	654 430	40	23 510	677 980
Total	**(977 001)**	**(40)**	**5**	(977 036)	(654 430)	(35)	(23 510)	(677 975)

Note 1: the net book value of current financial assets and liabilities is considered to be reasonably approximate to their fair value.

Note 2: As allowed under IFRS, the fair value of the lease liability and its level in the fair-value hierarchy is not provided.

The fair value of other financial instruments was determined as follows:

- High-yield bonds and variable-rate loans: their fair value is considered to be near their carrying amount, as the impact of a change in the Group's credit spread is considered immaterial
- Other fixed-rate financial debts and minority buy-out commitment debts: the fair value of each debt is determined by discounting future cash flows at the closing market rate, which is adjusted to account for the Group's credit risk.
- Standard valuation models were used to estimate the fair value of derivatives.

10.4. Risk management

10.4.1. GENERAL RISK MANAGEMENT POLICY

The Group's day-to-day business activities are exposed to interest-rate and currency risks.

The Group is exposed to the risk that an increase in interest rates may increase its floating-rate debt. To manage this risk the Group uses caps or swaps with first-class counterparties.

Foreign exchange risks are immaterial due to the limited volume of import purchases in non-euro currencies and the lack of income in these currencies.

The Group has little exposure to credit risk because its income comes mainly from restaurants, where payments are made almost immediately (in cash or by bank card, restaurant voucher, etc.) and from its franchisees, most of whom are in good financial health.

10.4.2. INTEREST RATE RISK

The Group used caps and swaps in 2020 to hedge its variable-rate bond debt. These derivatives are qualified as cash flow hedging instruments.

Hedging is considered to be effective if the Euribor fixing on the hedged loan is strictly equivalent to the fixing of the hedging instrument.

In 2019, the Group also used caps and swaps to hedge its variable-rate bond debt. These derivatives, which were designated as cash flow hedging instruments, are shown in the table below.

In 000 EUR	Non-hedging derivatives	Fair value hedging derivatives	Cash flow hedging derivatives	Dec. 2019
Interest-rate derivative assets			5	5
Interest-rate derivative liabilities	40			40
Total	**(40)**		**5**	**(35)**

The table below shows the key characteristics of the derivative instruments:

In 000 EUR	Notional amount	Maturity
Interest rate cap	100 000	01/ 05/ 2021
Interest rate cap	50 000	01/ 05/ 2021
Cash flow hedging derivatives	150 000	
Rate swap		
Non-hedging derivatives	**0**	

	Dec. 2019	
In 000 EUR	**Notional amount**	**Maturity**
Interest rate cap	50 000	01/05/2020
Interest rate cap	100 000	01/05/2021
Interest rate cap	50 000	01/05/2021
Cash flow hedging derivatives	**200 000**	
Rate swap	12 692	31/07/2020
Non-hedging derivatives	**12 692**	

The results of interest rate risk sensitivity analysis are shown below.

At 31 December 2020	**Rate decrease of 0.5%**		**Rate increase of 0.5%**	
In 000 EUR	**Impact on equity**	**Impact on income**	**Impact on equity**	**Impact on income**
Investments	-	(400)	-	400
TOTAL IMPACT	**-**	**(400)**	**-**	**400**

At 31 December 2019	**Rate decrease of 0.5%**		**Rate increase of 0.5%**	
In 000 EUR	**Impact on equity**	**Impact on income**	**Impact on equity**	**Impact on income**
Investments	-	(400)	-	400
Floating-rate debt	-	-	-	(333)
Swaps designated as fair-value hedges	-	(63)	-	63
Options designated as cash-flow hedges	-	-	-	167
TOTAL IMPACT	**-**	**(463)**	-	**297**

10.4.3. CURRENCY RISK

The Group's exposure to currency risk is very limited as most of its business is conducted in Europe.

There were no currency hedging commitments at 31 December 2019 or 31 December 2020.

Given the limited exposure to foreign exchange risk the latter had no material impact on income (as in 2019).

10.4.4. CREDIT RISK

Credit risk includes all forms of counterparty default and is closely monitored by the Group.

Deposits and guarantees

The credit risk on deposits and guarantees is considered to be limited.

Cash and cash equivalents

With regard to cash and cash equivalents, the credit risk is considered to be limited insofar as:

- they are invested with first-class banks or with Bertrand Holding, which ensures that the Group has day-to-day access to funds and is not exposed to capital risk, by selecting appropriate banking partners and investments vehicles.

- they are invested exclusively in money market instruments.

Trade receivables

Trade receivables are the amounts owed by franchisees.

They may be impaired on the basis of incurred credit losses. Indicators of incurred losses include, for example, significant financial difficulties of a franchisee or a breach of the franchise agreement (e.g. payment is past due more than x days). These receivables deemed to be at risk are fully impaired if there are indicators of incurred credit loss. The provision for such losses totaled €6.9 million at 31 December 2020, vs. €3.3 million at 31 December 2019. The main change between 2019 and 2020 is attributable to an assessment of the risk of non-recovery of €2.7 million of the business lease fees for March 2020, the payment dates for which were deferred throughout 2021.

A statistics-based provision is made for receivables that are not impaired on the basis of incurred credit losses. This statistical provision is based on the history of credit losses actually incurred over the past ten years. At 31 December 2020, this provision was €64 thousand, vs. €78 thousand at 31 December 2019.

Given the large number of customers, there is no risk of concentration of trade receivables.

10.4.5. LIQUIDITY RISK AND DEBT PAYMENT SCHEDULE

The prepayment of the Group's financial liabilities is only required when there is a contractual change in the control of a group entity.

The Group's policy is to ensure that it has sufficient liquidity to meet its obligations. There is limited short-term liquidity risk as cash assets and credit lines can be quickly mobilized to cover current liabilities.

Current debt includes the €80 million government-guaranteed "PGE" loan (see Note 10.2). However, the Group plans to allow this loan to be automatically extended beyond its initial 12-month term and to repay it when the Quick business is disposed of (see Note 4.3). The Group therefore believes that it has sufficient resources to cover the €214 million in current liabilities, which include the 80 million PGE loan that will immediately fall due if the Quick business is sold.

The table below shows the maturity profile of financial liabilities at 31 December 2020:

			Contractual cash flows								
In 000 EUR	**Book value**	**Total non-discounted contractual cash flows**	**< 1 yr**	**1 to 2 yr**	**2 to 3 yr**	**3 to 4 yr**	**4 to 5 yr**	**5 to 6 yr**	**6 to 7 yr**	**Over 7 yr**
Non-derivative financial liabilities										
Bond issues	630 863	726 502	35 401	35 401	334 400	321 300	-	-	-	-
Bank loans and overdraft facilities	130 380	131 394	98 706	27 047	2 220	1 672	923	732	94	-
Other financial liabilities	2 903	2 894	1 190	1 196	508	-	-	-	-	-
Lease liability	423 478	675 521	72 652	68 754	65 981	69 942	61 898	57 122	52 927	231 245
Minority interest purchase commitment liability	24 425	24 425	-	-	-	-	-	-	24 425	-
Total	**1 212 049**	**1 560 736**	**207 949**	**132 398**	**403 109**	**387 914**	**62 821**	**57 854**	**77 446**	**231 245**
Derivative liabilities										
Interest rate swaps used for hedging	-	- -	-	-	-	-	-	-	-	-
Total	-	- -	-	-	-	-	-	-	-	-

The table below shows the maturity profile of financial liabilities at 31 December 2019:

			Contractual cash flows								
In 000 EUR	**Book value**	**Total non-discounted contractual cash flows**	**< 1 yr**	**1 to 2 yr**	**2 to 3 yr**	**3 to 4 yr**	**4 to 5 yr**	**5 to 6 yr**	**6 to 7 yr**	**Over 7 yr**
Non-derivative financial liabilities										
Bond issues	630 712	767 630	41 128	35 401	35 401	334 400	321 300	-	-	-
Bank loans and overdraft facilities	35 098	35 915	61 72	17 687	6 859	2 119	1 444	921	712	-
Other financial liabilities	3 502	4 924	2 496	1 752	677	-	-	-	-	-
Finance lease liability	399 640	442 936	56 291	53 531	52 478	48 943	47 479	40 965	29 438	113 811
Minority interest purchase commitment liability	23 510	23 510	-	-	-	-	-	-	-	23 510
Total	**1 092 522**	**1 274 916**	**106 086**	**108 371**	**95 416**	**385 463**	**370 223**	**41 886**	**30 150**	**137 321**
Derivative liabilities										
Interest rate swaps used for hedging	21	-	-	-	-	-	-	-	-	-
Total	**21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Financial covenants

The Group is subject to the following financial covenant at the balance sheet date.

Covenant to be observed	**Borrowing subject to covenant**	**Testing frequency**
Consolidated net debt / Consolidated EBITDA must be less than 7.5 if over 35% of credit line is used	Burger King France’s 60 million euro RCF	Quarterly

As of December 31, 2020, the outstanding amount of the RCF line was 20 million euros.
Although the Consolidated net debt / Consolidated EBITDA ratio was exceeded at December 31, 2020, since less than 35% of the credit line was used, the Group is not required to comply with this ratio.

10.5. Off-balance sheet commitments given as collateral for loans

The Group has made the following off-balance sheet commitments to provide collateral for the €625 million in bonds issued in 2017:

- Pledging of bank accounts
- Pledging of intra-group receivables
- Pledging of Burger King France's receivables on Bertrand Holding under the cash management agreement
- Pledging of shares held in Financières Quick, BKQ Services, France Quick, Burger King Construction, Burger King Restauration.

In 2019, the following off-balance sheet commitments were provided to provide collateral for new credit lines:

- Letter of intent to Crédit Mutuel on behalf of Agaquick
- Pledging of a France Quick business to BNP.

11. INCOME TAX

11.1. Income tax expense

Corporate income tax includes current and deferred taxes and the impact of changes in tax rates. Income taxes are recognized in income (except when recorded in other comprehensive income), directly in equity or during business combinations.

After examining the applicable legislation, the Group considers that the CVAE "business added-value tax" is an income tax as defined under IAS 12.2 ("Income Tax Payable on Taxable Profits").

Breakdown of income tax expense

In 000 EUR	Dec. 2020	Dec. 2019 restated *
Current tax	(1 125)	(2 166)
Deferred taxes	4 025	1 959
Income tax	**2 900**	**(207)**

* The income statement for 2019 was restated to comply with the IFRIC standard of December 2019 (see Note 3.6).

Income tax breakdown

The table below shows the difference between the standard French corporate tax rate and the rate effectively paid.

In 000 EUR	Dec. 2020	Dec. 2019 restated *
Net income before tax	(46 224)	4 056
Standard tax rate	32,02%	34,43%
Theoretical income tax expense	**14 801**	**(1 396)**
Adjustments to determine the effective tax rate		
- Effect of change in tax rate	337	(237)
- Other tax effects on permanent differences (1)	921	(1 582)
- Reclassification of the CVAE tax as ordinary income tax	(2 341)	(2 372)
- Unrecognized tax losses and unrecognized use of prior-year tax losses	(9 209)	4 869
- Other differences	(1 609)	352
- Difference between company and consolidated tax rates		159
Actual income tax (expense) / income	**2 900**	**(207)**

* The tax charge reconciliation (or "tax proof") for 2019 was restated to comply with the IFRIC standard of December 2019 (see Note 3.6).

(1) The other tax effects on permanent differences mainly pertain to non-deductible financial expenses, the RSU plan expenses, and the reversal of negative goodwill through income.

11.2. Deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to be in effect when the asset is realized or the liability is settled, on the basis of the tax rates (and tax regulations) that were adopted or substantially adopted at the balance sheet date.

Deferred tax assets are recognized if the temporary difference is likely to reverse in the foreseeable future and there is likely to be a taxable profit to which the temporary difference may be applied.

Deferred tax liabilities on interests in subsidiaries and joint ventures are not recognized unless the timing of the reversal of the temporary difference cannot be controlled and the temporary difference is likely to reverse in the foreseeable future.

The table below shows deferred taxes by type and before any offsetting.

							Balance at 31 December 2020		
In 000 EUR	At 31 December 2019restated*	Change in income	Change in equity	Business combinations	Assets to be abandoned or sold	Reclassif-ications	Net	Deferred tax assets	Deferred tax liabil.
Deferred tax assets on loss carry-forwards	8 202	(2 831)	-	-	-	-	5 371	5 371	-
Spreading forward of entry fees (IFRS 15)	2 597	(427)	-	-	-	-	2 170	300	(1 870)
Spreading forward of bond issuance expenses	(3 909)	887	-	-	-	-	(3 022)	(3 022)	-
Temporary differences	1 631	2 273	131	37	-	(8)	4 065	2 144	(1 921)
Fixed assets (harmonization of dep./amort. periods, valuation adjustments, etc.)	(18 221)	(187)	(60)	(0)	-	16	(18 453)	(1 842)	16 610
Recognition of financial instruments	-	(14)	(119)	-	-	173	40	40	(0)
Deposits and guarantees	-	-	32	(0)	-	(32)	(0)	1	1
Pension provisions	1 194	(10)	94	(38)	-	(3)	1 236	1 221	(15)
Provisions (excluding pension provisions)	(383)	411	(18)	-	-	(280)	(269)	550	819
Restatement of finance leases	3 362	4 525	(497)	16	-	(375)	6 696	4 486	(2 209)
Effect of change in tax rate	1 212	-	-	-	-	63	1 275	1 275	-
Other	363	(3 262)	(45)	-	3 151	446	653	(10 033)	(10 686)
TOTAL DEFERRED TAXES	**(3 951)**	**1 365**	**(482)**	**14**	**3 151**	**(0)**	**(238)**	**491**	**729**

* The deferred tax table for 2019 was restated to comply with the IFRIC standard of December 2019 (see Note 3.6).

The other changes are attributable to deferred taxes on regulated provisions, and to the effect of rate changes.

Deferred tax assets were not recognized since it is not certain that the Group will have future taxable profits against which these tax assets can be applied. At 31 December 2020, the amount of these unrecognized deferred taxes on tax loss carryforwards totaled €87.4 million, vs. €84.6 million at 31 December 2019. Tax losses for which no deferred tax has been recognized can be carried forward indefinitely.

12. EQUITY

Share capital

Preference shares are classified as equity because they pay discretionary dividends, are subject to no redemption obligation in cash or a financial asset, and do not require settlement in a variable number of the Group's equity instruments.
Discretionary dividend distributions are charged directly to equity when approved by a general assembly of shareholders.

Share capital totaled €39,161,544 at 31 December 2020, vs. €39,161,541.78 at 31 December 2019, for an increase of €2.22. This increase was effected by issuing 222 new ordinary shares with a par value of €0.01 each. This decision was approved by the Chairman on 1 October 2020.

Although this decision modified the distribution of share capital, it did not affect its amount. At 31 December 2020, Burger King France's share capital consisted of:

- 587,700 ordinary shares with a par value of €0.01 (vs. 587 478 shares with a value of €0.01 at 31 December 2019)
- 566,700 Class A preference shares with a par value of €0.01 (vs. 566,700 shares with a par value of €0.01 at 31 December 2019)
- 783 Class B preference shares with a par value of €50 thousand (vs. 783 shares with a par value of €50 thousand at 31 December 2019).

Share premium

The share premium totaled €163.3 million at 31 December 2020, as in 2019.

Dividends

Burger King France paid no dividends in 2020 (€7.2 million of reserves were distributed in 2019).

13. TRANSACTIONS WITH OTHER RELATED PARTIES

The related parties are:

- parent companies
- subsidiaries (see Note 4.4)
- joint-ventures (see Note 4.6)
- key management staff (see Note 7.5).

Transactions with parent companies involve the following services:

- a service agreement signed with TOPCO
- a cash pooling and management agreement between Burger King France and BH SAS
- a business development agreement between Burger King France and BH SAS for 2020.
- real property finance leases with companies related to BH SAS.
- construction leases with companies related to BH SAS.

14. STATUTORY AUDITORS' FEES

The Group has paid its statutory auditors the following fees:

2020

In 000 EUR	KPMG		EXELMANS	
	Amount	%	Amount	%
Certification of company and consolidated accounts				
• Burger King France	159	42%	40	29%
• Subsidiaries	221	58%	99	71%
Other work and services directly related to the statutory auditor's engagement				
• Burger King France and its subsidiaries	-	0%	-	0%
Statutory auditor fees	380	100%	139	100%

2019

In 000 EUR	KPMG		EXELMANS	
	Amount	%	Amount	%
Certification of company and consolidated accounts				
• Burger King France	194	45%	40	30%
• Subsidiaries	238	55%	94	70%
Other work and services directly related to the statutory auditor's engagement				
• Burger King France and its subsidiaries	-	0%	-	0%
Statutory auditor fees	431	100%	134	100%

KPMG S.A.	EXELMANS AUDIT & CONSEIL
Tour Eqho - 2, avenue Gambetta – CS 60055	21, rue de Téhéran
92066 Paris La Défense Cedex	75008 Paris
France	France

Burger King France S.A.S.

Société par Actions Simplifiée

34 rue Mozart – 92110 Clichy

Share capital: €.39.161.544

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2020

KPMG S.A. Tour Eqho - 2, avenue Gambetta – CS 60055 92066 Paris La Défense Cedex France	EXELMANS AUDIT & CONSEIL 21, rue de Téhéran 75008 Paris France

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Burger King France S.A.S.

34 rue Mozart – 92110 Clichy
Share capital: €.39.161.544

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2020

To the annual general meeting of Burger King France S.A.S.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Burger King France S.A.S. (the "**Company**") for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the french Commercial Code (*code de commerce*) and the French Code of Ethics (code de déontologie) for statutory auditors' rules applicable to us, for the period from January 1, 2020 to the date of our report.

Emphasis of Matter

We draw attention to the following matter described in Note 3.6 to the consolidated financial statements relating to the "Impacts of the application of IFRS IC decision issued on December 16, 2019". This note highlights the impacts of the application of this decision clarifying the determination of lease terms within the scope of IFRS 16 standard. The impacts related to this change in accounting policy has been restated retrospectively on the first-time application of IFRS 16, January 1, 2019. Our opinion is not modified in respect of this matter.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

As stated in Note 8.4 to the consolidated financial statements, “Impairment of intangible assets”, goodwill, intangible and tangible assets are subject to impairment tests. We have analyzed the methods of implementation of the impairment tests, as well as the cash flow forecasts and assumptions used to perform impairment tests, and we have assessed the appropriateness of the disclosures in Note 8.4.

As stated in Note 3.6 to the consolidated financial statements, “Impacts of the application of IFRS IC decision issued on December 16, 2019”, the Company applied the IFRS IC decision issued on December 16, 2019 and took into account the position statement published by the French accouting standards body (*Autorité des Normes Comptables - ANC*) on July 3, 2020, to retrospectively determine, as of 1 January 2019, the IFRS 16 lease terms of “3/6/9”- type French commercial leases.
The consolidated financial statements of 2019 have been restated consequently to this decision.

We have obtained an understanding of the procedures implemented by the Company to identify the leases in the scope of this decision.
We have assessed the relevance of the criteria considered by the management to determine the residual lease term and, for a sample of contracts, reconciled the data collected to determine the residual lease term with underlying agreements, recalculated the amounts of the right-of-use assets and the lease commitments as re-measured and recognized by the Company as at January 1, 2019, and assessed the appropriateness of the disclosures in Note 3.6 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the President.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’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 it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains 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 internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's 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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

French original signed at Paris-La-Défense and Paris, on April 9, 2021, by

The Statutory Auditors

KPMG S.A.

Eric Ropert
Partner

Adrien Johner
Partner

EXELMANS AUDIT & CONSEIL

Stéphane Dahan
Partner

2019 Consolidated Financial Statements
GROUPE BURGER KING FRANCE

BURGER KING
FLAME GRILLED
SINCE 1954

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In 000 EUR	Notes	Dec. 2019	Dec. 2018 restated *
NON-CURRENT ASSETS		921 616	788 497
Goodwill	8.1	230 721	272 355
Intangible assets	8.2	3 767	195 069
Property, plant and equipment	8.3	671 010	302 341
Non-current financial assets	6.6	11 284	11 386
Deferred tax assets	11.2	499	4 017
Financial receivables and other non-current assets	6.7	4 335	3 329
CURRENT ASSETS		175 150	170 039
Inventories	6.5.1	2 159	8 702
Trade receivables	6.5.2	41 475	46 629
Current income tax assets	6.5.3	2 502	4 839
Other current assets	6.5.3	24 882	48 719
Cash and cash equivalents	10.2.2	104 132	61 150
Assets held for sale	4.3	271 475	-
TOTAL ASSETS		1 368 241	958 536
TOTAL EQUITY		119 889	119 102
Share capital	12.1	39 162	40 012
Share premiums	12.1	163 301	163 301
Retained earnings (including net profit for the period)		(83 721)	(85 007)
Attributable to non-controlling interests	4.5	1 147	796
NON-CURRENT LIABILITIES		1 006 318	679 687
Non-current provisions	9	7 226	9 098
Financial liabilities	10.2	647 217	631 070
Non-current lease liabilities	10.2	312 920	-
Other financial liabilities	10.2	23 510	19 939
Other non-current liabilities	6.8	10 660	11 265
Defered tax liabilities	11.2	4 785	8 315
CURRENT LIABILITIES		180 934	159 747
Financial liabilities	10.2	10 806	12 203
Current lease liabilities	10.2	43 474	-
Trade payables	6.5.4	72 050	88 057
Current tax liabilities		1 773	1 185
Other current liabilities	6.5.5	52 831	58 302
Liabilities held for sale	4.3	61 100	-
TOTAL LIABILITIES & EQUITY		1 368 241	958 536

* The balance sheet as at 31 December 2018 has been restated following the reclassifications explained in Note 3.7.

CONSOLIDATED INCOME STATEMENT

In 000 EUR	Notes	Dec. 2019	Dec. 2018 restated *
Continuing operations			
Sales and franchise revenues	6.1	490 546	528 059
Cost of sales		(181 887)	(247 353)
Gross profit	6.2	308 659	280 706
Operating and occupancy costs (excl. dep. & amor.)		(44 730)	(94 208)
Depreciation and amortization (restaurants)		(75 901)	(30 409)
Profit from operations	6.2	188 028	156 089
Selling costs		(38 808)	(35 705)
BK brand royalties		(37 939)	(29 152)
Pre-opening costs		(433)	(1 966)
Other operating and income expenses	6.3	16 746	11 096
Gross operating profit of restaurants		127 594	100 362
General and administrative costs (excl. dep. and amor.)		(40 339)	(39 968)
Dep. and amort. (corporate center)		(5 933)	(3 795)
Other corporate income and expenses		1 647	2 580
Operating profit before non-recurring items		82 969	59 179
Non-recurring income and expenses	6.4	(19 378)	(31 593)
Net operating income		63 591	27 586
Net financial income/expense	10.1	(58 562)	(40 529)
Profit/(loss) before tax		5 029	(12 943)
Share of profit/(loss) of companies consolidated using the equity method		62	(103)
Income tax	11.1	(542)	(2 006)
Profit/(loss) from continuing operations		4 549	(15 052)
Net income from discontinued operations, net of tax	4.3	4 104	8 378
Net profit/(loss) for the period		8 653	(6 674)
Share of non-controlling interests		1 600	(461)
Group's share of net income		7 053	(6 213)

* The 2018 income statement has been restated in view of the planned sale of Quick's operations, which were classified as discontinued operations under IFRS 5, as explained in Note 4.3.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In 000 EUR	Notes	Dec. 2019	Dec. 2018
Net consolidated profit/(loss) for the period		8 653	(6 674)
Revaluation of the net liability on post-employment benefits	7.3.1	(181)	436
Related tax assets/(liability)		63	(150)
Other comprehensive income not subsequently reclassified to profit or loss		(118)	286
Cash-flow hedging	10.4.2	241	(387)
Related tax assets/(liability)		(83)	(178)
Other comprehensive income which may subsequently be reclassified to profit or loss		158	(565)
Total other comprehensive income		40	(279)
Total comprehensive income		8 693	(6 953)
Group's share		7 086	(6 513)
Share attributable to non-controlling interests		1 607	(440)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In 000 EUR	Notes	Share capital	Share premium	Actuarial gain/loss and cash-flow hedging reserve	Consolidated reserves and net income	Group's equity	Non-controlling interests	Total equity
At 31 December 2017		40 012	163 301	2 380	(74 010)	131 683	-	131 683
Impact of first adoption of new IFRS 15 standard		-	-	-	(3 216)	(3 216)	-	(3 216)
Impact of first adoption of new IFRS 9 standard		-	-	(854)	854	-	-	-
At 1 January 2018		40 012	163 301	1 526	(76 372)	128 467	-	128 467
Net profit/(loss) for the year		-	-	-	(6 213)	(6 213)	(461)	(6 674)
Other comprehensive income		-	-	(387)	87	(300)	21	(279)
Total comprehensive income		-	-	(387)	(6 126)	(6 513)	(440)	(6 953)
Minority interest purchase commitment liabilities		-	-	-	(4 466)	(4 466)	178	(4 288)
Business combinations		-	-	-	-		1 058	1 058
RSU plan expenses		-	-	-	899	899	-	899
Other changes		-	-	-	(81)	(81)	-	(81)
At 31 December 2018		40 012	163 301	1 139	(86 146)	118 306	796	119 102
Net profit/(loss) for the year		-	-	-	7 053	7 053	1 600	8 653
Other comprehensive income		-	-	33	-	33	7	40
Total comprehensive income		-	-	33	7 053	7 086	1 607	8 693
Share capital reduction	12.1	(850)	-	-	-	(850)	-	(850)
Dividend distribution	12.1	-	-	-	(7 190)	(7 190)	-	(7 190)
Minority interest purchase commitment liabilities	10.2.2	-	-	-	(1 365)	(1 365)	(2 206)	(3 571)
Business combinations	4.2	-	-	-	-	-	950	950
RSU plan expenses	7.4	-	-	-	2 723	2 723	-	2 723
Other changes		-	-	-	32	32	-	32
At 31 December 2019		39 162	163 301	1 172	(84 893)	118 742	1 147	119 889

The first-time application of the new IFRS 16 standard has no impact on equity at 1 January 2019 (see Note 3.6.1).

CONSOLIDATED CASH FLOW STATEMENT

In 000 EUR	Notes	Dec. 2019	Dec. 2018 restated *
Consolidated net profit/(loss)		8 653	(6 674)
Adjustments			
Elim. of profit/(loss) of equity-method companies		(62)	103
Elim of depreciation, amortization and impairment	8.2 & 8.3	82 270	37 748
Elim. of profit/(loss) on discounting		174	700
Elim. of gains/(losses) on asset disposals	8.2 & 8.3	(371)	5 741
Calculated income/(expense) of share-based payments	7.4	2 723	899
Other income and expenses with no impact on cash		(1 343)	-
Cash flow after the net cost of debt and taxes		92 044	38 517
Elim. of income tax expense/(income)	4.3.2 & 11.1	12 091	6 327
Elim. of the net cost of debt and other financial income and expenses	10.1	61 969	39 852
Cash flow before the net cost of debt and taxes		166 104	84 696
Change in the working capital requirement	6.5.6	(245)	(20 268)
Income tax paid		(9 116)	(14 600)
Cash generated/(used) by operating activities		156 743	49 828
Acquistion of subsidiaries, net of cash acquired	4.2	1 730	475
Purchases of intangible assets and PPE		(89 139)	(110 882)
Changes in loans and advances granted		(278)	(271)
Purchases of financial assets		(747)	-
Disposals of intangible assets and PPE		82 998	36 087
Disposals of financial assets		1	22
Interest received	10.1	391	555
Cash generated/(used) by investment activities		(5 044)	(74 014)
Capital increase	12.1	(850)	-
Dividends paid to the Group's shareholders	12.1	(7 190)	-
Issuance of loans and bonds	10.2	18 250	11 587
Repayment of loans and bonds	10.2	(8 931)	(15 734)
Payment of principal on the lease liability	10.2	(48 624)	-
Interest paid on financial liabilities	10.2	(39 374)	(38 357)
Interest paid on the lease liability	10.2	(20 387)	-
Cash generated/(used) by financing activities		(107 106)	(42 504)
Change in cash and cash equivalents		44 593	(66 690)
Cash and cash equivalents at start of year	10.2.2	60 533	127 223
Reclassification of cash and cash equivalents to assets and liabilities held for sale	4.3	(2 695)	-
Cash and cash equivalents at end of year	10.2.2	102 431	60 533

* The cash flow statement for 2018 has been restated following the reclassifications explained in Note 3.7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. THE GROUP AND ITS BUSINESS

Burger King France S.A.S. is a French simplified joint-stock company (SAS). It has its registered office at 50, avenue du Président Wilson 93200, in the city of Saint Denis and is registered in the Paris trade register under No. 797 882 867.

The Group develops and optimizes a fast-food restaurant concept that is based predominantly on hamburgers and employs various techniques, knowledge and know-how that are appropriate for this type of restaurant.

The consolidated financial statements present the accounting situation of Burger King France S.A.S and its subsidiaries (together the "Group") and interests held in joint ventures. They are presented in euros, with figures rounded off to the nearest thousand.

The Group's financial year runs from 1 January to 31 December.

The consolidated financial statements for the year ended 31 December 2019 were approved by the Chairman on 20 March 2020 and will be proposed for approval at the forthcoming annual shareholders meeting.

2. SIGNIFICANT EVENTS OF 2019 AND POST-BALANCE SHEET EVENTS

2.1. Significant events of 2019

2019 was marked by the following significant events.

Contributions to the scope of discontinued operations

In order to prepare for the disposal of discontinued operations, in 2019 the Group continued its legal and real estate reorganization begun in 2018, by contributing, transfering or selling goodwill, construction leases, commercial leases and all related PPE investments to the above-mentioned discontinued scope of operations, which concerns 54 restaurants (See Note 4.3).

Business development

After opening 25 restaurants in 2018 (including 24 under the Burger King® brand) and converting 63 restaurants previously operated under the Quick® brand to the Burger King® brand, the Group continued to expand in 2019 with:

- The opening of 25 new restaurants, including 22 operated under the Burger King® brand
- The conversion to the Burger King® brand of 29 restaurants formerly operating under the Quick® brand.

A significant portion of the investments for this development was assumed by the lessors or supported by the Group's franchisees, thus limiting the Group's remaining net investment.

System-wide sales

The Group's system-wide sales totaled €1.36 billion at 31 December 2019, of which €1.13 billion was from continuing operations (€121 million more than the previous year) and €227 million from discontinued operations (for a year-on-year increase €24 million).

The increase in the Group's system-wide sales is mainly attributable to:

- The opening of 25 new restaurants and the positive impact of the conversion of 29 Quick® restaurants to the Burger King® brand
- The full-year effect of the restaurant openings and conversions to the Burger King® brand of Quick® restaurants completed in 2018
- The good performance of Quick® restaurants on a like-for-like basis in 2019.

Acquisitions

During the year, the Group acquired interests in seven new companies that operate nine Burger King® restaurants (See Notes 4.2 and 4.4).

Outsourcing of the purchasing and logistics of Quick® restaurants

During 2019, the Group outsourced the purchasing and logistics activities of its chain of Quick restaurants in mainland France. These activities were previously carried out directly by the Group via its dedicated subsidiary "Logirest".

This outsourcing results in a decrease in sales and franchise revenues (see Note 6.1) and a decrease in the cost of supplies and merchandise (see Note 6.2).

2.2. Post-balance sheet events

After 2020 got off to a start that was broadly in line with its business plan, the Group saw its system-wide sales drop in early March as a result of the Covid-19 health crisis.

Following the measures decided by the French government to prevent the spread of the Covid virus, and in particular the executive orders of March 14 and 15, 2020 and the decree and order of March 16, 2020, all of the Group's restaurants are currently closed.

In terms of financial management, the Group, which had available cash of 105 million euros at the end of February 2020 and an unused credit line of 60 million euros, has decided to draw 100% of this credit line and to apply for the government's support measures, which include deferred payment of social security and tax charges.

In order to cope with the lack of sales as of 15 March over a period of several weeks, the Group undertook various cost-reduction and investment measures, including in particular the implementation of short-time work schedules for employees.

Giving this unprecedented context and the absence of clear information on the pandemic's expected magnitude and duration, the Group is not in a position to provide specific information on the consequences these events may have on its earnings and cash position.

3. BASIS OF PREPARATION

3.1. Declaration of conformity

The consolidated financial statements of the Burger King France Group for 2019 were prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB as adopted mandatorily in the European Union at 31 December 2019, and with SIC and IFRIC interpretations thereof.

All of the relevant rules adopted by the European Union are available on the European Commission's website at https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en#individual-rps-acts-adopting-international-accounting-standards-ifrsias-and-related-interpretations-ifric ure-scrutiny-rps_en#individual-rps-acts-adopting-international-accounting-standards-ifrsias-and-related-interpretations-ifric

3.2. Changes in the accounting framework

Standards, amendments and interpretations which must be observed as of 1 January 2019

The main IFRS standards, amendments and interpretations which became mandatory in the European Union on 1 January 2019 are:

- IFRS 16 – Leases: see Note 3.6 and 8.3.2
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation
- IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments
- Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement
- IFRS annual improvements – 2015-2017 cycle.

Apart from IFRS 16 (the effects of which are explained in Notes 3.6 and 8.3.2), the other standards had no impact on the Group's accounts. In particular, the Group has no significant tax uncertainties within the scope of IFRIC 23.

Standards, amendments and interpretations which will become mandatory as of 1 January 2020

The following standards, amendments and interpretations must be observed as of 1 January 2020:

- Amendments to IAS 1 and IAS 8 – Definition of Materiality
- Amendment of references in the standards to the conceptual framework
- Amendments to IFRS 3 – Definition of a business.

At the time of this publication, the Group does not expect these new standards to have a significant impact on its consolidated financial statements.

3.3. Use of estimates and judgments

In preparing its financial statements, the management of Burger King France Group must make judgments, estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses, and also the information provided in the notes to the financial statements.

The Group's management makes these estimates and assessments on an ongoing basis, based on past experience and various factors it considers to be reasonable.

Unexpected changes in events and circumstances, and particularly in the economic environment of the Group's business activity, may cause its financial results to differ from these estimates.

The most significant estimates and judgments that the management of Burger King France Group has made in applying the accounting policies that have the most significant impact on its financial statements mainly have to do with:

- Impairment tests on fixed assets and goodwill (Note 8.4)
- The measurement of rights of use and lease liabilities in accordance with IFRS 16 (Notes 3.6 and 8.3.2)
- The recoverability of deferred tax assets (Note 11.2).

3.4. Methods used to translate foreign currency transactions

The consolidated financial statements are presented in euros, which is the Group's functional currency. Amounts are rounded to the nearest thousand euros, unless otherwise stated.

Transactions carried out in a foreign currency by the various Group entities are translated at the prevailing exchange rate on the date of the transaction.
At each balance sheet date, monetary assets and liabilities that are denominated in a foreign currency are retranslated at the prevailing exchange rate on the balance sheet date. Translation differences are recognized in the income statement.

3.5. Basis of assessment

The financial statements are prepared on the historical cost basis, except for derivatives which are measured at fair value.

3.6. Effects of the first-time adoption of IFRS 16

3.6.1. FIRST-TIME ADOPTION OF IFRS 16

The Group adopted IFRS 16 Leases for the first time on 1 January 2019.

On 13 January 2016, the IASB issued IFRS 16 - Leases, which was adopted by the European Union on 31 October 2017. IFRS 16 replaces IAS 17 and the related IFRIC and SIC interpretations. It eliminates, for lessees, the different accounting treatments that previously applied to operating and finance leases.

Lessees are required to recognize all leases (with some exceptions) in a way that is largely similar to the method required for finance leases under IAS 17, i.e. recognizing as an asset the right to use the underlying leased asset, and as a lease liability the obligation to pay lease payments over the lease term.

However, the standard provides for exemptions for leases of 12 months or less an leases for low-value assets. The Group has used these two exemptions.

The Group has observed IFRS 16 in accordance with the simplified retrospective method, which recommends recording the cumulative effect of the adoption of IFRS 16 as an adjustment to the balance of reserves at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated and is therefore presented, as previously, in accordance with the principles of IAS 17 and its interpretations. The resulting changes to accounting policies are explained in detail below.

The Group presents the "rights of use" asset in the statement of financial position under property, plant and equipment on the same line as the underlying asset of the same nature that it owns in full, and presents lease liabilities on the "current/non-current lease liabilities" lines of "current/non-current financial liabilities".

3.6.2. SIGNIFICANT ACCOUNTING PRINCIPLES

Under IFRS 16, a contract or part of a contract is or contains a lease if it grants the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a "right-of-use" asset and a lease liability at the inception of the lease. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment loss, with possible adjustment to account for certain revaluations of the lease liability.

The lease liability is initially measured at the present value of the lease payments due but not yet paid at the start date of the contract. The discount rate used corresponds to the interest rate implicit in the lease or, if this cannot be easily determined, the marginal borrowing rate (based on the lending term and not the maturity date). The Group uses the marginal borrowing rate as the discount rate.

The lease liability is then increased by the interest expense and reduced by the amount of the lease payments. It is remeasured if there is a change in future lease payments subsequent to a change in an index or rate or to a re-estimation of the amount payable under a residual value guarantee, or in the event of a revaluation of the exercise of a purchase option or the extension or non-exercise of a termination option (in which case said payments becomes reasonably certain).

Deferred tax assets and liabilities are recognized on rights of use and lease liabilities, considering that tax deductions on lease payments are attributable to the liability and then offset.

On 16 December 2019, the IFRS IC issued its final decision on the assessment of lease terms and depreciation periods for immovable fixtures and fittings, deeming it unnecessary to amend IFRS 16 to clarify the concept of "enforceable period".
With this decision, the Committee seeks to clarify the method used to determine the lease term, since it does not accept the legal approach of determining the period during which a lease is enforceable solely on the basis of the terms of the lease agreement. The Committee thus considers that a lease remains enforceable for as long as the lessee or the lessor would suffer a significant loss if the lease were terminated. Accordingly, even in the absence of an option that enables the lessee to extend a lease at its discretion, the reasonably certain term of the lease must be assessed to determine the corresponding lease liability and the value of the right of use. In the Committee's view, the concept of "loss" should be considered broadly and not limited to contractual or monetary penalties.

With regard to the depreciation period for immovable fittings and fixtures, the Committee notes that:

- The term of a lease should be taken into account when determining the depreciation period of the fittings and fixtures
- The existence of fixtures or fittings that are not fully depreciated and which would have to be abandoned and removed if the lease is terminated is one example of a loss to be considered when determining the lease's enforceable period.

The application of this decision should not have a significant impact on the Group.

LEASE PREMIUMS

A lease premium is inseparable from the lease itself since the lessee could not have entered into the lease agreement without incurring the cost of the lease premium and would not have incurred that cost if it had not been able to enter into the lease agreement. Therefore, the lease premium is a direct cost initially incurred by the Group as lessee that is included in the initial measurement of the right of use.

It was considered that the right of use is composed of the following two significant and distinct elements, which need to be amortized separately as their future economic benefits are consumed at different rates:

- the lease premium
- the other leasehold interests that constitute the right of use.

For the lease premium, an analysis of the relevant restaurants showed that in the vast majority of cases the restaurant's location and "premium" characteristics ensured that the lease premium's value at the end of the lease would be at least equivalent to its current value. Accordingly, this component was not amortized.

The other components of the right of use are amortized over the useful life of the right of use, which is the lease term.

3.6.3. TRANSITIONAL ACCOUNTING TREATMENT

At the date of the transition, i.e. 1 January 2019, the lease liability for leases classified as operating leases under IAS 17 was measured at the value of the remaining lease payments discounted at the marginal euro borrowing rate of the French subsidiaries and based on the remaining lease terms and not on the initial lease terms.

Right-of-use assets are valued at the amount of the lease liability, adjusted for prepaid and outstanding lease payments on the balance sheet and any benefits granted by the lessors.

For reasons of simplification, the Group has observed the following methods and options:

- The option not to recognize a "right-of-use" asset or a lease liability for leases with a residual term of less than 12 months
- The option of not recognizing a "right-of-use" asset or a lease liability for leased assets worth less than five thousand euros
- A term of six months is used for automatically renewed leases
- The initial direct costs of the valuation of the "right-of-use" asset at the date of the standard's first application (excluding lease premiums that were already capitalized at 1 January 2019) were not included, except for the entry fees paid to lessors when leases were signed
- The Group uses its past experience to determine the term of leases that include extension or termination options
- Discount rates were calculated using the residual term at 1 January 2019
- A single discount rate was used for portfolios of leases with similar characteristics.

The Group's main leases are for premises (commercial leases and construction leases), vehicles and IT equipment.

The terms of real property leases and construction leases were determined as follows:

- For 12-year leases with waiver of the right to terminate after each three-year period (the vast majority of leases), the term used is based on the non-cancellable 12-year term.
- For 12-year leases with a 12-year renewal commitment, the term used is based on the renewed term of 24 years
- For 3, 6 and 9 year leases without waiver of the three-year termination option, the term used is based on the 9-year term, provided there is no intention to terminate the lease.
- For 40-year construction leases, the term is based on the 40-year non-cancellable term.

These payments on these leases are fixed and may or may not be indexed.

For IT equipment and vehicles, lease terms are generally from two to four years. These payments on these leases are fixed and may or may not be indexed.

The Group leases, as lessee, a number of premises that previously qualified as finance leases under IAS 17. For these leases, the carrying amounts of the right-of-use asset and the lease liability at 1 January 2019 were determined to be those of the underlying leased asset and the lease liability, which were calculated in accordance with IAS 17 just before that date.

3.6.4. IMPLICATIONS FOR FINANCIAL STATEMENTS

3.6.4.1. TRANSITION IMPACTS

In its transition to IFRS 16, the Group has recognized right-of-use assets and lease liabilities on the balance sheet, in addition to those of its finance leases at 31 December 2018.

The effects of the transition are summarized in the table below.

In 000 EUR	Figures reported at31/12/18	IFRS 16 restate ments	At 1 January 2019
Intangible assets *	195 069	(79 448)	115 621
Property, plant and equipment	302 341	458 979	761 320
Other current assets (prepaid expenses) **	7 341	(5 080)	2 261
Lease liability	3 840	374 451	378 291
Impact on equity		-	

The following table reconciles the off-balance sheet lease commitments in the most recent annual financial statements with the IFRS 16 lease liability.

In 000 EUR	**At 1 January 2019**
Operating lease commitments at 31 December 2018 *	485 499
Finance lease liability under IAS 17 at 31 December 2018	3 840
Effect of option periods not included in the off balance sheet commitments	-
Effect of discounting	(111 771)
Exemptions for short-term and low-value leases	-
Other	723
Lease liabilities at 1 January 2019 under IFRS 16	378 291

* Off balance sheet commitments mentioned in Note 10 to the most recent 2018 financial statements

3.6.4.2. IMPACT ON THE YEAR'S ACCOUNTS

As a result of the application of IFRS 16 to leases previously classified as operating leases, in 2019 the Group recognized a €58 million decrease in in right-of-use assets and a €21.9 million decrease in lease liabilities.

The following table shows the effects of IFRS 16 on the 2019 income statement.

In 000 EUR	Dec. 2019	Total IFRS 16 impact	IFRS 16 impact of discontinued operations	Dec. 2019 excl. IFRS 16	Dec. 2018 restated *
Sales and franchise revenues	490 546	-	-	490 546	528 059
Cost of sales	(181 887)	-	-	(181 887)	(247 353)
Gross profit	308 659	-	-	308 659	280 706
Operating and occupancy costs (excl. dep. & amor.)	(44 730)	64 249	(11 126)	(97 853)	(94 208)
Depreciation and amortization (restaurants)	(75 901)	(54 166)	9 448	(31 183)	(30 409)
Profit from operations	188 028	10 083	(1 678)	179 623	156 089
Selling costs	(38 808)	-	-	(38 808)	(35 705)
BK brand royalties	(37 939)	-	-	(37 939)	(29 152)
Pre-opening costs	(433)	-	-	(433)	(1 966)
Other operating and income expenses	16 746	-	-	16 746	11 096
Gross operating profit of restaurants	127 594	10 083	(1 678)	119 189	100 362
General and administrative costs (excl. dep. and amor.)	(40 339)	2 551	-	(42 890)	(39 968)
Dep. and amort. (corporate center)	(5 933)	(2 653)	-	(3 280)	(3 795)
Other corporate income and expenses	1 647	-	-	1 647	2 580
Operating profit before non-recurring items	82 969	9 981	(1 678)	74 666	59 179
Other non-recurring income and expenses	(19 378)	367	-	(19 745)	(31 593)
Operating profit/(loss) after non-recurring items	63 591	10 348	(1 678)	54 921	27 586
Net financial income/(expense)	(58 562)	(20 283)	2 858	(41 137)	(40 529)
Profit/(loss) before tax	5 029	(9 935)	1 180	13 784	(12 943)

3.7. Restatements of the comparative period

The comparative income statement of 2018 has been restated following the classification of Quick's business activities, which are to be disposed of as discontinued operations (see Note 4.3).

The Group has also undertaken a project to improve the relevance and readability of its consolidated financial statements, which resulted in the following reclassifications:

- On the Statement of Financial Position:
    - "Tax receivables excluding corporate income tax", "Financial receivables and other current assets" and "Other financial receivables" at 31 December 2018 were grouped together under "Other current assets".
    - "Other tax liabilities", "Payroll and social security liabilities" and "Other current liabilities" at 31 December 2018 were combined under "Other current liabilities".
    - Derivatives recorded under "Other non-current liabilities" at 31 December 2018 were reclassified to "Non-current financial liabilities".
    - "Other tax receivables" and "Other tax payables" at 31 December 2018 were restated to reflect the liquidation of VAT between assets and liabilities.
    - Prepaid expenses and deferred income on entrance fees at 31 December 2018 were restated to correct the allocation between current and non-current.
- On the Income Statement:
    - The network entry fees and franchise entry fees were reclassified from "Other operating income and expenses" to "Sales and franchise income".
    - The billing of certain services to partners outside the Group were reclassified from "Other head-office income and expenses" to "Sales and franchise income".
- In the cash flow statement, interest received was reclassified from "from financing" to "from investment".

Certain item headings were also clarified and more information was added to the notes to the financial statements.

4. CONSOLIDATION SCOPE

4.1. Accounting principles observed for the scope of consolidation

Consolidation of subsidiaries

A subsidiary is a company which the Group controls. A subsidiary is a company which the Group controls. The Group controls a company when it is exposed to, or is entitled to, variable returns from its relationship with the company and may have an impact on these returns through its control over the company. The financial statements of a subsidiary are included in the consolidated financial statements as of the date that such control is initially obtained and until it ceases.

Equity method of accounting for joint ventures

A joint venture is a form of partnership that gives the Group joint control over a company and rights to the net assets of the joint venture, but no rights to its assets or obligations in respect of its liabilities. Burger King France uses the equity method to account for its joint ventures.

4.2. Business combinations

Business combinations are recognized using the acquisition method. Accordingly, the acquiree's identifiable assets and liabilities are generally recognized at their fair value at the acquisition date.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the acquiree) plus the amount recognized for any non-controlling interest in the acquiree, less the net amount recognized (generally at fair value) for the identifiable assets and liabilities acquired. Non-controlling interests are measured when control is gained, either pro rata to the identifiable net assets or at fair value, depending on the option selected.

When the difference thus determined is negative, and after the various components are remeasured, it can be immediately taken to income, in "other non-recurring income and expenses".

Goodwill is subsequently measured at cost less any impairment loss. In accordance with IAS 36, impairment losses are recognized immediately in the income statement and are irreversible.

The following table shows the calculation of goodwill from the Group's acquisition of companies/restaurants:

Company	Date control obtained	% interest	Cash consideration	Non-controlling interests [(1)]	Fair value of identified net assets	Goodwill
Jeri	01/01/2019	100%	23	-	(334)	357
EHRTNT	01/07/2019	100%	670	-	157	513
R2K	01/10/2019	100%	854	-	12	842
Other			150	114	118	146

(1) measured pro rata the net identifiable assets.

The badwill recognized in the income statement was calculated as follows:

Company	Date control obtained	% interest	Cash consideration	Non-controlling interests [(1)]	Fair value of identified net assets	Badwill
SL2R	01/10/2019	55,08%	315	508	1 132	(309)
SN2R	01/10/2019	76,91%	580	314	1 359	(465)

(1) measured pro rata the net identifiable assets.

The cash flows arising from these acquisitions are shown below.

In 000 EUR	Dec. 2019
Cash consideration	(2 592)
Cash and cash equivalents	4 372
Acquisition of subsidiaries, net of cash	1 780

A total of €1,730 thousand was recognized in the Cash Flow Statement for "Acquisitions of subsidiaries, net of cash". The difference of €50 thousand is attributable to the adjustment of the acquisition price of the subsidiaries acquired in 2018, which required the adjustment of goodwill.

Acquisition expenses are recorded in "Other non-current operating expenses". No significant costs were recognized in 2019.

From the date of their acquisition to 31 December 2019, these companies contributed €17.1 million to sales and franchise income and €0.8 million to profit.

If these acquisitions had been made on 1 January 2019, the Group's consolidated sales and franchise income would have been €496.4 million and its annual profit €8.9 million.

4.3. Discontinued operations / Assets and liabilities held for sale

A non-current asset or a group of associated assets and liabilities is considered to be held for sale in the following cases, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations":

- the asset or group is available for immediate sale in its present condition
- its sale is highly likely, which is the case when management has undertaken efforts to sell the asset or group and to find a buyer at a reasonable price and has committed to sell it within one year.

Non-current assets, groups of assets or businesses held for sale are measured at the lower of their carrying amount or their fair value (i.e. the estimated selling price), net of disposal costs. They are presented on a separate line on the balance sheet and are no longer depreciated or amortized. Joint ventures are no longer accounted for using the equity method.

A discontinued operation is a component of the Group's operations which has business activities and cash flows that are clearly distinct from those of the rest of the Group, and which:

- represents a major and distinct line of business or geographic area
- is part of a coordinated plan to divest a major and distinct line of business or geographic area, or
- is a subsidiary acquired exclusively to be resold.

The classification takes place on the date of disposal or earlier if the activity meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had met the criteria of a discontinued operation at the beginning of the comparative period.

In order to focus on the development of the Burger King brand in France, in 2019, the Group reorganized Quick's business activities into a distinct group of companies to facilitate their sale.

In view of this reorganization and the steps already taken, the Group considers that the sale of this business is very likely within the next twelve months.

4.3.1. ASSETS AND LIABILITIES HELD FOR SALE

The group of companies to be sold consists of the following assets and liabilities at 31 December 2019:

In 000 EUR	Dec. 2019
Goodwill	45 193
Intangible assets	113 018
Property, plant and equipment	103 277
Inventories	124
Trade and other receivables	7 163
Cash	2 700
Assets held for sale	271 475
Lease liabilities	54 188
Trade and other payables	6 912
Liabilities held for sale	61 100

The above assets and liabilities are measured at the lower of their carrying amount or fair value.

4.3.2. NET INCOME OF DISCONTINUED OPERATIONS

The table below shows operating income from discontinued operations, before and after tax.

In 000 EUR	Dec. 2019	Dec. 2018
Discontinued operations		
Sales and franchise revenues	97 182	125 385
Cost of sales	(35 570)	(67 879)
Gross profit	**61 612**	**57 506**
Operating and occupancy costs (excl. dep. & amor.)	(5 629)	(16 699)
Depreciation and amortization (restaurants)	(12 942)	(5 264)
Profit from operations	**43 041**	**35 543**
Selling costs	(14 438)	(16 108)
Pre-opening costs	(261)	(30)
Other operating and income expenses	209	1 625
Gross operating profit of restaurants	**28 551**	**21 030**
General and administrative costs (excl. dep. and amor.)	(8 893)	(8 146)
Other corporate income and expenses	-	-
Operating profit before non-recurring items	**19 658**	**12 884**
Other non-recurring income and expenses	(1 147)	(185)
Operating profit/(loss) after non-recurring items	**18 511**	**12 699**
Net financial income/(expense)	(2 858)	-
Profit/(loss) before tax	**15 653**	**12 699**
Income tax	(11 549)	(4 321)
Net profit/(loss) from discontinued operations, net of tax	**4 104**	**8 378**

The income tax on discontinued operations in 2019 includes a charge of €6.2 million paid to the Belgian tax authorities that year.

4.3.3. CASH FLOW FROM DISCONTINUED OPERATIONS

Cash flows from discontinued operations are as follows:

In 000 EUR	Dec. 2019
Cash generated/(used) by operating activities	19 891
Cash generated/(used) by investment activities	(2 986)
Cash generated/(used) by financing activities	(10 500)
Change in cash and cash equivalents	**6 405**

4.4. Consolidation scope

	Dec. 2019			Dec. 2018		
Company	% Interest	% Control	Consol. method	% Interest	% Control	Consol. method
BURGER KING France	100%	100%	FC	100%	100%	FC
ADFR	55.08 %	55.08 %	FC	-	-	NC
Aga BK	50%	50%	EM	50%	50%	EM
Aga BK INV	50%	50%	EM	50%	50%	EM
Agaquick	50%	50%	FC	50%	50%	FC
Agaquick Exploit	50%	50%	FC	50%	50%	FC
Agaquick Exploitation 2	50%	50%	FC	50%	50%	FC
Agaquick Invest	50%	50%	FC	50%	50%	FC
AURO202	100%	100%	FC	100%	100%	FC
BDBK	-	-	NC (1)	100%	100%	FC
BK E	100%	100%	FC	100%	100%	FC
BK IDF	100%	100%	FC	100%	100%	FC
BK N	100%	100%	FC	100%	100%	FC
BK OU	100%	100%	FC	100%	100%	FC
BK SE	100%	100%	FC	100%	100%	FC
BK Croissance	3.21 %	3.21 %	FC	-	-	NC
BK Développement	73.12 %	73.12 %	FC	73.12 %	73.12 %	FC
BK Expansion	84.44 %	84.44 %	FC	84.44 %	84.44 %	FC
BK Exploitation	3.21 %	3.21 %	FC	-	-	NC
BK Services	100%	100%	FC	100%	100%	FC
BK Varennes	-	-	NC (1)	100%	100%	FC
BURGER KING RESTAURANTS	-	-	NC (1)	100%	100%	FC
BURGER KING RESTAURATION	100%	100%	FC	100%	100%	FC
BURGER KING CONSTRUCTION	100%	100%	FC	100%	100%	FC
ECUREST	-	-	NC (1)	100%	100%	FC
EHRTNT	100%	100%	FC	-	-	NC
Eylau	-	-	NC (1)	100%	100%	FC
FDDH	-	-	NC	50%	50%	EM
FDDH 1	-	-	NC	50%	50%	EM
FDDH 2	-	-	NC	50%	50%	EM
Financière Quick	100%	100%	FC	100%	100%	FC
Flagship	50.71 %	50.71 %	FC	50.71 %	50.71 %	FC

	Dec. 2019				Dec. 2018		
Company	% Interest	% Control	Consol. method		% Interest	% Control	Consol. method
France Quick	100%	100%	FC		100%	100%	FC
Friedland	100%	100%	FC		100%	100%	FC
Houdemont	76.91 %	76.91 %	FC		-	-	NC
Iena SAS	-	-	NC	(1)	100%	100%	FC
Jeri	100%	100%	FC		-	-	NC
Ligny	-	-	NC	(1)	100%	100%	FC
Logirest France	100%	100%	FC		100%	100%	FC
MGL	100%	100%	FC		100%	100%	FC
MINADRIVE	-	-	NC	(1)	100%	100%	FC
Montereau	100%	100%	FC		100%	100%	FC
Montmirail (ex Coquelles)	100%	100%	FC		100%	100%	FC
PINTO	100%	100%	FC		100%	100%	FC
POP'S DRIVE	-	-	NC	(1)	100%	100%	FC
Pyramides	100%	100%	FC		100%	100%	FC
Quick Exploitation	100%	100%	FC			-	NC
Quick France Exploitation	100%	100%	FC		-	-	NC
Quick Gestion	100%	100%	FC		100%	100%	FC
Quick Immo	100%	100%	FC		100%	100%	FC
Quick Invest	100%	100%	FC		100%	100%	FC
Quick Restaurants	100%	100%	FC		100%	100%	FC
Quick Services	100%	100%	FC		-	-	NC
R2K	100%	100%	FC		-	-	NC
SL2R	55.08 %	55.08 %	FC		-	-	NC
SN2R	76.91 %	76.91 %	FC		-	-	NC
Tastyrest	100%	100%	FC		100%	100%	FC
Ulm SAS	100%	100%	FC		100%	100%	FC

Consolidation method abbreviations:

NC means Not Consolidated

FC means Full Consolidation

EM means Equity Method

(1) Universal asset & liability transfer ("TUP") in 2019

The changes in the scope of consolidation in 2019 are described in Note 4.2 "Change in the scope of consolidation". The companies accounted for by the equity method are joint ventures of immaterial importance.
The Group has fully consolidated its 50% interest in the Agaquick sub-group since it considers that it controls Agaquick.

4.5. Non-controlling interests

Non-controlling interests are initially measured either at their fair value or at the pro rata share of the net identifiable assets acquired at the acquisition date.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The non-controlling interests are:

- The sub-group consisting of Agaquick SAS and its subsidiaries, in which the Group has a 50% stake
- BK Expansion, 84.44% of which is owned by the Group
- BK Développement, 73.12% of which is owned by the Group
- Flagship, 50.71% of which is owned by the Group
- BK Croissance and BK Exploitation, of which the Group holds 3.21%
- SL2R and its subsidiary ADFR, 55.08% of which is owned by the Group
- SN2R and its subsidiary Houdemont, 76.91% of which is owned by the Group.

As at 31 December 2018, only the investment in the Agaquick sub-group was material for the Group at 31 December 2019. The following table presents the key financial figures of this wholly owned sub-group before intra-group eliminations.

In 000 EUR	Dec. 2019	Dec. 2018
Income statement		
Revenue	30 283	28 150
Operating profit	9 924	7 732
Net income (loss)	4 320	(352)
Group's share	*2 158*	*(177)*
Share attributable to non-controlling interests	*2 162*	*(175)*

In 000 EUR	Dec. 2019	Dec. 2018
Statement of financial position		
Non-current assets	43 450	33 052
Current assets	11 763	8 694
Non-current liabilities	17 455	5 497
Current liabilities	7 643	10 457

In 000 EUR	Dec. 2019
Cash generated/(used) by operating activities	1 759
Cash generated/(used) by investment activities	(3 447)
Cash generated/(used) by financing activities	3 166
Change in cash and cash equivalents	1 478

4.6. Transactions with other related parties (joint ventures)

There are no transactions with joint ventures.

5. SEGMENT INFORMATION

Under IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenue and incur expenses
- whose operational results are regularly monitored by the chief operating decision maker
- for which separate financial information is available.

The Group's Chief Operating Decision Maker ("CODM") is its Vice-Chairman and Chief Executive Officer.

The Group's business activity, which constitutes a single operating segment, is operating restaurants in France under franchise agreements or which it owns.

Until 31 December 2018, sales, ordinary operating income and EBITDA were broken down between franchised restaurants, company-owned restaurants and "other activities", which consisted of head-office support services and logistics services provided to all restaurants. However, separate data for these activities are no longer provided since they do not constitute distinct operating segments.

The CODM thus allocates resources and monitors the Group's performance on the basis of more general information that is presented in accordance with:

- the Group's management structure, which has no separate departments for company-owned and franchised restaurants, and with the pooling of support services; and
- the internal and external reporting systems, which mainly present financial information in aggregate form.

Note 6.1 provides a breakdown of revenue by type of product and service, with a distinction between merchandise sales by company-owned restaurants and income from franchise agreements.

All revenue is realized in France. No individual customer is of significant size.

6. OPERATIONS

6.1. Sales and franchise revenues

Sales and franchise revenues consist of:

- the sales of foodservice products and services through company-operated restaurants within the scope of IFRS 15
- brand royalties and other income paid by franchisees within the scope of IFRS 15
- sales of merchandise and equipment to franchisees
- entry fees and other sales, which include network access fees and entry fees invoiced to franchisees and revenue from services provided to non-Group partners who are not franchisees.

In 000 EUR		Dec. 2019		Dec. 2018 restated *	
	Note	Amount	%	Amount	%
Sales to consumers	6.1.1	290 406	59%	319 567	61%
Franchisee royalties	6.1.2	176 726	36%	134 992	26%
Sales of merchandise and equipment to franchisees	6.1.3	7 540	2%	52 977	10%
Entry fees and other sales	6.1.4	15 874	3%	20 523	4%
Sales and franchise revenues		490 546	100%	528 059	100%

* Sales and franchise revenues were restated in preparation for the planned sale of Quick's activities classified as discontinued operations (IFRS 5) as explained in Note 4.3.

6.1.1. CONSUMER SALES

Revenue from sales to consumers includes the revenue from the sale of hamburgers and other food products at the Group's company-owned restaurants and of related catering services.

Sales revenue is recognized when the control of the products sold (the "merchandise") is transferred to the customer, i.e. when payment is made at the cash register for sales to consumers in company-operated restaurants.

Revenue is valued net of returns, rebates, trade discounts and quantity discounts.

Sales to consumers amounted to €290.4 million in 2019, compared to €319.6 million in 2018, for a decrease of €29.2 million.

This decrease is mainly attributable to the reduction in the number of restaurants the Group operates directly as a result of their closure or sale, or their operation under new franchise agreements (27 restaurants). This decrease was partially offset by new restaurants the Group operates directly (11 restaurants).

6.1.2. ROYALTIES AND OTHER CHARGES TO FRANCHISEES

The various types of franchise agreements are: full franchise, shared franchise, business lease, and business lease with investment. The percentage paid depends on the type of agreement. Royalties and other charges to franchisees (excluding rent) comprise:

- the royalties received from franchisees for the use of the Burger King® and Quick® brands.
- the franchisees' contribution to the national advertising budget
- Business lease fees received from the leasing of Group-owned businesses.

Brand royalties

Brand royalties are billed monthly to franchisees and are a contractual percentage of their revenue. These royalties are recognized when the franchise revenue is earned, in accordance with the royalty exemption provided for under IFRS 15, with the exception of annual guaranteed minimums which are recognized on a straight-line basis.

National advertising charges

Franchisees are billed monthly for their contribution to the national advertising budget, which is a percentage of the franchise's revenue. It is recorded when this revenue is earned, as it is considered that national advertising activities do not apply to any service that is distinct from the license to use the brand and the know-how.

Business lease royalties

As lessor, Burger King France Group has entered into real property leases and business leases (with or without investment) with its franchisees.

The term of business leases is 9+9 years for Burger King® restaurants, and from 3 to 12 years for Quick restaurants.

The royalties paid under these leases are a contractual percentage of the franchise revenue and are invoiced in consideration of the use of the business assets, the occupation of the premises and the leasehold interest.

These business leases are operating leases for the lessor under IFRS 16.

Lease payments are recognized in the income statement on a straight-line basis over the term of the lease.

The Group had 304 franchised restaurants at 31 December 2019, vs. 279 at 31 December 2018.

The total transaction price for services that were not fully provided at the balance sheet date is immaterial.

Franchise royalties totaled €176.7 million in 2019, which is €41.7 million more than in 2018 (€135.0 million).
This increase is mainly due to (i) the transfer of 22 restaurants from Group-operated to franchised, and (ii) the opening of 22 restaurants operated by franchisees. This increase of 44 restaurants was partially offset by (iii) the Group's takeover of 9 restaurants and (iv) the definitive closure or disposal of 7 restaurants operated under franchise agreements.

The table below shows future minimum lease payment receivables under non-cancellable operating leases, broken down by residual lease term:

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Less than 1 year	47 588	41 838
From the 2nd to 5th year inclusive	182 842	148 090
More than 5 years	109 576	100 704
Total minimum payments to be received on operating leases	340 006	290 632

* The total amount of minimum payment receivables was restated in view of the planned sale of Quick activities classified as discontinued operations (IFRS 5) as explained in Note 4.3.

6.1.3. SALES OF MERCHANDISE AND EQUIPMENT TO FRANCHISES

Merchandise and equipment are sold to Quick franchisees by the Group's subsidiary Logirest France.

Revenue from the sale of merchandise and equipment is recognized when their control is transferred to the franchisee, which is the invoice date.

Sales of merchandise and equipment to franchisees totaled €7.5 million in 2019 vs. €53.0 million in 2018.
This decrease is mainly attributable to the Group's outsourcing of its purchasing and logistics activities for Quick® restaurants (see Significant events of 2019).

6.1.4. ENTRY FEES AND OTHER SALES

Network entry and franchise entry fees.

Network entry and franchise entry fees are charged to franchisees in consideration of the transfer of know-how, the use of the brand, territorial exclusivity and assistance in opening a restaurant.

They are invoiced at the start of the contract. As with brand royalties, they are considered to be remuneration for the license to use the trademark and know-how, and not remuneration for distinct services.

As this is a "variable license" within the meaning of IFRS 15, this income is recognized over the term of the franchise agreement, and on a straight-line basis, since it is considered that the Group's services as a franchisor are provided uniformly over the term of the agreement.

Fees invoiced at the start of the contract that have not yet been recognized in "Sales and franchise income" are recognized in current and non-current deferred income.

Other revenue

Other revenue consist mainly of the from services provided to non-Group partners who are not franchisees.

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Network and franchise entry fees	5 106	12 235
Other sales	10 768	8 288
Total	15 874	20 523

Deferred income from network and franchise entry fees is included in "Other non-current liabilities" (see Note 6.8) and "Other current liabilities" (see Note 6.5.5). It is broken down in the following table:

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Non-current deferred income (lease liabilities)	10 115	8 720
Current deferred income (lease liabilities)	2 390	2 390
Total	12 505	11 110

6.2. Gross and operating profit and margin

Cost of sales is the cost of supplies and merchandise and of restaurant personnel.

- The cost of supplies and merchandise is the cost of the raw materials and merchandise required to make the finished products sold to consumers (see Note 6.1.1) and the cost of the raw materials, merchandise and equipment the Group sells to franchisees (see Note 6.1.3).
- Restaurant personnel costs include salaries, the employer's social security charges, and the benefits paid to Group employees whose work is directly related to the selling of products to consumers (see Note 6.1.1)

Occupancy and operating costs mainly include the costs of energy, maintenance, security, leases (until 31 December 2018), and taxes (business tax, property tax, etc.). Depreciation corresponds to the depreciation or amortization of restaurant assets and rights of use as of 1 January 2019.

In 000 EUR	Dec. 2019	%	Dec. 2018 restated *	%
Sales and franchise revenues	490 546	100%	528 059	100%
Cost of supplies and merchandise	(91 714)	(19%)	(144 096)	(27%)
Cost of restaurant personnel	(90 173)	(18%)	(103 257)	(20%)
Total cost of sales	(181 887)	(37%)	(247 353)	(47%)
Gross profit	308 659	63%	280 706	53%
Operating and occupancy costs	(44 730)	(9%)	(94 208)	(18%)
Depreciation and amortization (restaurants)	(75 901)	(15%)	(30 409)	(6%)
Profit from operations	188 028	38%	156 089	30%

* The profit from operations has been restated to take into account the planned sale of Quick activities classified as discontinued operations (IFRS 5) as explained in Note 4.3.

The change in operating and occupancy costs expenses and in depreciation and amortization compared to 2018 is mainly attributable to the application of the new IFRS 16 standard, the impacts of which on the 2019 operating margin are presented in Note 3.6.4.2.

6.3. Ordinary operating income

Ordinary operating income is composed of the following items:

- The operating profit (see Note 6.2)
- Selling expenses, which are the advertising and marketing expenses the Group incurs for the restaurants it operates and for those operating under a franchise agreement, for which national advertising fees are charged (see Note 6.1.2)
- Burger King brand royalties paid to Burger King Corporation
- Restaurant opening costs include all of the costs incurred prior to the opening of a restaurant and which are necessary for its opening, such as personnel expenses while staff is being trained, staff recruitment costs, lease payments, the cost of advertising the restaurant opening, and the initial purchase of minor non-depreciable items that are needed to operate the restaurant.
- Other ordinary operating income and expenses, which are mainly:
  - Capital gains or losses on the disposal of fixed assets required to set up franchised operations or for real estate transactions
  - Charges to/reversals of impairment losses expected on trade receivables
- General and administrative expenses (excluding depreciation and amortization), which consist of the various expenses the Group incurs for the support services that are necessary to ensure the smooth operation of its business
- Head-office depreciation and amortization
- Other head-office income and expenses

Ordinary operating income breaks down as follows:

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Profit from operations	188 028	156 089
Selling costs	(38 808)	(35 705)
BK brand royalties	(37 939)	(29 152)
Pre-opening costs	(433)	(1 966)
Other operating and income expenses	16 746	11 096
Gross operating profit of restaurants	127 594	100 362
General and administrative expenses (excl. dep. and amor.)	(40 339)	(39 968)
Dep. and amort. (corporate center)	(5 933)	(3 795)
Other corporate income and expenses	1 647	2 580
Operating profit before non-recurring items	82 969	59 179

The table below breaks down Other ordinary operating income and expenses

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Net capital gain on the disposal of intangible assets and PPE	3 793	11 933
Reversals of operating provisions	655	15
Reversals of impairment losses expected on trade receivables	473	294
Other income	42 515	1 823
Total other operating income	47 436	14 065
Loss on disposals of intangible assets and PPE	(143)	(66)
Operating provisions	(232)	(1 561)
Impairment losses expected on trade receivables	-	-
Other expenses	(30 315)	(1 342)
Total other operating expenses	(30 690)	(2 969)
Total other operating income and expenses	16 746	11 096

* Other operating income and expenses have been restated in light of the planned sale of Quick activities classified as discontinued operations (IFRS 5) as explained in Note 4.3.

Other income and expenses in 2019 are mainly attributable to property development transactions to expand the Burger King network.

6.4. Other non-recurring income and expenses

Other non-recurring income and expenses consist of unusual, abnormal and infrequent items that are attributable to a major event during the year that could give a misleading impression of the Group's performance.

The table below breaks down Other non-recurring operating income and expenses

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Quick n'King 2020 conversion project	(18 711)	(27 515)
Reversal/(Reduction) of impairment test value	8 837	(2 312)
Other	(9 504)	(1 766)
Total other non-recurring income and expenses	(19 378)	(31 593)

* Other non-recurring income and expenses were restated in view of the planned sale of Quick activities classified as discontinued operations (IFRS 5) as explained in note 4.3.

Quick n'King 2020 transformation project

The expenses presented on this line are mainly restaurant closure and conversion costs and the expense of the RSU plan (see Note 7.4).

- Restaurant closure costs are primarily comprised of the disposal of the property, plant and equipment and intangible assets of restaurants that are closed or sold. The Group closed 13 restaurants in 2019 (vs. 19 in 2018).
- Conversion expenses consist mainly of lease payments during the conversion work, personnel expenses and the cost of scrapping Quick's PPE and intangible assets. In 2019, the Group converted 29 restaurants (versus 63 in 2018).

Other

This line consists mainly of expenses incurred in 2019 to settle the dispute with a former France Quick master franchisee (see Note 9). It also includes the recognition of negative goodwill and of provisions and reversals for contingencies.

6.5. Working capital requirement

6.5.1. INVENTORIES

Inventories are stated at the lower of their cost or net realizable value.

The Group's inventories consist of supplies, equipment and food products.

They are recognized at cost, which includes the purchase price plus customs duties, other non-recoverable taxes, and the costs of transportation and handling incurred in bringing inventory items to their storage site.

Equipment inventory is valued using the weighted average cost method.

The food products inventory is valued using the FIFO method (First in, First Out) given the rapid turnover of this inventory and the rules that apply to its management.

In 000 EUR	Dec. 2019	Dec. 2018	Change
Raw materials, supplies and merchandise in restaurants	2 159	2 818	(659)
Supplies and merchandise at Logirest	289	6 987	(6 698)
Gross total	2 448	9 805	(7 357)
Impairment	(289)	(1 103)	814
Net total	2 159	8 702	(6 543)

The decrease in inventories of supplies and merchandise at Logirest is attributable to the outsourcing of Logirest's activities in 2019 (see Significant events of the year).

6.5.2. TRADE RECEIVABLES

Trade and other operating receivables are initially recognized at their fair value, which is generally their nominal value. There are no trade receivables that are pledged or insured.

In accordance with IFRS 9, the Group uses the simplified method to measure trade receivables and recognizes expected credit losses over the life of the receivable. Expected credit losses are estimated using an allowance matrix that is based on historical credit loss experience and is adjusted for specific factors relating to the creditor, current general economic conditions and forecasts of future economic conditions that are obtainable at the balance sheet date without incurring undue cost or effort.

In 000 EUR	Dec. 2019	Dec. 2018	Change
Trade receivables	45 257	51 594	(6 337)
Total trade receivables at nominal value	45 257	51 594	(6 337)
Impairment of receivables due to expected losses	(3 782)	(4 965)	1 183
Net total	41 475	46 629	(5 154)

Information on the impairment of trade receivables and the Group's exposure to credit risk is provided in Note 10.4.4.

6.5.3. TAX ASSETS AND OTHER CURRENT ASSETS

In 000 EUR	Dec. 2019	Dec. 2018 restated *	Change
Current tax assets	2 502	4 839	(2 337)
Tax receivables excluding income tax	11 673	18 233	(6 560)
Prepaid expenses	6 301	5 826	475
Supplier discount, rebate and refund receivables	4 341	4 898	(557)
Frozen cash	-	14 867	(14 867)
Other	2 567	4 895	(2 328)
Other current assets	24 882	48 719	(23 837)
Total	27 384	53 558	(26 174)

* Tax assets and other current assets were restated subsequent to the reclassifications explained in Note 3.7.

Tax receivables (other than on income tax) are mainly on deductible VAT.

Prepaid expenses consist mainly of the short-term portion of network entry fees, which are spread over the term of the master franchise agreement.

The frozen cash is the France Quick cash attached at the request of a former international master franchisee with whom France Quick had a legal dispute. The change recognized in 2019 reflects the end of this dispute (see Note 9).

6.5.4. TRADE PAYABLES

Trade payables are initially recognized at their fair value, which is generally their nominal value.

6.5.5. OTHER CURRENT LIABILITIES

In 000 EUR	Dec. 2019	Dec. 2018 restated *	Change
Other tax liabilities	15 122	17 216	(2 094)
Employee and social liabilities	24 147	29 713	(5 566)
Deferred income	12 981	10 867	2 114
Other	581	506	75
Total	52 831	58 302	(5 471)

* Other current liabilities have been restated following the reclassifications explained in Note 3.7.

Deferred income includes rent received in advance on certain subleases or leases to franchisees and the short-term portion of entry fees spread over the term of the franchise agreement.

6.5.6. CHANGES IN WORKING CAPITAL

The change in the working capital requirement breaks down as follows:

In 000 EUR	Dec. 2019	Dec. 2018
Effect of change in inventories	6 590	4 415
Effect of change in trade receivables and other current assets	18 653	5 339
Effect of change in trade payables and other liabilities	(25 488)	(30 022)
Total	(245)	(20 268)

The positive impact of the change in inventories of €2.2 million recognized in fiscal 2019 compared to the prior year is mainly attributable to the outsourcing of the Quick purchasing and logistics business in 2019 as described in the "Significant events of the year" section.

The positive impact of the change in trade receivables of €13.3 million in 2019 vs. 2018 is mainly attributable to:

- The release of funds in a France Quick bank account which had been attached at the request of one of its former master franchisees.

- The discontinuation of the recognition of trade receivables on sales of merchandise and equipment to franchisees following the Group's outsourcing of the Quick purchasing and logistics activity in 2019, as described in the "Significant events of the year " section.
- The recovery of VAT receivables recorded at the end of the previous financial year following the legal and real property reorganization undertaken to prepare for the disposal of discontinued operations (see the "Significant events of the year" section)

The improvement in the impact of the change in trade payables and other current liabilities of €4.5 million is due to:

- The decrease in trade payables of the Quick purchasing and logistics business in 2019 following its outsourcing, as described in the "Significant events of the year" section
- The decrease in trade payables and social security liabilities for restaurants operated directly by the Group, mainly as a result of the franchising of 21 restaurants in 2019 (see Note 6.1.1).

6.6. Non-current financial assets

Loans and guarantees pertain mainly to the Group's operating leases as lessee. They are initially recognized at fair value and subsequently measured at amortized cost.

The Group uses caps and swaps to hedge its variable-rate bond debt. These derivatives are measured at fair value. The method used to recognize changes in their fair value depends on whether there is a documented hedging relationship as defined in IFRS 9:

- in the absence of a hedging relationship, changes in fair value are taken to income
- if there is a documented relationship for hedging cash flows, the change in the fair value of the effective portion of the hedging derivative is initially recorded in other comprehensive income while that of the ineffective portion is directly taken to the income statement.

However, the time value of the options is recognized separately as a hedging cost. It is recognized in other comprehensive income and accumulated in the hedging reserve within equity. It is recycled to the income statement over the term of the hedge.

Non-current financial assets consist of the following:

In 000 EUR	Dec. 2019	Dec. 2018	Change
Loans and guarantees net of impairment	10 533	11 186	(653)
Fair value of derivative instruments	4	200	(196)
Other	747	-	747
Total	**11 284**	**11 386**	**(102)**

Other non-current financial assets are the shares in D-Lys Burger acquired on 31 December 2019. This company will be consolidated as of 1 January 2020.

6.7. Other non-current assets.

Other non-current assets consist mainly of the long-term portion of prepaid expenses recognized for network entry fees, which are spread over the term of the master franchise agreement.

6.8. Other non-current liabilities

Deposits and guarantees received pertain mainly to the Group's operating leases as lessor. They are initially recognized at fair value and subsequently measured at amortized cost.

In 000 EUR	Dec. 2019	Dec. 2018 restated *	Change
Deposits and guarantees	414	2 515	(2 101)
Deferred income on entry fees	10 115	8 720	1 395
Other	131	30	101
Total	10 660	11 265	(605)

* Other non-current liabilities have been restated following the reclassifications explained in Note 3.7.

Deferred income is the long-term portion of the entry fees spread over the term of the franchise agreement.

7. EMPLOYEE BENEFITS

7.1. Workforce

The workforce includes employees employed under fixed-term and permanent contracts.

The Group's average full-time equivalent headcount was 3,448 in 2019, vs. 4,620 in 2018.

7.2. Personnel expenses

Personnel expenses are recognized as services are provided.

Until 31 December 2018, the CICE employment tax credit was recorded as a reduction in personnel expenses and was allocated between the various departments. The 2018 Finance Act abolished the CICE tax credit as of 1 January 2019. At that date, the CICE was replaced by a permanent reduction in employer social security charges.

The table below shows personnel expenses recognized in ordinary operating income.

In 000 EUR	Dec. 2019	Dec. 2018
Head office staff salaries and social-security charges	(26 897)	(28 037)
Restaurant staff salaries and social-security charges	(86 111)	(102 802)
Training expenses	(736)	(766)
Other personnel expenses	(11 866)	(11 087)
CICE employment tax credit	-	5 527
Total personnel expenses	(125 610)	(137 164)

The personnel expenses of restaurant staff are recorded under "cost of sales", while those of head office staff are recorded under "general and administrative expenses".

Other personnel expenses are mainly travel and sundry restaurant staff expenses.

From January 1 to 31 December 2018, all of the income from the CICE tax credit was invested in the opening and conversion of Burger King® restaurants in accordance with the QuickN'King 2020 plan.

7.3. Employee benefits

The Group's employees receive short-term benefits (paid leave, sick leave, etc.), post-employment benefits based on defined contributions (social security plans and ARRCO/AGIRC supplementary pension plans) and on defined benefits (lump-sum retirement payments), as well as other long-term benefits (length-of-service and long-service bonuses).

In 000 EUR	Dec. 2019	Dec. 2018
Lump-sum retirement payments	3 384	3 039
Other long-term employee benefits	151	59
Total	3 535	3 098

7.3.1. LUMP-SUM RETIREMENT PAYMENTS

French law provides for the payment of a lump-sum retirement benefit that is a function of the employees' length of service with the Group and his or her salary at the time of retirement.

The Group's obligation in respect of this benefit is valued annually by an independent actuary using the projected unit credit method. Revaluations of the liability (actuarial gains and losses) are recognized in other comprehensive income. The service cost is recognized as an operating expense, in "general and administrative expenses", while the associated interest expense is recognized as a financial expense.

Main assumptions used for the calculation of defined benefit plans

Actuarial assumptions	Dec. 2019	Dec. 2018
Discount rate at 31 December	0.70%	1.60%
Salary growth rate	3.00%	3.00%
Retirement age	Burger King and Quick head-office personnel: 63 yr Burger King and Quick restaurant personnel: 62 yr	Burger King and Quick head-office personnel: 63 yr Burger King and Quick restaurant personnel: 62 yr
Mortality table	INSEE 2012 - 2014	INSEE 2011-2013

The discount rate is based on the yields of high-quality, long-term corporate bonds with maturities equivalent to the term of the liabilities measured.

The term of pension plans was 12 years at 31 December 2019.

Change in the present value of the lump-sum retirement benefit obligation

Change in commitments	Dec. 2019	Dec. 2018
Present value of commitments at 1 January	3 039	3 345
Cost of services	213	229
Interest on the commitment	49	40
Benefits paid	(8)	(113)
Business combinations	49	-
Assumed actuarial gain/(loss)	353	(341)
Actual actuarial gain/(loss)	(172)	(121)
IFRS 5	(139)	-
Present value of commitments at 31 December	3 384	3 039

Items recognized in equity

Included in other comprehensive income	Dec. 2019	Dec. 2018
Actual gain/(loss)	(172)	(121)
Assumed gain/(loss)	353	(341)
Total	181	(462)

Lump-sum retirement benefit expenses recognized in income

Pension expense for the year	Dec. 2019	Dec. 2018
Cost of services	213	229
Interest on the commitment	49	40
Plan curtailments and settlements	(8)	(113)
Cost for the year	254	156

Sensitivity analysis

At the reporting date, the reasonably possible changes in the relevant actuarial assumptions shown in the table below would have increased or decreased the lump-sum retirement benefit obligation by the amounts shown (assuming no change in other assumptions).

	Dec. 2019		Dec. 2018	
In 000 EUR	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	385	(453)	297	(421)
Expected salary increase (1% change)	(437)	380	(412)	296

7.3.2. OTHER LONG-TERM EMPLOYEE BENEFITS

At 31 December 2019, the Group recognized €151 thousand for length-of-service bonuses and long-service awards (vs. €59 thousand in 2018).

7.4. Share-based compensation

The fair value of performance shares granted to employees is recognized in income in "other non-current expenses" over the vesting period, with a corresponding increase in equity.

This fair value was determined using an EBITDA-multiple model, the terms of vesting plans, the market data available at the grant date and the assumptions of the Group's management.

For its RSU plan, implemented in 2018, the Group recognized an expense of €2.7 million in 2019, vs. €0.9 million in 2018.

7.5. Compensation of key management personnel (related parties)

In 2019, key executives received compensation of €3.1 million, compared to €3.4 million in 2018.

This compensation includes the salaries of these executives, benefits in kind, contributions to defined contribution post-employment benefit plans and the expense of defined benefit post-employment plan.
These executives are also entitled to RSU (see Note 7.4).

8. INTANGIBLE ASSETS AND PPE

8.1. Goodwill

Goodwill is mainly attributable to the following:

- in December 2015, the acquisition by Burger King France SAS of 100% of the capital of Financière Quick SAS (€171 million), less the proceeds from the disposal of operations in Belgium and Luxembourg in 2016 (€44 million)
- in 2017, the acquisition of BDBK and PINTO (€76 million)
- in 2018, the acquisition of seven individually immaterial companies/restaurants (€9 million)
- in 2019, the acquisition of seven individually immaterial companies/restaurants (€2 million) and the classification of Quick operations in assets held for sale.

The table below shows the change in goodwill.

In 000 EUR	Dec. 2018	Acquisitions	Disposals	IFRS 5 reclass.	Dec. 2019
Goodwill	272 355	3 559	-	(45 193)	230 721
Impairment of Goodwill	-	-	-	-	-
Total net value	272 355	3 559	-	(45 193)	230 721

The acquisitions of goodwill are the acquisitions made during the year (see Note 4.2), the change in 2018 goodwill is due to a price adjustment (€50 thousand) and to contractual compensation paid to franchisees.

In 000 EUR	Dec. 2017	Acquisitions	Disposals	Dec. 2018
Goodwill	263 075	9 280	-	272 355
Impairment of goodwill	-	-	-	-
Total net value	263 075	9 280	-	272 355

8.2. Other intangible assets

Intangible assets acquired separately are initially recognized at cost while those acquired in a business combination are recognized at their fair value at the date of acquisition.

After their initial recognition, intangible assets are not remeasured. Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life. Useful lives are reviewed at each balance sheet date. Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, or more frequently if there is an indication of impairment (see Note 8.4). Note 8.4).

The "Quick®" brand

The "Quick®" brand, which was classified under IFRS 5 at 31 December 2019, is an intangible asset with an indefinite useful life, in consideration of the fact that it is almost 40 years old and its reputation. There is assumed to be no foreseeable limit to the period during which the brand will generate net cash inflows for the Group.

Other intangible assets with finite useful lives

Other intangible assets with finite useful lives consist mainly of software and patents, licenses and concessions. The amortization of these assets is calculated on a straight-line basis over the following estimated useful lives:

	Number of years
Software	3 to 7
Patents, licenses and concessions	5

Leasehold rights (prior to 2019)

Until 31 December 2018, intangible assets included the following leasehold interests:

- Leasehold interests acquired through business combinations, which are the commercial and construction leasehold interests that Financière Quick acquired when it acquired Quick Restaurants, and which are initially recognized at their fair value in accordance with IFRS 3 - "Business Combinations".
- Leasehold interests acquired separately, i.e. those acquired after Financière Quick's acquisition of Quick Restaurants.

All leasehold interests follow the same depreciation rules:

- Construction leasehold interests are amortized over the term of the lease (from 30 to 35 years).
- Commercial leasehold interests are not amortized. In France, the lessee of a commercial lease is entitled to an almost unlimited number of lease renewals. If the owner wishes to terminate the lease, the lessee is entitled to an eviction indemnity equal to the value of the business at the date of termination. Accordingly, the useful life of the leasehold interest is indefinite as there is no foreseeable limit to the period during which the leasehold interest is expected to generate net cash inflows.

As of 1 January 2019, leasehold interests are recorded under rights of use (see Note 8.3.2).

2019

In 000 EUR	Leasehold interest	Software and other rights	Brand	Total
At 31 December 2018				
Gross value	88 568	8 545	300 000	397 113
Depreciation, amort. and provisions	(9 120)	(5 924)	(187 000)	(202 044)
Net value at 31 December 2018	79 448	2 621	113 000	195 069
Impact of first adoption of IFRS 15				
Gross value	(88 568)	-	-	(88 568)
Depreciation, amort. and provisions	9 120	-	-	9 120
Net value	(79 448)	-	-	(79 448)
At 1 January 2018				
Gross value	-	8 545	300 000	308 545
Depreciation, amort. and provisions	-	(5 924)	(187 000)	(192 924)
Net value at 1 January 2019	-	2 621	113 000	115 621
Transactions during the year				
Acquisitions	-	388	-	388
Disposals	-	(41)	-	(41)
Provisions net of reversals	-	(1 543)	-	(1 543)
Business combinations	-	46	-	46
Reclassifications and other transactions	-	2 314	-	2 314
IFRS 5 reclassification	-	(18)	(113 000)	(113 018)
Total transactions	-	1 146	(113 000)	(111 854)
At 31 December 2019				
Gross value at end of year	-	8 823	-	8 823
Depreciation, amort. and provisions at end of year	-	(5 056)	-	(5 056)
Net value at end of year	-	3 767	-	3 767

2018

In 000 EUR	Leasehold interest	Software and other rights	Brand	Total
At 31 December 2017				
Gross value at start of year	105 576	7 347	300 000	412 923
Depreciation, amort. and provisions at start of year	(14 448)	(4 630)	(187 000)	(206 078)
Net value at start of year	91 128	2 717	113 000	206 845
Transactions during the year				
Acquisitions	3 821	803	-	4 624
Disposals	(9 220)	(110)	-	(9 330)
Provisions net of reversals	2 294	(2 111)	-	183
Business combinations	706	57	-	763
Reclassifications and other transactions	(9 281)	1 265	-	(8 016)
Total transactions	(11 680)	(96)	-	(11 776)
At 31 December 2018				
Gross value at end of year	88 568	8 545	300 000	397 113
Depreciation, amort. and provisions at end of year	(9 120)	(5 924)	(187 000)	(202 044)
Net value at end of year	79 448	2 621	113 000	195 069

An independent external valuation of the Quick® brand, conducted in 2019 on the basis of the financial statements at 31 December 2018, showed that no additional impairment needed to be recognized. The Quick brand has been reclassified as assets held for sale (see Significant events of the year). There is no indication of impairment in 2019.

8.3. Property, plant and equipment

Property, plant and equipment can be broken down as follows:

In 000 EUR	Dec. 2019	Dec. 2018
Property, plant and equipment owned by the Group	265 032	302 341
Rights of use under leases	405 978	-
Total net value	**671 010**	**302 341**

8.3.1. PROPERTY, PLANT AND EQUIPMENT OWNED BY THE GROUP

The Group recognizes its PPE at cost less accumulated depreciation and impairment. There are no borrowing costs that are directly attributable to the purchase, construction or fabrication of an eligible asset pursuant to IAS 23. No borrowing costs have therefore been capitalized.

Where an item of property, plant and equipment comprises significant components that have different useful lives, these components are recognized and depreciated separately.

Depreciation of property, plant and equipment is calculated using the straight-line method over the following estimated useful lives:

	Number of years
Buildings	20 to 30
Amenities	8 to 12
Restaurant equipment and furniture	7
Other PPE	5

The Group's property, plant and equipment by type:

2019

In 000 EUR	Land	Buildings	Technical installations and equipment	PPE under construct.	Other PPE	Total
At 31 December 2018						
Gross value	36 100	367 542	65 755	10 754	63 700	543 851
Depreciation, impairment & provisions	(9 111)	(155 419)	(37 414)	-	(39 566)	(241 510)
Net value at 31 December 2018	26 989	212 123	28 341	10 754	24 134	302 341
Impact of first adoption of IFRS 16						
Gross value	(3 468)	(5 728)	-	-	-	(9 196)
Depreciation and amortization	429	3 777	-	-	-	4 206
Net value	(3 039)	(1 951)	-	-	-	(4 990)
At 1 January 2018						
Gross value	32 632	361 814	65 755	10 754	63 700	534 655
Depreciation, impairment & provisions	(8 682)	(151 642)	(37 414)	-	(39 566)	(237 304)
Net value at 1 January 2019	23 950	210 172	28 341	10 754	24 134	297 351
Transactions during the year						
Acquisitions	2 654	15 818	1 467	68 820	2 670	91 429
Disposals	(2 864)	(29 687)	(5 302)	(36 259)	(3 092)	(77 203)
Provisions net of reversals	(1 022)	(18 045)	(7 261)	-	(5 008)	(31 336)
Business combinations	146	3 714	1 913	3	1 675	7 451
Reclassifications and other transactions	2 998	24 967	4 671	(33 804)	7 393	6 225
IFRS 5 reclassification	(3 271)	(20 273)	(2 410)	(166)	(2 765)	(28 885)
Total transactions	(1 359)	(23 506)	(6 922)	(1 405)	873	(32 319)
At 31 December 2019						
Gross value at end of year	28 507	287 489	43 368	9 349	51 688	420 401
Depreciation, amort. and provisions at end of year	(5 916)	(100 823)	(21 949)	-	(26 681)	(155 369)
Net value at end of year	22 591	186 666	21 419	9 349	25 007	265 032

Real properties that previously qualified as finance leases under IAS 17 were reclassified as "rights of use" as of 1 January 2019.

The main changes in fiscal 2019 are explained below:

- Purchases: €91.4 million, consisting of investments made mainly on behalf of lessors, to open new restaurants or to convert existing Quick® restaurants to the Burger King® brand
- Disposals: €77.2 million, consisting mainly of investments made to open new restaurants that were sold to lessors
- Business combinations: €7.5 million, mainly BK Exploitation, BK Croissance, SL2R and R2K.

2018

In 000 EUR	Land	Buildings	Technical installations and equipment	PPE under construct.	Other PPE	Total
At 31 December 2018						
Gross value	34 941	339 570	67 818	6 150	82 022	530 501
Depreciation, impairment & provisions	(10 069)	(178 404)	(41 454)	-	(46 379)	(276 306)
Net value at start of year	24 872	161 166	26 364	6 150	35 643	254 195
Transactions during the year						
Acquisitions	1 188	15 958	2 573	83 346	2 094	105 159
Disposals	(2 097)	(15 455)	(5 450)	(4 780)	(4 595)	(32 377)
Provisions net of reversals	(716)	(20 015)	(7 622)	-	(5 716)	(34 069)
Business combinations	144	6 046	2 419	558	1 602	10 769
Reclassifications and other transactions	3 598	64 423	10 057	(74 520)	(4 894)	(1 336)
Total transactions	2 117	50 957	1 977	4 604	(11 509)	48 146
At 31 December 2018						
Gross value at year end	36 100	367 542	65 755	10 754	63 700	543 851
Depreciation, amort. & provisions at year end	(9 111)	(155 419)	(37 414)	-	(39 566)	(241 510)
Net value at year end	**26 989**	**212 123**	**28 341**	**10 754**	**24 134**	**302 341**

The main changes in fiscal 2018 are explained below:

- Purchases: €105.2 million, mainly consisting of investments required to open new restaurants or to convert existing Quick® restaurants to the Burger King® brand
- Business combinations: €10.8 million, mainly resulting from the acquisition of Flagship, BK Développement and BK Expansion.
- Disposals: (€32.4) million, mainly due to the scrapping of fixed assets during the conversion of restaurants to Burger King or when permanently closing restaurants.

8.3.2. RIGHTS OF USE

The accounting policies that apply to leases and lessees are described in Note 3.6.2.

The table below breaks down rights of use by type.

In 000 EUR	Commercial and construction leases	Leasehold interest	Vehicles & IT equipment	Total
At 1 January 2018				
Gross value	387 590	88 568	1 137	477 295
Depreciation, impairment & provisions	(4 206)	(9 120)	-	(13 326)
Net value at 1 January 2019	383 384	79 448	1 137	463 969
Transactions during the year				
Increases	122 828	-	708	123 536
Decreases	(43 985)	(11 320)	(9)	(55 314)
Depreciation and amortization	(56 453)	5 212	(830)	(52 071)
Business combinations	-	250	-	250
IFRS 5 reclassification	(53 638)	(20 693)	(61)	(74 392)
Total transactions	(31 248)	(26 551)	(192)	(57 991)
At 31 December 2019				
Gross value at end of year	397 586	61 751	1 695	461 032
Depreciation, amort. and provisions at end of year	(45 450)	(8 854)	(750)	(55 054)
Net value at end of year	352 136	52 897	945	405 978

In addition to amortization, net income in 2019 includes a charge of €1.8 million for short-term leases, low-value leases (excluding short-term leases) and variable rents that were not included in the lease liability.

8.4. Impairment of intangible assets

Whenever warranted by a significant internal or external event or circumstance, the Group performs impairment tests on its goodwill, other intangible assets and property, plant and equipment. Goodwill, intangible assets with indefinite useful lives and assets under construction are also tested annually for impairment.

The Group performed asset impairment tests at the following two levels:

- On each Cash Generating Unit (CGU), which is defined as the smallest group of assets whose cash flows are largely independent of the cash flows of other assets or groups of assets. For the Group, each restaurant corresponds to a CGU, whether directly operated or franchised. The net book value of CGUs includes all tangible and intangible assets, except for the brand and goodwill.
- At the level of the group of CGUs which comprise the Group as a whole, including goodwill, the brand and all other tangible and intangible assets, since it is at this level that the Group can monitor the synergy gains of business combinations.

This impairment test consists of comparing the recoverable amount of an asset (or of a CGU or group of CGUs) with its carrying amount, including rights of use.

The recoverable amount of an asset (or of a CGU or group of CGUs) is the higher of its value in use or its fair value less the cost of disposal.

Value in use is the present value of the estimated future cash flows expected from the use of assets. Cash flow projections are based on the Group's five-year business plan restated for the new IFRS 16 standard (lease cancellation) and are extrapolated to infinity at a long-term growth rate.

Cash flows are discounted at the WACC based on market assumptions. This rate is calculated using the risk-free interest rate , the market risk premium and a size premium. It does not include the Group's debt and tax structure.

When the recoverable amount is less than the net book value of the asset or group of assets tested, an impairment loss is recognized for the difference. In the case of a group of assets, the impairment is initially charged to goodwill.

If the recoverable amount of an asset other than goodwill rises back above its net book value at a later date the impairment loss recognized on this asset may be reversed. This reversal cannot exceed the impairment loss initially recorded less any depreciation or amortization that would otherwise have been recognized. Impairment losses on goodwill cannot be reversed.

8.4.1. IMPAIRMENT TESTING OF RESTAURANT CGUS

The Group individually tested 278 restaurants that had been in operation for at least 12 months at 31 December 2019.

These tests resulted in the following impairment losses for five restaurants in 2019 (vs.19 restaurants in 2018), which were recorded in other non-current operating expenses:

	Dec. 2019			Dec. 2018		
In 000 EUR	Net book value	Recoverable value	Impairment	Net book value	Recoverable value	Impairment
Intangible assets	494	282	(212)	5 697	1 001	(4 696)
Property, plant and equipment	5 507	3 090	(2 416)	8 962	3 793	(5 169)
Total restaurant CGU & impairment	6 000	3 372	(2 628)	14 659	4 794	(9 865)

The recoverable amount of these CGUs was assessed on the basis of their value in use, as determined using various operational assumptions (notably sales and franchise revenue growth and profit margin) and the following DCF assumptions:

In %	Dec. 2019	Dec. 2018
Discount rate	8.10%	8.10%
Perpetual growth rate used to determine the terminal value	2.00%	2.00%

The following factors were taken into account to determine the discount rate:

- the risk-free rate, which is the historical average of the yields of eurozone long-term government bonds;
- a market risk premium of 7.5% at 31 December 2019 (vs. 7% at 31 December 2018), which is based on the historical average of equity market returns observed in the eurozone;
- the size premium, which is the excess return that is necessary to compensate for the risk associated with the company's size relative to other companies in its market. The size premium used at 31 December 2019 is 2.8% (vs. 3.7% at 31 December 2018).

For the CGUs that are not impaired, management has determined that a reasonably possible change in key assumptions could cause the carrying amount to exceed the recoverable amount. The table below shows the assumption percentages at which the recoverable amount will equal the carrying amount.

	Rate at which the recoverable value will equal the net book value	
In %	Dec. 2019	Dec. 2018
Discount rate	8,10%	8,10%
Perpetual growth rate used to determine the terminal value	2,00%	2,00%
Revenue growth during the business plan period	1,70%	2,50%
Profit margin during the business plan period	12,00%	11,00%

8.4.2. IMPAIRMENT TESTING OF THE QUICK BRAND

An independent assessment by an external firm of the value in use of the Quick brand on the basis of financial statements at 31 December 2018, revealed no need to recognize impairment on the brand, the net book value of which is €113 million. There is no indication of impairment in 2019.

8.4.3. IMPAIRMENT TESTING OF THE GROUP AS A WHOLE

The recoverable amount of the Group as a whole was assessed on the basis of its value in use, as determined using various operational assumptions (notably sales and franchise revenue growth and profit margin) and the following DCF assumptions:

In %	Dec. 2019	Dec. 2018
Discount rate	8.10%	8.10%
Perpetual growth rate used to determine the terminal value	2.00%	2.00%

The Group's estimated recoverable amount at 31 December 2019 exceeds its carrying amount by approximately €904 million.

Management has determined that a reasonably possible change in the DCF assumptions could cause the recoverable amount to be less than the carrying amount. The table below shows the assumption percentages at which the recoverable amount will equal the carrying amount.

	Rate at which the recoverable value will equal the net book valu	
In %	Dec. 2019	Dec. 2018
Discount rate	13.60%	16.90%
Perpetual growth rate used to determine the terminal value	(8.20%)	(18.20%)

For the recoverable amount to equal the carrying amount in 2019, sales would have to fall by 15.30%, or the profit margin would have to be 5.40%.

8.5. Off-balance sheet commitments on assets under construction

Off-balance sheet commitments on assets under construction totaled €4.0 million at 31 December 2019, vs. €6.6 million at 31 December 2018.

9. CONTINGENT LIABILITIES AND PROVISIONS

A provision is recognized when the Group has a legal or constructive obligation at the balance sheet date which is due to a past event that is likely to result in an outflow of resources, the amount of which can be reliably estimated.

The provision is the best estimate of the amount that is required to settle the current obligation as of the balance sheet date.

2019

In 000 EUR	Commercial, legal and employee dispute risks	Employee benefits	Total
At 31 December 2018			
Net value at start of year	6 000	3 098	9 098
Transactions during the year			
Provisions	1 238	463	1 701
Reversals used	(2 680)	(195)	(2 875)
Reversals not used	(732)	-	(732)
Business combinations	1	49	50
Actuarial gains/(losses) & other transactions	(136)	259	123
IFRS 5 reclassification	-	(139)	(139)
Total transactions	(2 309)	437	(1 872)
At 31 December 2019			
Net value at end of year	3 691	3 535	7 226

2018

In 000 EUR	Commercial, legal and employee dispute risks	Employee benefits	Other provisions	Total
At 31 December 2017				
Net value at start of year	5 761	3 551	711	10 023
Transactions during the year				
Provisions	1 156	122	-	1 278
Reversals used	(283)	(113)	(711)	(1 107)
Reversals not used	(634)	-	-	(634)
Actuarial gains/(losses) & other transactions	-	(462)	-	(462)
Total transactions	239	(453)	(711)	(925)
At 31 December 2018				
Net value at end of year	6 000	3 098	-	9 098

Employee benefits are described in Note 7.3.

The change in provisions for commercial, legal and employee dispute risks in 2019 is mainly explained by the reversal of the provision recognized in 2016 for a dispute with a former France Quick international master franchisee.

In an arbitration decision issued in the second quarter of 2019, the International Chamber of Commerce in Paris found France Quick's decision to terminate its franchise and brand agreements on the grounds of an irremediable breach to be wrongful and ordered France Quick to compensate this former franchisee for its expenses and investments. The provision recognized over the previous years was therefore reversed and the associated expense was recorded under "Other non-recurring income and expenses" (see Note 6.4), and the attachment was released (see Note 6.5.3).

The other changes concern disputes with employees and tax authorities but not involving income tax.

The Group is also involved in several legal proceedings with another of France Quick's former international master franchisee, for which the Group has made no provision as it does not consider this risk to be material.

The change in provisions in 2018 was mainly attributable to disputes with employees and tax authorities but not involving income tax.

10. FINANCIAL MATTERS AND INSTRUMENTS

10.1. Net financial income/expense

The gross cost of debt consists mainly of interest on bonds, charges on the RCF (non-use commission) and interest on other bank debt.

The net cost of debt is the gross cost of debt plus income from cash investments. Until 31 December 2018, it also included interest on finance lease liabilities.

Other financial income and expenses consist mainly of:

- Interest on lease liabilities
- Mandatory refinancing costs
- Changes in the fair value of derivative instruments (caps and swaps)
- Various bank charges
- Interest on post-employment plan liabilities.

Interest is calculated using the effective interest rate method.

The table below breaks down the Group's net financial income.

In 000 EUR	Dec. 2019	Dec. 2018
Interest on bond debt	(35 402)	(35 401)
Unused RCF fee	(502)	(516)
Interest on bank debt	(656)	(590)
Gross debt expense	(36 560)	(36 508)
Short-term investment income	391	459
Net debt expense	(36 169)	(36 049)
Change in the fair value of non-hedging derivatives	38	-
Cash flow hedges - ineffective portion	-	48
Other financial income	**38**	**48**
Interest on lease liability (IFRS 16)	(17 533)	-
Cash flow hedges - reclassification from other comprehensive income (including hedging costs)	(520)	(607)
Bond refinancing expenses	(2 434)	(2 335)
Sundry bank charges and other	(1 945)	(1 585)
Other financial expenses	(22 432)	(4 528)
Net financial income/expense	(58 562)	(40 529)

The change in net financial income is mainly attributable to the recognition of interest on lease liabilities under the new IFRS 16 standard. (see Note 3.6.4.2).

The interest expense on finance leases of €0.2 million was recorded in 2018 as "Interest on bank debt".

Interest on post-employment plan liabilities was recorded under "Sundry bank charges and other" and totaled €49 thousand in 2019, vs. €40 thousand in 2018.

10.2. Financial liabilities, liabilities on commitments to purchase minority interests, and lease liabilities

Financial liabilities are initially recognized at fair value less transaction costs, and subsequently at amortized cost using the effective interest rate method.

Non-current financial liabilities consist mainly of bond liabilities, which are recorded net of refinancing costs due in more than year, and bank debt due in more than one year. Current financial liabilities consist of bank debt that is due over the next twelve months, the portion of bond refinancing costs due within one year, bank overdrafts and accrued interest on loans.

Lease liabilities are recognized as indicated in Note 3.6.

Financial liabilities, liabilities on commitments to purchase minority interests, and lease liabilities are shown in the table below:

2019

		Cash flow			Non-monetary changes					
In 000 EUR	1 Jan. 2019	Inflows from new liabilities	Interest paid	Repayment of debt	Unpaid interest expense	IFRS 16 impact on leases	Change in scope	IFRS 5 reclass	Reclass & other transactions	Dec. 2019
NON-CURRENT FINANCIAL LIABILITIES										
Bond issues	613 611	-	-	-	-	-	-	-	2 587	616 198
Bank loans	13 715	15 250	-	(4 429)	-	-	5 554	-	(761)	29 329
Derivatives	127	-	-	-	-	-	-	-	(87)	40
Other financial liabilities of more than 1 year	2 500	-	-	(850)	-	-	-	-	-	1 650
Total financial liabilities	**629 953**	**15 250**	**-**	**(5 279)**	**-**	**-**	**5 554**	**-**	**1 739**	**647 217**
Minority interest purchase commitment liabilities	19 939	-	-	-	-	-	-	-	3 571	23 510
Lease liabilities	326 458	-	-	-	-	114 296	-	(46 146)	(81 688)	312 920
Total non-current liabilities	**976 350**	**15 250**	**-**	**(5 279)**	**-**	**114 296**	**5 554**	**(46 146)**	**(76 378)**	**983 647**
CURRENT FINANCIAL LIABILITIES										
Bonds and accrued interest	3 427	-	(5 861)	-	5 576	-	-	-	43	3 185
Bank loans and accrued interest	3 246	3 000	(26)	(3 399)	8	-	585	-	654	4 068
Bank overdrafts	617	1 101	-	-	-	-	8	(5)	(20)	1 701
Other financial liabilities maturing during the year	2 190	-	(141)	(253)	132	-	-	-	(76)	1 852
Total financial liabilities	**9 480**	**4 101**	**(6 028)**	**(3 652)**	**5 716**	**-**	**593**	**(5)**	**601**	**10 806**
Lease liabilities	51 833	-	-	(48 624)	-	(33 140)	-	(8 042)	81 447	43 474
Total current financial liabilities	**61 313**	**4 101**	**(6 028)**	**(52 276)**	**5 716**	**(33 140)**	**593**	**(8 047)**	**82 048**	**54 280**
Total financial liabilities	**1 037 663**	**19 351**	**(6 028)**	**(57 555)**	**5 716**	**81 156**	**6 147**	**(54 193)**	**5 670**	**1 037 927**

Liabilities on commitments to purchase minority interests are described in Note 10.2.3.

The application of IFRS 16 had the following impact on financial liabilities at 1 January 2019:

In 000 EUR	Dec. 2018 restated *	IFRS 16	1 January 2019
NON-CURRENT FINANCIAL LIABILITIES			
Bond issues	613 611	-	613 611
Bank loans	13 715		13 715
Derivatives	127		127
Other financial liabilities of more than 1 year	2 500	-	2 500
Finance lease liabilities	1 117	(1 117)	-
Total non-current financial liabilities	631 070	(1 117)	629 953
Minority interest purchase commitment liabilities	19 939		19 939
Lease liabilities	-	326 458	326 458
Total non-current liabilities	651 009	325 341	976 350
CURRENT FINANCIAL LIABILITIES			
Bonds and accrued interest	3 427		3 427
Bank loans and accrued interest	3 246		3 246
Bank overdrafts	617		617
Other financial liabilities maturing during the year	2 190		2 190
Finance lease liabilities	2 723	(2 723)	-
Total current financial liabilities	12 203	(2 723)	9 480
Lease liabilities		51 833	51 833
Total current liabilities	12 203	49 110	61 313
Total financial liabilities	663 212	374 451	1 037 663

* The "Refinancing costs" presented in the notes to the 2018 financial statements were recorded under "Bonds", while derivatives were presented in the 2018 statement of financial position under "Other non-current liabilities".

2018

		Cash flow			Non-monetary changes				
In 000 EUR	Dec. 2017	Inflows from new liabilities	Interest paid	Repayment of debt	Unpaid interest expense	IFRS 16 impact on leases	Change in scope	Reclasst & other transactions	Dec. 2018 restated *
NON-CURRENT FINANCIAL LIABILITIES									
Bond issues	611 212	-	-	-	-	-	-	2 399	613 611
Bank loans	3 077	5 604	-	(3 406)	-	-	9 349	(909)	13 715
Derivatives	207	-	-	-	-	-	-	(80)	127
Other financial liabilities of more than 1 year	3 500	-	-	-	-	-	-	(1 000)	2 500
Finance lease liabilities	398	-	-	(558)	-	-	70	1 207	1 117
Total non-current financial liabilities	618 394	5 604	-	(3 964)	-	-	9 419	1 617	631 070
Minority interest purchase commitment liabilities	15 611	-	-	-	-	-	-	4 328	19 939
Total non-current liabilities	634 005	5 604	-	(3 964)	-	-	9 419	5 945	651 009
CURRENT FINANCIAL LIABILITIES									
Bonds and accrued interest	3 774	-	(6 058)	-	5 861	-	-	(150)	3 427
Bank loans and accrued interest	6 498	5 793	-	(9 992)	-	-	38	909	3 246
Bank overdrafts	357	260	-	-	-	-	-	-	617
Other financial liabilities maturing during the year	1 000	190	-	-	-	-	-	1 000	2 190
Finance lease liabilities	5 454	-	-	(1 778)	-	-	-	(953)	2 723
Total current financial liabilities	17 083	6 243	(6 058)	(11 770)	5 861	-	38	806	12 203
Total financial liabilities	651 088	11 847	(6 058)	(15 734)	5 861	-	9 457	6 751	663 212

* The "Refinancing costs" presented in the notes to the 2018 financial statements were recorded under "Bonds", while derivatives were presented in the 2018 statement of financial position under "Other non-current liabilities".

10.2.1. GROSS DEBT

Gross debt is the sum of current and non-current bank and bond debt. Until 31 December 2018, it also included finance lease liabilities, which as of 1 January 2019 are recorded under lease liabilities.

The Group's gross debt consists of the following:

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Fixed-rate tranche	311 698	310 500
Floating-rate tranche	307 685	306 538
Total bond debt	619 383	617 038
Fixed-rate bank debt	13 623	12 182
Variable-rate bank debt	19 774	4 779
Total bank loans	33 397	16 961
Derivatives	40	127
BPI France - "Growth loan"	2 517	3 523
Other	985	1 167
Total other financial liabilities	3 502	4 690
Bank overdrafts	1 701	617
Finance lease liabilities	-	3 840
Total	658 023	643 273

* In the 2018 statement of financial position, derivatives were recorded under "other non-current liabilities".

All debts were contracted in euros.

Bank loans

In 2019, the Group set up new bilateral credit lines on Agaquick, Burger King Restauration and France Quick, for €4.5 million, €3 million and €10.6 million respectively The purpose of these credit lines is to finance restaurant conversion and opening investments.

Bond issues

The table below shows the key characteristics of the Group's bond issues:

In 000 EUR	Carrying amount	Nominal	Maturity date	Repayment	Rate
High-yield bond Fixed-rate tranche	315 000	100 and multiple of 1 above this amount	01//05/2024	in fine	6%
High-yield bond Floating-rate tranche	310 000	100 and multiple of 1 above this amount	01//05/2023	in fine	Euribor +5.25%

Burger King France's €625 million bond issue of 21 April 2017, which was completed on 19 December 2017, is composed of the following two tranches:

- A fixed-rate €315 million tranche, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on 1 May 2024 and paying 6% interest (semi-annual)

- A floating-rate tranche of €310 million, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on 1 May 2023 and paying Euribor +5.25% (quarterly). This tranche was issued in two phases: initially on 21 April 2017 for €250 million, with proceeds of 99.5% and the balance recognized as an issuance discount, and subsequently on 19 December 2017 for €60 million, with proceeds of 101.75% and the balance recognized as an issuance premium.

Burger King France may call some or all of these bonds.

The €16.9 million in bond issuance costs are spread over the term of the bond. They were €11.4 million at 31 December 2019, vs. €13.8 million at 31 December 2018.

This change is explained by the spreading out of bond issuance costs in 2019.

Debt before and after hedging

	Dec. 2019		Dec. 2018	
In 000 EUR	Debt before hedging	Debt after hedging	Debt before hedging	Debt after hedging
Fixed rate debt	328 954	328 954	332 841	332 841
Hedged floating-rate debt		200 000		205 769
Floating-rate debt	329 069	129 069	310 432	104 663
Total	658 023	658 023	643 273	643 273

The revolving credit facility (RCF)

In April 2017, Burger King France set up a €60 million 5-year RCF with a pool of seven banks. The current margin is Euribor +2.5%, with a 0% floor.

As of 31 December 2019, this RCF has never been used.
If over 35% of the RCF is used, the Group's quarterly leverage ratio (EBITDA / net debt) must not exceed 7.5.
This ratio has never been exceeded since this RCF was set up.

10.2.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short-term deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash and are exposed to an insignificant risk of loss.

In the cash flow statement, this item is composed of cash and cash equivalents, less bank overdrafts.

In 000 EUR	Dec. 2019	Dec. 2018	Change
Cash	104 132	61 106	43 026
Deposit accounts	-	44	(44)
Cash assets	104 132	61 150	42 982
Bank overdrafts	(1 701)	(617)	(1 084)
Cash liabilities	(1 701)	(617)	(1 084)

The change in net cash is mainly explained by cash flow from operating activities and the relatively small amount of net capital expenditures.

10.2.3. COMMITMENTS TO PURCHASE MINORITY INTERESTS

Liabilities on commitments to purchase minority interests are recorded at the present value of the estimated exercise price of the put option granted to the minority shareholder relative to the carrying amount of the non-controlling interests. The difference between the liability thus recorded and the carrying amount of the non-controlling interests is deducted from the Group's share of equity.

After its initial recognition, the liability is carried at amortised cost and subsequent changes are recognized in equity.

In the consolidated income statement, a share of the net income of the Agaquick sub-group is allocated to the non-controlling interests that are still entitled to a share of the subsidiary's earnings.

The Group has granted Picpain a put option on its interest in Agaquick. The exercise price of this option was calculated using a contractually predetermined formula. The option may be exercised in 2027.

Since the non-controlling interests are still entitled to their share of Agaquick's earnings, the Group has opted for a "mixed" accounting treatment of this commitment.

1) The put liability was recognized against the carrying amount of the non-controlling interests and the difference between the liability recorded for the purchase commitment and the carrying amount of the non-controlling interests is deducted from the Group's share of equity.
2) A share of Agaquick's net income is allocated to the non-controlling interests in the consolidated income statement.

The Group also has an option to purchase all of the shares that Picpain holds in Agaquick, which it may exercise pursuant to the shareholders' agreement in 2039, or in the event of a change in the ownership structure of Picpain's Agaquick shares, or in the event of a legal dispute for which Picpain is held liable.

10.3. Classification and fair value of financial instruments

The fair value hierarchy levels are:

- Level 1: fair value based on prices quoted in an active market
- Level 2: fair value measured using observable market data (other than the prices included in Level 1)
- Level 3: fair value determined using valuation techniques based on unobservable market data.

2019

	Accounting categories							Fair value
In 000 EUR	Financial assets & liab. at amortized cost	Financial instruments at fair value through income	Cash flow hedging instruments	Total net book value	Level 1: actively quoted prices when available	Level 2: internal model with observable market data	Level 3: internal model without observable market data	Fair value
Derivative assets	-	-	5	5	-	5	-	5
Total non-current financial assets	-	-	5	5	-	5	-	5
Cash	104 132	-	-	104 132	Note 1	Note 1	Note 1	-
Total current financial assets	104 132	-	-	104 132	-	-	-	-
Total assets	104 132	-	5	104 137	-	5	-	5
Bond issues	616 198	-	-	616 198	616 198	-	-	616 198
Other bank loans and other financial liabilities	30 979	-	-	30 979	30 979	-	-	30 979
Lease liability	312 920	-	-	312 920	Note 3	Note 3	Note 3	-
Derivative liabilities	-	40	-	40		40	-	40
Minority interest purchase commitment liabilities	23 510	-	-	23 510	-	-	23 510	23 510
Total non-current financial liabilities	983 607	40	-	983 647	647 177	40	23 510	670 727
Bank loans and accrued interest	4 068	-	-	4 068	4 068	-	-	4 068
Bonds and accrued interest	3 185	-	-	3 185	3 185	-	-	3 185
Lease liability	43 474	-	-	43 474	Note 3	Note 3	Note 3	-
Bank overdrafts	1 701			1 701	Note 1	Note 1	Note 1	-
Other current financial liabilities	1 852	-	-	1 852	Note 1	Note 1	Note 1	-
Total current financial liabilities	54 280	-	-	54 280	7 253	-	-	7 253
Total liabilities	1 037 887	40	-	1 037 927	654 430	40	23 510	677 980
Total	(933 755)	(40)	5	(933 790)	(654 430)	(35)	(23 510)	(677 975)

2018

In 000 euros	Accounting categories				Fair value			
	Financial assets & liab. at amortized cost	Financial instruments at fair value through income	Cash flow hedging instruments	Total net book value	Level 1: actively quoted prices when available	Level 2: internal model with observable market data	Level 3: internal model without observable market data	Fair value
Derivative assets	-	-	201	201	-	201	-	201
Total non-current financial assets	-	-	201	201	-	201	-	201
Cash equivalents	44	-	-	44	Note 1	Note 1	Note 1	-
Cash	61 106	-	-	61 106	Note 1	Note 1	Note 1	-
Total current financial assets	61 150	-	-	61 150	-	-	-	-
Total assets	61 150	-	201	61 351	-	201	-	201
Bond issues	613 611	-	-	613 611	613 611	-	-	613 611
Other bank loans and other financial liabilities	16 215	-	-	16 215	16 215	-	-	16 215
Finance lease liabilities	1 117	-	-	1 117	Note 3	Note 3	Note 3	-
Derivative liabilities	-	106	21	127		127	-	127
Minority interest purchase commitment liabilities	19 939	-	-	19 939	-	-	19 939	19 939
Total non-current financial liabilities	650 882	106	21	651 009	629 826	127	19 939	649 892
Bank loans and accrued interest	3 246	-	-	3 246	3 246	-	-	3 246
Bonds and accrued interest	3 427	-	-	3 427	3 427	-	-	3 427
Finance lease liabilities	2 723	-	-	2 723	Note 3	Note 3	Note 3	-
Bank overdrafts	617			617	Note 1	Note 1	Note 1	-
Other current financial liabilities	2 190	-	-	2 190	Note 1	Note 1	Note 1	-
Total current financial liabilities	12 203	-	-	12 203	6 673	-	-	6 673
Total liabilities	663 085	106	21	663 212	636 499	127	19 939	656 565
Total	(601 935)	(106)	180	(601 861)	(636 499)	74	(19 939)	(656 364)

Note 1: the net book value of current financial assets and liabilities is considered to be reasonably approximate to their fair value.

Note 2: the difference between the net book value and the fair value of loans and guarantees is considered immaterial.

Note 3: As allowed under IFRS, the fair value of the lease liability and its level in the fair-value hierarchy is not provided.

The fair value of other financial instruments was determined as follows:

- High-yield bonds and variable-rate loans: their fair value is considered to be near their carrying amount, as the impact of a change in the Group's credit spread is considered immaterial
- Other fixed-rate financial debts and minority buy-out commitment debts: the fair value of each debt is determined by discounting future cash flows at the closing market rate, which is adjusted to account for the Group's credit risk.
- Standard valuation models were used to estimate the fair value of derivatives.

10.4. Risk management

10.4.1. GENERAL RISK MANAGEMENT POLICY

The Group's day-to-day business activities are exposed to interest-rate and currency risks.

The Group is exposed to the risk that an increase in interest rates may increase its floating-rate debt. To manage this risk the Group uses caps or swaps with first-class counterparties.

Foreign exchange risks are immaterial due to the limited volume of import purchases in non-euro currencies and the lack of income in these currencies.

The Group has little exposure to credit risk because its income comes mainly from restaurants, where payments are made almost immediately (in cash or by bank card, restaurant voucher, etc.) and from its franchisees, most of whom are in good financial health.

10.4.2. INTEREST RATE RISK

The Group uses caps and swaps to hedge its variable-rate bond debt. These derivatives are qualified as cash flow hedging instruments.

Hedging is considered to be effective if the Euribor fixing on the hedged loan is strictly equivalent to the fixing of the hedging instrument.

In 000 EUR	Non-hedging derivatives	Fair value hedging derivatives	Cash flow hedging derivatives	Dec. 2019
Interest-rate derivative assets			5	5
Interest-rate derivative liabilities	40			40
Total	(40)		5	(35)

In 000 EUR	Non-hedging derivatives	Fair value hedging derivatives	Cash flow hedging derivatives	Dec. 2018
Interest-rate derivative assets			200	200
Interest-rate derivative liabilities	106		20	126
Total	(106)	-	180	74

The table below shows the key characteristics of the derivative instruments:

	Dec. 2019	
In 000 EUR	Notional amount	Maturity
Interest rate cap	50 000	01/05/2020
Interest rate cap	100 000	01/05/2021
Interest rate cap	50 000	01/05/2021
Cash flow hedging derivatives	200 000	
Rate swap	12 692	31/07/2020
Non-hedging derivatives	12 692	

	Dec. 2018	
In 000 EUR	Notional amount	Maturity
Interest rate cap	50 000	01/05/2020
Interest rate cap	100 000	01/05/2021
Interest rate cap	50 000	01/05/2021
Rate swap	5 288	31/10/2019
Cash flow hedging derivatives	205 288	
Rate swap	17 307	31/07/2020
Non-hedging derivatives	17 307	

The results of interest rate risk sensitivity analysis are shown below.

At 31 December 2019	Rate decrease of 0.5%		Rate increase of 0.5%	
In 000 EUR	Impact on equity	Impact on income	Impact on equity	Impact on income
Investments	-	(400)	-	400
Floating-rate debt	-	-	-	(333)
Swaps designated as fair-value hedges	-	(63)	-	63
Options designated as cash-flow hedges	-	-	-	167
TOTAL IMPACT	-	(463)	-	297

At 31 December 2018	Rate decrease of 0.5%		Rate increase of 0.5%	
In 000 EUR	Impact on equity	Impact on income	Impact on equity	Impact on income
Investments	-	(190)	-	190
Floating-rate debt	-	-	-	(620)
Swaps designated as fair-value hedges	-	(113)	-	113
Options designated as cash-flow hedges	-	-	-	400
TOTAL IMPACT	-	(303)	-	83

10.4.3. CURRENCY RISK

The Group's exposure to currency risk is very limited as most of its business is conducted in Europe.

The Group uses derivatives to hedge the currency risk on these foreign currency purchases. Hedging is carried out using either forward exchange contracts or currency options. Each hedging transaction must be approved in advance by the Group's senior management.

There were no currency hedging commitments at 31 December 2018 or 31 December 2019.

Given the limited exposure to foreign exchange risk at 31 December 2019, the US dollar's volatility over the year did not have a material impact on income (as in 2018).

10.4.4. CREDIT RISK

Credit risk includes all forms of counterparty default and is closely monitored by the Group.

Deposits and guarantees

The credit risk on deposits and guarantees is considered to be limited.

Cash and cash equivalents

With regard to cash and cash equivalents, the credit risk is considered to be limited insofar as:

- they are invested with first-class banks or with Bertrand Holding, which ensures that the Group has day-to-day access to funds and is not exposed to capital risk, by selecting appropriate banking partners and investments vehicles.
- they are invested exclusively in money market instruments.

Trade receivables

Trade receivables are the amounts owed by franchisees.

They may be impaired on the basis of incurred credit losses. Indicators of incurred losses include, for example, significant financial difficulties of a franchisee or a breach of the franchise agreement (e.g. payment is past due more than x days). These receivables deemed to be at risk are fully impaired if there are indicators of incurred credit loss. The provision for such losses totaled €3.3 million at 31 December 2019, vs. €4.1 million at 31 December 2018.

A statistics-based provision is made for receivables that are not impaired on the basis of incurred credit losses. This statistical provision is based on the history of credit losses actually incurred over the pas ten years. At 31 December 2019, this provision was €78 thousand, vs. €69 thousand at 31 December 2018.

Given the large number of customers, there is no risk of concentration of trade receivables.

10.4.5. LIQUIDITY RISK AND DEBT PAYMENT SCHEDULE

The prepayment of the Group's financial liabilities is only required when there is a contractual change in the control of a group entity.

The Group's policy is to ensure that it has sufficient liquidity to meet its obligations. There is limited short-term liquidity risk as cash assets and credit lines can be quickly mobilized to cover current liabilities.

The table below shows the maturity profile of financial liabilities at 31 December 2019:

In 000 EUR	Book value	Total non-discounted contractual cash flows	Contractual cash flows							
			< 1 yr	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	5 to 6 yr	6 to 7 yr	Over 7 yr
Non-derivative financial liabilities										
Bond issues	630 772	767 630	41 128	35 401	35 401	334 400	321 300	-	-	-
Bank loans and overdraft facilities	35 098	35 915	6 172	17 687	6 859	2 119	1 444	921	712	-
Other financial liabilities	3 502	4 924	2 496	1 752	677	-	-	-	-	-
Lease liability	356 394	442 936	56 291	53 531	52 478	48 943	47 479	40 965	29 438	113 811
Minority interest purchase commitment liability	23 510	23 510	-	-	-	-	-	-	-	23 510
Total	**1 049 276**	**1 274 916**	**106 086**	**108 371**	**95 416**	**385 463**	**370 223**	**41 886**	**30 150**	**137 321**
Derivative liabilities										
Interest rate swaps used for hedging	-	- -	-	-	-	-	-	-	-	
Total	-	- -	-	-	-	-	-	-	-	

The table below shows the maturity profile of financial liabilities at 31 December 2018:

In 000 EUR	Book value	Total non-discounted contractual cash flows	Contractual cash flows							
			< 1 yr	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	5 to 6 yr	6 to 7 yr	Over 7 yr
Non-derivative financial liabilities										
Bond issues	630 861	803 211	41 353	35 356	35 401	35 401	334 400	321 300	-	-
Bank loans and overdraft facilities	17 578	19 370	4 838	3 365	6 163	1 425	1 365	2 192	17	5
Other financial liabilities	4 690	6 348	2 404	1 654	1 611	680	-	-	-	-
Finance lease liability	3 840	4 053	2 838	1 166	32	16	1	-	-	-
Minority interest purchase commitment liability	19 939	19 939	-	-	-	-	-	-	-	19 939
Total	676 908	852 921	51 432	41 540	43 207	37 522	335 767	323 492	17	19 944
Derivative liabilities										
Interest rate swaps used for hedging	21	-	-	-	-	-	-	-	-	-
Total	21	-	-	-	-	-	-	-	-	-

Financial covenants

The Group is subject to the following financial covenant at the balance sheet date.

Covenant to be observed	Borrowing subject to covenant	Testing frequency
Consolidated net debt / Consolidated EBITDA must be less than 7.5 if over 35% of credit line is used	Burger King France's 60 million euro RCF	Quarterly

The RCF credit line was unused at 31 December 2019 and the Group was in compliance with its financial covenants.

10.5. Off-balance sheet commitments given as collateral for loans

The Group has made the following off-balance sheet commitments to provide collateral for the €625 million in bonds issued in 2017:

- Pledging of bank accounts
- Pledging of intra-group receivables
- Pledging of Burger King France's receivables on Bertrand Holding under the cash management agreement
- Pledging of shares held in Financières Quick, BKQ Services, France Quick, Burger King Construction, Burger King Restaurant and Burger King Restauration.

The following off-balance sheet commitments were provided in 2019 to provide collateral for new credit lines:

- Letter of intent to Crédit Mutuel on behalf of Agaquick
- Pledging of a France Quick business to BNP.

11. INCOME TAX

11.1. Income tax expense

Income tax includes current and deferred taxes and the impact of changes in tax rates. Income taxes are recognized in income (except when recorded in other comprehensive income), directly in equity or during business combinations.

After examining the applicable legislation, the Group considers that the CVAE "business added-value tax" is an income tax as defined under IAS 12.2 ("Income Tax Payable on Taxable Profits").

The CICE tax credit is treated as an operating subsidy and recorded as a reduction in personnel expenses.

Breakdown of income tax expense

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Current tax	(2 166)	(2 986)
Deferred tax	1 624	980
Income tax	(542)	(2 006)

* The 2018 income statement has been restated in view of the planned sale of Quick's operations, which were classified as discontinued operations under IFRS 5, as explained in Note 4.3.

Income tax breakdown

The table below shows the difference between the standard Frenc corporate tax rate and the rate effectively paid.

In 000 EUR	Dec. 2019	Dec. 2018 restated *
Net income before tax	5 029	(12 943)
Standard tax rate	34,43%	34,43%
Theoretical income tax expense	(1 731)	4 456
Adjustments to determine the effective tax rate		
- CICE employment tax credit	-	1 903
- Effect of change in tax rate	(237)	(1 825)
- Other tax effects on permanent differences (1)	(1 582)	(2 785)
- Reclassification of the CVAE tax as ordinary income tax	(2 372)	(3 289)
- Unrecognized tax losses and unrecognized use of prior-year tax losses	4 869	-
- Other differences	352	(466)
- Difference between company and consolidated tax rates	159	-

Actual income tax (expense) / income	(542)	(2 006)

(1) The other tax effects on permanent differences mainly pertain to non-deductible financial expenses, the RSU plan expenses, and the reversal of negative goodwill through income.

11.2. Deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to be in effect when the asset is realized or the liability is settled, on the basis of the tax rates (and tax regulations) that were adopted or substantially adopted at the balance sheet date.

Deferred tax assets are recognized if the temporary difference is likely to reverse in the foreseeable future and there is likely to be a taxable profit to which the temporary difference may be applied.

Deferred tax liabilities on interests in subsidiaries and joint ventures are not recognized unless the timing of the reversal of the temporary difference cannot be controlled and the temporary difference is likely to reverse in the foreseeable future.

The table below shows deferred taxes by type and before any offsetting.

In 000 EUR	Dec. 2019	Dec. 2018
Deferred tax assets on loss carry-forwards	8 202	6 503
Spreading forward of entry fees (IFRS 15)	2 597	2 463
Spreading forward of bond issuance expenses	(3 909)	(4 743)
Temporary differences	1 631	1 317
Fixed assets (harmonization of dep./amort. periods, valuation adjustments, etc.)	(18 221)	(11 095)
Provisions for employee benefits	1 194	1 096
Other provisions	(383)	(1 237)
Restatement of finance leases	3 027	-
Effect of change in tax rate	1 212	751
Other	364	647
TOTAL DEFERRED TAXES	(4 286)	(4 298)

Deferred tax assets were not recognized since it is unlikely that the Group will have future taxable profits against which these tax assets can be applied. At 31 December 2019, the amount of these unrecognized deferred taxes on tax loss carryforwards totaled €84.6 million, vs. €91.2 million at 31 December 2018. Tax losses for which no deferred tax has been recognized can be carried forward indefinitely.

12. EQUITY

Share capital

Preference shares are classified as equity because they pay discretionary dividends, are subject to no redemption obligation in cash or a financial asset, and do not require settlement in a variable number of the Group's equity instruments.
Discretionary dividend distributions are charged directly to equity when approved by a general assembly of shareholders.

Share capital totaled €39,162 thousand at 31 December 2019, vs. €40,012 thousand at 31 December 2018, for a decrease of €850 thousand. This capital reduction, which did not serve to absorb a loss, was effected by purchasing and cancelling 17 Class B preference shares. This decision was approved by the Chairman on 10 December 2019.

Although this decision modified the distribution of share capital, it did not affect its amount. At 31 December 2019, Burger King France's share capital consisted of:

- 587,478 ordinary shares with a par value of €0.01 (vs. 5,836 shares with a value of €1 at 31 December 2018)
- 566,700 Class A preference shares with a par value of €0.01 (vs. 5,667 shares with a par value of €1 at 31 December 2018)
- 783 Class B preference shares with a par value of €50 thousand (vs. 8 shares with a par value of €5 million at 31 December 2018).

Share premium

The share premium totaled €163.3 million at 31 December 2019, as in 2018.

Dividends

Burger King France paid a dividend of €7.19 million in 2019, vs. no dividend in 2018.

13. TRANSACTIONS WITH OTHER RELATED PARTIES

The related parties are:

- parent companies
- subsidiaries (see Note 4.4)
- joint ventures (see Note 4.6)
- key management staff (see Note 7.5).

Transactions with parent companies involve the following services:

- a service agreement signed with TOPCO
- a cash pooling and management agreement between Burger King France and BH SAS
- a business development agreement between Burger King France and BH SAS for 2019.
- property leases with companies related to BH SAS,
- construction leases with companies related to BH SAS.

14. STATUTORY AUDITORS' FEES

The Group has paid its statutory auditors the following fees:

2019

In 000 EUR	KPMG		EXELMANS	
	Amount	%	Amount	%
Certification of company and consolidated accounts				
• Burger King France	194	45%	40	30%
• Subsidiaries	238	55%	94	70%
Other work and services directly related to the statutory auditor's engagement				
• Burger King France and its subsidiaries	-	0%	-	0%
Statutory auditor fees	431	100%	134	100%

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Burger King France S.A.S.

Société par Actions Simplifiée

50, avenue du Président Wilson - Parc des Portes de Paris - Bât 123 - 93214 La Plaine Saint-Denis Cedex

Share capital: €.39.161.542

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2019

KPMG S.A.	EXELMANS AUDIT & CONSEIL
Tour Eqho - 2, avenue Gambetta – CS 60055	21, rue de Téhéran
92066 Paris La Défense Cedex	75008 Paris
France	France

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Burger King France S.A.S.

50, avenue du Président Wilson
Parc des Portes de Paris – Bât 123 –
93214 La Plaine Saint-Denis Cedex

Share capital: €.39.161.542

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2019

To the annual general meeting of Burger King France S.A.S.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Burger King France S.A.S. for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements applicable to us, for the period from January 1, 2019 to the date of issue of our report, and in particular we have not provided any services that are prohibited by the French Code of Ethics (*code de déontologie*) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Notes 3.6 to the consolidated financial statements relating to the "Effects of the first-time adoption of IFRS 16" and 3.2 "Changes in the accounting framework" which highlight the impacts of the first adoption as of January 1, 2019of IFRS 16 – Leases – and the interpretation of IFRIC 23 – Uncertainty over Income Tax Treatments –. Our opinion is not modified in respect of this matter.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

As stated in Note 8.4 to the consolidated financial statements, "Impairment of intangible assets", goodwill, intangible and tangible assets are subject to impairment tests. We have analyzed the methods of implementation of the impairment tests, as well as the cash flow forecasts and assumptions used by the management to perform impairment tests, and we have assessed the appropriateness of the disclosures in Note 8.4.

The Group applied the new standard IFRS 16 – Leases – on January 1, 2019, following the procedure described in Note 3.6 "Effects of the first-time adoption of IFRS 16" to the consolidated financial statements. We have obtained an understanding of the procedures implemented by the Group to identify the leases within the scope of IFRS 16 standard. For a sample of contracts, we have also reconciled the data considered by the management to determine the assets and liabilities related to the leases with specific data from underlying agreements, assessed the criteria taken into account by the management to determine the residual lease term with underlying agreements, assessed the appropriateness of the methodology used to determine the discount rate at the date of the first-time application, recalculated the amounts of the right-of-use assets and the lease commitments as re-measured and recognized by the Company as at January 1, 2019, and assessed the appropriateness of the information related to the impacts of the application of IFRS 16 standard in Note 3.6 to the consolidated financial statements.

The Group applied IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – following the procedure described in Note 4.3 "Discontinued operations / Assets and liabilities held for sales" to the consolidated financial statements. We have assessed the correct application of the standard, the related impacts and disclosures.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the President.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains 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 internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management’s 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 Company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

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21, rue de Téhéran
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French original signed at Paris-La-Défense and Paris, on March 20, 2020, by

The Statutory Auditors

KPMG S.A.

Eric Ropert
Partner

Adrien Johner
Partner

EXELMANS AUDIT & CONSEIL

Stéphane Dahan
Partner

2018 Consolidated Financial Statements
GROUPE BURGER KING FRANCE

BURGER KING
FLAME GRILLED SINCE 1954

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In 000 EUR	Notes	31/12/2018	Closing date 31/12/2017
NON-CURRENT ASSETS		785 168	739 332
Goodwill	8.1	272 355	263 075
Intangible assets	8.2	195 069	206 845
Property, plant and equipment	8.3	302 341	254 195
Long-term interests in associates		-	5
Financial receivables and other non-current assets	8.6	11 386	13 035
Defered tax assets	8.5	4 017	2 177
CURRENT ASSETS		185 447	248 168
Inventories	8.8	8 702	12 980
Trade receivables	8.9	46 629	50 492
Current tax assets	8.10	8 797	6 363
Tax receivables excluding income tax	8.10	28 168	26 111
Financial receivables and other current assets	8.10	17 134	15 555
Other financial receivables	8.10	14 867	9 371
Cash and cash equivalents	8.11	61 150	127 296
TOTAL ASSETS		970 615	987 500
TOTAL EQUITY		119 102	131 683
Share capital	8.12	40 012	40 012
Share premiums	8.12	163 301	163 301
Retained earnings (including net profit for the period)	8.12	(85 007)	(71 630)
Attributable to non-controlling interests	8.12	796	0
NON-CURRENT LIABILITIES		675 141	655 471
Non-current provisions	8.13	9 098	10 023
Financial liabilities	8.16	630 943	618 187
Other financial liabilities		19 939	15 611
Other non-current liabilities	8.15	6 846	2 874
Defered tax liabilities	8.5	8 315	8 776
CURRENT LIABILITIES		176 372	200 346
Financial liabilities	8.16	12 203	17 083
Trade payables		88 057	87 814
Tax liabilities		1 185	12 167
Other tax liabilities		31 109	15 874
Employee and social liabilities		29 713	32 197
Other current liabilities	8.18	14 105	35 211
TOTAL LIABILITIES & EQUITY		970 615	987 500

CONSOLIDATED INCOME STATEMENT

In 000 EUR	***Notes***	**2018**	**2017**
Continuing operations			
Sales and franchise revenues	*7.1*	**629 174**	**595 282**
Cost of sales		(315 232)	(320 397)
Gross profit	*7.2*	**313 942**	**274 885**
Operating and occupancy costs (excl. dep. & amor.)		(110 907)	(102 467)
Depreciation and amortization (restaurants)		(35 673)	(31 494)
Profit from operations	*7.2*	**167 362**	**140 924**
Selling costs		(51 813)	(50 159)
BK brand royalties		(29 152)	(16 611)
Pre-opening costs		(1 996)	(2 249)
Other operating and income expenses	*7.3*	25 106	11 218
Gross operating profit of restaurants		**109 507**	**83 123**
General and administrative expenses (excl. dep. and amor.)		(48 114)	(46 058)
Dep. and amort. (corporate center)		(3 795)	(3 515)
Other corporate income and expenses		14 465	18 842
Operating profit before non-recurring items		**72 063**	**52 392**
Other non-recurring income and expenses	*7.5*	(31 778)	(34 478)
Operating profit/(loss) after non-recurring items		**40 285**	**17 914**
Net financial income/(expense)	*7.6*	**(40 529)**	**(45 784)**
Profit/(loss) before tax		**(244)**	**(27 870)**
Share of profit/(loss) of companies consolidated using the equity method		**(103)**	**4**
Income tax	*7.7*	(6 327)	(4 049)
Net income from continuing operations		**(6 674)**	**(31 915)**
Share of non-controlling interests		(461)	95
Group's share of net income		(6 213)	(32 010)
Net profit/(loss) of the consolidated entity			
Net profit/(loss) for the period		**(6 674)**	**(31 915)**
Share of non-controlling interests		(461)	95
Group's share of net income		(6 213)	(32 010)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In 000 EUR	*Notes*	2018	2017
Net consolidated profit/(loss) for the period		(6 674)	(31 915)
Revaluation of the net liability on post-employment benefits	*8.14*	436	(110)
Other comprehensive income only recyclable to profit or loss		436	- 110
Cash-flow hedging	*8.17*	(387)	1 480
Net tax on equity transactions not recyclable to profit or loss		(328)	38
Other comprehensive income not subsequently recyclable to profit or loss		(715)	1 518
Total other comprehensive income, after tax		(279)	1 408
Consolidated net comprehensive income		(6 953)	(30 507)
Group's share		(6 513)	(30 595)
Share attributable to non-controlling interests		(440)	88

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In OOO EUR	*Notes*	Share capital	Share premium	Actuarial gain/loss and cash-flow hedging reserve	Consolidated reserves and net income	Group's share of equity	Non-controlling interests	Total equity
At 01/01/2017		12	163 301	900	(38 971)	125 242	12 848	138 090
Net income for the year					*(32 010)*	*(32 010)*	*95*	*(31 915)*
Other comprehensive income				*1 480*	*(72)*	*1 408*		*1 408*
Total comprehensive income		-	-	1 480	(32 082)	(30 602)	95	(30 507)
Capital increase		40 000				40 000		40 000
Reclassification after commitment to purchase minority interests (Agaquick put)					(3 064)	(3 064)	(12 943)	(16 007)
Other changes					107	107	-	107
At 31/12 /2017		40 012	163 301	2 380	(74 010)	131 683	-	131 683
Impact of first adoption of new IFRS 15 standard	*2.7*	-	-	-	(3 216)	(3 216)		(3 216)
Impact of first adoption of new IFRS 9 standard	*2.7*	-	-	(854)	854	-		-
At 01/01/2018		40 012	163 301	1 526	(76 372)	128 467	-	128 467
Net income for the year					*(6 213)*	*(6 213)*	*(461)*	*(6 674)*
Other comprehensive income		-	-	*(387)*	*87*	*(300)*	*21*	*(279)*
Total comprehensive income		-	-	(387)	(6 126)	(6 513)	(440)	(6 953)
Revaluation of put options on non-controlling interests	*8.16*	-	-	-	(4 466)	(4 466)	178	(4 288)
Effect of change in scope	*8.1*	-	-	-	-		1 058	1 058
Expense of RSU plans	*8.12*	-	-	-	899	899		899
Other changes		-	-	-	(81)	(81)		(81)
At 31/12 /2018		40 012	163 301	1 139	(86 146)	118 306	796	119 102

CONSOLIDATED CASH FLOW STATEMENT

In 000 EUR	*Notes*	2018	2017
Consolidated net profit/(loss)		**(6 674)**	**(31 915)**
Adjustments			
Elim. of profit/(loss) of equity-method companies		103	(4)
Elim. of depreciation, amortization and provisions	8.2 & 8.3	37 748	29 682
Elim. of profit/(loss) on discounting		700	985
Elim. of gains/(losses) on disposals and dilution	8.2 & 8.3	5 741	18 195
Calculated income/(expense) of share-based payments	8.12	899	-
Operating cash flow before change in working capital requirements and after net cost of debt and tax		**38 517**	**16 943**
Elim. of income tax expense/(income)	7.7	6 327	3 136
Elim. of the net cost of debt	8.16	39 852	46 717
Operating cash flows before change in working capital requirements and before the cost of net debt and tax		**84 696**	**66 796**
Change in the working capital requirement		**(20 268)**	**4 236**
Income tax paid		(14 600)	(6 305)
Cash generated/(used) by operating activities		**49 828**	**64 727**
Acquisition of consolidated company shares less cash acquired		475	(96 110)
Purchases of intangible assets and PPE	8.2 & 8.3	(110 882)	(103 523)
Purchases of financial assets		-	(1 553)
Changes in loans and advances granted		(271)	(33)
Disposals of intangible assets and PPE	8.2 & 8.3	36 087	16 911
Disposals of financial assets		22	-
Cash generated/(used) by investing activities		**(74 569)**	**(184 308)**
Capital increase		-	40 000
Issuance of loans and bonds	8.16	11 587	618 192
Repayment of loans and bonds	8.16	(15 734)	(534 799)
Interest received	7.6	555	537
Interest paid	7.6	(38 357)	(37 862)
Dividends paid to minority shareholders		-	-
Cash generated/(used) by financing activities		**(41 949)**	**86 068**
Change in cash and cash equivalents		**66 690**	**(33 516)**
Cash and cash equivalents at start of year	8.11	127 223	160 737
Cash and cash equivalents at end of year	8.11	60 533	127 223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. THE GROUP AND ITS BUSINESS

Burger King France S.A.S. is a French simplified joint-stock company (SAS). It has its registered office at 50, avenue du Président Wilson 93200, in the city of Saint Denis and is registered in the Paris trade register under No. 797 882 867.

The Group develops and perfects a fast-food restaurant concept that is based predominantly on hamburgers and employs various techniques, knowledge and know-how that are appropriate for this type of restaurant.

The Group is composed of the following three strategic divisions[1]:

- Franchise, which consists of the restaurants operated by franchisees
- Company-owned, which consists in the restaurants the Group operates
- Other business activities, which consist mainly of logistics, marketing, advertising and head-office management activities.

The consolidated financial statements present the accounting situation of Burger King France S.A.S and its subsidiaries (together the "Group") and the interest held in a joint venture. They are presented in euros, with figures rounded off to the nearest thousand.

The Group's financial year runs from 1 January to 31 December.

The consolidated financial statements for the year ended 31 December 2018 were approved by the Chairman on 13 March 2019 and will be proposed for approval at the forthcoming annual shareholders meeting.

2. A SUMMARY OF THE MAIN ACCOUNTING METHODS

2.1. General accounting policies

The consolidated financial statements of the Burger King France Group for 2018 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted mandatorily in the European Union at 31 December 2018, and with SIC and IFRIC interpretations thereof.

[1] In accordance with IFRS 8 "Operating Segments", the information provided by operating segment is derived from the internal organization of Burger King Group's business activities. It reflects the perspective of the Group’s management and is based on internal reports that are used by the chief operating decision maker to allocate resources and assess performance.

All of therelevant rules adopted by the European Union are available on the European Commission's website at https//www.euronext.com.//ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606- 2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en#individual- rps-acts-adopting-international-accounting-standards-ifrsias-and-related-interpretations-ifric.

In preparing its consolidated financial statements for the year ended 31 December 2018, the Group has observed the same accounting standards, interpretations and policies observed for the year ended 31 December 2017, or, where applicable, the new standards which came into effect on 1 January 2018.

2.2. Changes in the accounting framework

Standards, amendments and interpretations which must be observed as of 1 January 2018

The main IFRS standards, amendments and interpretations which became mandatory in the European Union on 1 January 2018 are:

- IFRS 15 – Revenue from contracts with customers (see Note 2.7 below)
- IFRS 9 – Financial instruments (see Note 2.7 below)
- The amendments to IFRS 2 “Classification and measurement of share-based payment transactions”
- IFRIC 22 “Foreign currency transactions and advance consideration”
- Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"
- IFRS annual improvements– 2014 - 2016 cycle.

Apart from IFRS 9 and IFRS 15 (the impacts of which are explained in note 2.7), the other standards had no impact on the Group's accounts.

Standards, amendments and interpretations which will become mandatory as of 1 January 2019

The following standards, amendments and interpretations must be observed as of 1 January 2019:

- IFRS 16 – Leases

This new standard will replace IAS 17 and the associated IFRIC and SIC interpretations on 1 January 2019 and will eliminate, for lessees, the distinction between "operating leases" and "finance leases".

Lessees will be required to account for all leases with a term of more than one year in accordance with the method currently used for finance leases under IAS 17, and thus recognize leasehold interests and obligations respectively as assets and liabilities. The impact of the application of this standard on the financial statements is being determined. The cumulative catch-up method will be used during the transitional period. The Group has undertaken an inventory of its leases and their main clauses. The main impacts expected have to do with the restatement of finance leases.

The magnitude of the impact of the application of IFRS 16 can be assessed on the basis of the amount of operating lease commitments (see note 27). However, given the changes in standards and the Group's assumptions, lease commitments may not be fully representative of the lease liability that will be recognized under IFRS 16.

- Amendments to IFRS 9 "Prepayment Features with Negative Compensation"
- IFRIC Interpretation 23 on “Uncertainty over Income Tax Treatments”.

Lastly, the following IASB standards and interpretations were not yet adopted by the European Union as of 31/12/2018 but are likely to apply to the Group:

- Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement
- IFRS annual improvements – 2015-2017 cycle
- Amendments to IAS 1 and IAS 8 - Materiality

2.3. Use of estimates and judgments

In preparing its financial statements, the management of Burger King France Group must make judgments, estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses, and also the information provided in the notes to the financial statements.

The Group's management makes these estimates and assessments on an ongoing basis, based on past experience and various factors it considers to be reasonable.

Unexpected changes in events and circumstances, particularly within the Group's business environment, may cause actual results to differ from these estimates.

The most material estimates made by the Group's management concern intangible assets (mainly the brandand leasehold interests), provisions and asset impairment tests.

Information on the critical judgments made with regard to IAS 17 “Leases” is provided in note 8.7.

2.4. Consolidation methods

The consolidated financial statements include the accounts of Burger King France SAS and its subsidiaries and joint ventures.

The Group's main subsidiaries and joint ventures are listed in Note 4 "Scope of consolidation".

Consolidation of subsidiaries

A subsidiary is a company which the Group controls. The Group controls a company when it is exposed to, or is entitled to, variable returns from its relationship with the company and may have an impact on these returns through its control over the company. The financial statements of a subsidiary are included in the consolidated financial statements as of the date that such control is initially obtained and until it ceases.

Equity method of accounting for joint ventures

A joint venture is a form of partnership that gives the Group joint control over a company and rights to the net assets of the joint venture, but no rights to its assets or obligations in respect of its liabilities.

Burger King France accounts its joint ventures using the equity method.

2.5. Foreign currency translation methods

The Group's presents its accounts in euros, which is its functional currency.

Foreign currency transactions

Transactions carried out in a foreign currency by the various Group entities are translated at the prevailing exchange rate on the date of the transaction.
At each balance sheet date, monetary assets and liabilities that are denominated in a foreign currency are retranslated at the prevailing exchange rate on the balance sheet date. Translation differences are recognized in the income statement.

2.6. Measurement bases

The financial statements are prepared in accordance with the historical cost convention, with the exception of certain types of assets and liabilities for which IFRS standards are observed.

2.7. Effects of the first-time adoption of IFRS 15 and IFRS 9

As of 1 January 2018, the Group has observed IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments".

IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

This new standard deals with the recognition of revenue and replaces existing requirements and in particular those of IAS 11 and IAS 18.
Burger King France will observe the cumulative catch-up method during the transition to this new standard. Information relating to the 2017 financial year is presented in accordance with the formerIAS 18 standard.

Transition adjustments totaling - €3,216 thousand were recognized in equity on 1 January 2018.

To determine this standard's impact on its financial statements, the Group has reviewed the most significant customer contracts in its various business segments. It has thus determined that the application of the new standard impacts the timing of the recognition of revenue from franchise entry fees, which entitle franchisees to use the Group's intellectual property. Accordingly, revenue and expenses related to franchise entry fees are now recognized over the term of the agreement.

This has resulted in the recognition of €1,472 thousand in "Other income" on the income statement.

The table below shows the impacts on the balance sheet at 31 December 2018, which includes a €3,216 thousand adjustment on opening equity.

In 000 EUR	31/12/18 under IFRS 15	Adjustments	Without the adoption of IFRS 15
Other current assets	17 134	(2 145)	14 989
Deferred tax assets	4 017	(362)	3 655
Other assets	949 464	-	949 464
Total assets	**970 615**	**(2 507)**	**968 108**
Shareholders' equity excluding net profit or loss	125 776	3 216	128 992
Net profit/(loss) for the period	(6 674)	1 472	(5 202)
Deferred tax liabilities	8 315	2 101	10 416
Other non-current liabilities	6 846	(4 174)	2 672
Other current liabilities	14 105	(5 122)	8 983
Other liabilities	822 247	-	822 247
Total equity and liabilities	**970 615**	**(2 507)**	**968 108**

The accounting rules and methods the Group has observed in applying IFRS 15 are described in Note 3.7 "Income recognition".

IFRS 9 – Financial instruments

IFRS 9 has been observed as of 1 January 2018 using the limited retrospective method, with no adjustment of comparative amounts. This new standard replaces IAS 39, which was observed until 31 December 2017.

On this date, the first application of IFRS 9 resulted in the reclassification of cap hedging items from consolidated reserves to cash flow hedging reserves. This reclassification amounted to €854 thousand.

The other provisions of IFRS 9 had no impact on the amount of consolidated equity at 1 January 2018. The Group's analyses and conclusions are presented below for each phase the reclassification.

Phase I - Classification and measurement of financial assets and liabilities

The Group has reviewed its financial assets in accordance with the new IFRS 9 classification, which is based on the company's business model and the contractual characteristics of the financial assets. The Group's financial assets consist mainly of loans, receivables and deposits and have therefore not been affected by the change and continue to be measured using the amortized cost method.

All financial assets are always presented on the line "Financial assets" and are described in Note 18 of these notes: "Financial receivables and other non-current assets".

Phase 2 - Financial asset impairment

The Group's analysis focused mainly on the impairment of trade receivables, as the Group has no significant non-group loans and no significant financial receivables.
The Group has opted to use the simplified method to measure the impairment of its trade receivables. A review of the historical loss experience of these receivables did not reveal any material amount and no adjustment for this was made to the Group's opening equity.

Phase 3 - Hedge Accounting

The Group's analysis did not reveal any renegotiation of financing that required restatement. The changes to the method used to account for the Group's hedging instruments reduced shareholders' equity by €854 thousand. This impact is explained by the change in the accounting treatment of the timevalue of options, with interest rate derivatives designated as cash flow hedges. The reclassification of financial instruments pursuant to the IFRS 9 categories had no overall impact on the measurement bases of financial assets and liabilities.

The accounting rules and methods the Group has observed in applying IFRS 15 are described in Notes 3.18 "Financial assets", 3.19 "Financial liabilities" and 3.20 "Derivative financial instruments and hedging transactions".

3. SIGNIFICANT EVENTS

2018 was marked by the following significant events.

System-wide sales

At 31 December 2018, system-wide sales totaled €1,216 million. This is €109 million more than at 31 December 2017 and represents 9.9% growth.
The growth is attributable to:

- the positive impact of the ongoing conversion of restaurants to the Burger King® brand in France,
- the good performance of Quick on a comparable restaurant basis.

Profitability

Thanks to an €109 million increase in system-wide sales compared to 31 December 2017, the Group increased:

- its profitability, with EBITDA of €111.5 million, representing 27.6% annual growth
- the ratio of EBITDA over Sales and Franchise income to 17.7%, vs.14.7% at 31 December 2017.

This good performance was mainly due to the ongoing development of the Burger King® brand in France throughout 2018.

Business development

To consolidate its network, the Group had invested €93 million at 31 December 2018, mainly in restaurantopenings and conversions.

Financing and acquisition

In 2018, the Group paid the €15.9 million balance of its 2017 acquisition of BDBK.

On February 26, 2018, Burger King Restauration (a wholly-owned subsidiary of Burger King France) acquired majority stakes in three new companies: Flagship Restauration (50.71%), BK Expansion (84.44%) and BK Développement (73.12%). These companies operate four restaurants under the BurgerKing® brand.

During the year, the Group also:

- set up new bilateral credit lines, mainly for Agaquick and BK expansion, for respectively €4,500 thousand and €950 thousand. These credit lines will serve to finance conversion investments.
- repaid in advance Burger King France's 2016 CICE pre-financing debt of €4,133 thousand to BPI France and factored without recourse its 2016, 2017 and 2018 CICE receivable to a bank for approximately €13,700 thousand.
- factored without recourse BDBK's 2017 CICE receivable to a factor for approximately €1,100 thousand.

Litigation

Following a new decision by the enforcement judge of the Bobigny Tribunal de Grande Instance concerning the dispute with our former Turkish franchisee, the amount of €5.5 million was frozen in France Quick's bank accounts on March 5, 2018 as a protective measure. France Quick has contested this. The procedure to contest this attachment of assets is still ongoing as of the date of publication of our consolidated financial statements at 31 December 2018 and no conclusions may be drawn as to the merits of the judge's decision.
All long-term provisions are detailed in Note 8.13.

4. SEGMENT INFORMATION

At 31 December 2018, the Group's business consists of the following three distinct operating activities:

- Franchise
- Company-owned
- Other business activities.

At the end of 2018, the Group had 474 restaurants, of which 364 were franchised and 110 were company-owned.

The key sales and income figures for each of these activities are shown in the tables below:

2018 **In 000 EUR**	**Company-owned**	**Franchise**	**Other activities**	**TOTAL**
Sales and franchise income	356 120	141 353	131 701	**629 174**
EBITDA	44 029	97 269	(29 767)	**111 531**
Ordinary operating income	26 115	79 511	(33 562)	**72 063**

System-wide sales in 2018 totaled €1,216,170 thousand, of which Company-owned restaurants accountedfor €356,120 thousand and Franchised restaurants for €860,050 thousand.

2017 **In 000 EUR**	**Company-owned**	**Franchise**	**Other activities**	**TOTAL**
Sales and franchise income	338 238	110 512	146 532	**595 282**
EBITDA	37 355	72 817	(22 771)	**87 401**
Ordinary operating income	20 736	57 953	(26 297)	**52 392**

System-wide sales in 2017 totaled €1,106,562 thousand, of which Company-owned restaurants accountedfor €338,238 thousand and Franchised restaurants for €768,324 thousand.

5. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are recognized using the acquisition method. Accordingly, the acquiree's identifiable assets and liabilities that meet the IFRS recognition criteria are generally recognized at their fair value at the acquisition date.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the acquiree) plus the amount recognized for any non-controlling interest in the acquiree, less the net amount recognized (generally at fair value) for the identifiable assets and liabilities acquired. Non-controlling interests are measured when control is gained, either pro rata to theidentifiable net assets or at fair value, depending on the option selected.

When the difference thus determined is negative, and after the various components are remeasured, it can be immediately taken to income.

Goodwill is subsequently measured at cost less any impairment loss. In accordance with IAS 36, impairment losses are recognized immediately in the income statement and are irreversible.

An increase in the interest held in a subsidiary or a decrease that does not result in a loss of control is not a business combination but a transaction with non-controlling interests that is recognized directly in equity.

6. ASSETS HELD FOR SALE AND DISCOUNTED OPERATIONS

A non-current asset or a group of associated assets and liabilities is considered to be held for sale in the following cases, in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”:

- the asset or group is available for immediate sale in its present condition
- its sale is highly likely, which is the case when management has undertaken efforts to sell the asset or group and to find a buyer at a reasonable price and has committed to sell it within one year.

Non-current assets, groups of assets or businesses held for sale are measured at the lower of their carrying amount or their fair value (i.e. the estimated selling price), net of disposal costs. They are presented on a separate line on the balance sheet and are no longer depreciated or amortized.

Only complete discontinued operations are presented separately in the income statement.

The Group disposed of no business activity during the year.

7. NOTES TO THE INCOME STATEMENT

7.1. Operating revenue

Operating revenue is presented on the income statement line item "Sales and franchise income" and consists mainly of:

- The sales of company-operated restaurants, which are recognized at their net-of-tax amount at the time of purchase in the restaurant.

- Income from franchisees:
  - ➢ the royalties received from franchisees for the use of the Burger King® and Quick® brands.
  - ➢ property and business lease income, less payment waivers (calculated as a percentage of sales and charged to franchisees for the occupancy of the premises and the leasehold interests).
  - ➢ Franchisee contributions to national advertising expenditures.
  - ➢ The income of subsidiary Logirest France from the sale of merchandise and equipment to Quick franchisees.

The various types of franchise agreements are: full franchise, shared franchise, business lease, and business lease with investment. The percentage paid depends on the type of agreement.

With the exception of Logirest income, operating revenue is recognized when the franchisees recognize sales. Logirest income is recognized when the control of merchandise and equipment is transferred to the franchisee.

Detailed sales information is provided in Note 4 "Segment information".

Interest income

Interest income is recorded in income at the effective interest rate of the investment.

7.2. Gross and operating profit and margin

In 000 EUR	2018		2017	
	Amount	%	Amount	%
Own-restaurant sales	356 120	57%	338 238	57%
Franchise income and external sales	273 054	43%	257 044	43%
Sales and franchise revenues	**629 174**	**100%**	**595 282**	**100%**
Cost of supplies and merchandise	(199 641)	-32%	(207 982)	-35%
Cost of restaurant personnel	(115 591)	-18%	(112 415)	-19%
Total cost of sales	**(315 232)**	**-50%**	**(320 397)**	**-54%**
Gross profit	**313 942**	**50%**	**274 885**	**46%**
Operating and occupancy costs	(110 907)	-18%	(102 467)	-17%
Depreciation and amortization (restaurants)	(35 673)	-6%	(31 494)	-5%
Profit from operations	**167 362**	**27%**	**140 924**	**24%**

Franchise income and external sales consist of:

- property and business lease payments
- brand and national advertising fees paid by franchisees
- sales of food, supplies and equipment to Quick® franchisees.

Operating and occupancy costs mainly include the costs of energy, maintenance, security, leases, taxes (business tax, property tax, etc.) and restaurant depreciation. Operating lease expenses are recognized in the income statement on a straight-line basis over the term of the lease.

7.3. Other operating expenses and income

In 000 euros	2018-12	2017-12
Net capital gain on the disposal of intangible assets and PPE	13 429	4 222
Network entry and franchise entry fees	12 011	7 059
Other income	1 614	978
Total other operating income	27 054	12 259
Net operating provisions/reversals	(443)	(230)
Other expenses	(1 505)	(811)
Total other operating expenses	(1 948)	(1 041)
Total other operating income and expenses	25 106	11 218

At 31 December 2018, other operating income and expenses consisted mostly of:

- Provisions and reversals for operating expenses on trade receivables and bad debt losses
- Provisions for impairment of inventories of Food, Equipment and Premiums held by Logirest France (Quick® logistics)
- Capital gains and losses on the disposal of fixed assets for Franchise
- Eviction Compensation
- Network entry fees and franchise entry fees.

7.4. Personnel expenses

In 000 euros	2018	2017
Corporate center staff salaries and social-security charges	(33 287)	(29 919)
Restaurant staff salaries and social-security charges	(114 071)	(113 317)
Training expenses	(890)	(1 280)
Other personnel expenses	(15 123)	(11 796)
CECI tax credit	5 527	6 235
Total personnel expenses	(157 844)	(150 077)

Personnel expenses include:

- Corporate center personnel expenses, which are recorded under "general and administrative expenses"

- restaurant personnel expenses, excluding pension benefits, which are recognized in "cost of sales"
- training expenses, which are recorded under "cost of sales" and "general and administrative expenses"
- pension plan expenses, which are recorded under "other head-office income and expenses" and "financial expenses"
- Other personnel expenses are mainly travel and sundry restaurant staff expenses
- The CICE "employment and competitiveness" tax credit

From January 1 to 31 December 2018, all of the income from the CICE tax credit was invested in the opening and conversion of Burger King® restaurants in accordance with the QuickN'King 2020 plan.

7.5. Other non-recurring income and expenses

In 000 euros	2018-12	2017-12
Employee dispute reversals/(provisions)	(1 232)	(701)
Restaurant closure expense	(3 242)	(15 055)
Restaurant conversion expense	(22 419)	(18 098)
Change in impairment	(2 312)	2 693
Other	(2 573)	(3 317)
Total other non-recurring income and expenses	(31 778)	(34 478)

This item consists mainly of the costs of the Quick'n King 2020 project, which include the following:

Restaurant closure expenses

These are the expenses that arise from the scrapping or disposal of the property, plant and equipment and intangible assets of restaurants that are closed or sold.

The Group closed 19 restaurants in 2018 (vs. 21 in 2017).

Restaurant conversion expenses

These expenses consist mainly of lease payments during the conversion work, personnel expenses (the salariesand training of new Burger King® staff) and the cost of scrapping Quick's PPE and intangible assets.

In 2018, the Group converted 63 restaurants (versus 70 in 2017).

Other

This item consists of various provisions for contingencies.

7.6. Net financial income/(expense)

The gross cost of debt consists mainly of interest paid on bonds and the charges on the revolving credit facility (unused credit line fee). All interest and borrowing expenses are expensed when incurred.

Other financial expenses include:

- bond refinancing costs
- changes in the fair value of caps and swaps
- various bank charges.

The decrease in other financial expenses in 2018 is mainly attributable to the reversal in 2017 of the cost of refinancing Financière Quick's former high-yield bonds of 2014, upon their prepayment for €8,000 thousand.

The table below breaks down the Group's net financial income at 31 December 2018.

In 000 EUR	Loans & receivables	Liabilities at amortized cost	Assets & liab. at fair value through income	Derivatives	Non-financial assets & liab.	Total
Net gain/(loss) from investments	458	-	-	-	-	458
Gross debt expense	-	(36 507)	-	-	-	(36 507)
Net debt expense	**458**	**(36 507)**	**-**	**-**	**-**	**(36 049)**
Net currency translation differences	-	-	-	-	(4)	(4)
Derivatives income & expense	-	-	48	(608)	-	(560)
Other financial income and expenses	-	-	-	-	(3 917)	(3 917)
Other income and expenses	**-**	**-**	**48**	**(608)**	**(3 921)**	**(4 481)**
Net financial income/(expense)	**458**	**(36 507)**	**48**	**(608)**	**(3 921)**	**(40 530)**
o/w income	458	-	48	-	-	506
o/w expenses	-	(36 507)	-	(608)	(3 921)	(41 036)

The table below breaks down the Group's net financial income at 31 December 2017.

In 000 EUR	**Loans & receivables**	**Liabilities at amortized cost**	**Assets & liab. at fair value through income**	**Derivatives**	**Non-financial assets & liab.**	**Total**
Net gain/(loss) from investments	483					483
Gross debt expense		(32 414)				(32 414)
Net debt expense	**483**	**(32 414)**	**-**	**-**	**-**	**(31 931)**
Dividends						-
Net currency translation differences						-
Derivatives income and expenses			(410)	(1 666)		(2 076)
Accretion charges						-
Other financial income and expenses	152				(11 929)	(11 777)
Other financial income and expenses	**152**	**-**	**(410)**	**(1 666)**	**(11 929)**	**(13 853)**
Net financial income/(expense)	**635**	**(32 414)**	**(410)**	**(1 666)**	**(11 929)**	**(45 784)**
o/w income	635	-	-	-	-	635
o/w expenses	-	(32 414)	(410)	(1 666)	(11 929)	(46 419)

7.7. Income tax

Corporate income tax includes current and deferred taxes and the impact of changes in tax rates. It is recognized on the income statement, except when associated with items that are recognized directly in equity or through other comprehensive income, in which case it is also recognized outside of profit and loss.
Current tax consists of the tax payable on the year’s taxable income calculated at the tax rates in effect at the balance sheet date, and of prior-period adjustments.

After examining the applicable legislation, the Group considers that the CVAE "business added-value tax" is an income tax as defined under IAS 12.2 ("Income Tax Payable on Taxable Profits").

The CICE tax credit is treated as an operating subsidy and recorded as a reduction in personnel expenses. The CICE tax credit receivable that is "anticipated", i.e. calculated during the year of payment of the remuneration on which it is based and before the payment of tax in 2018, was factored to a credit institution.

Breakdown of income tax expense

In 000 EUR	2018	2017
Current tax	(7 307)	(7 244)
Deferred tax	980	3 195
Income tax	(6 327)	(4 049)

Income tax breakdown

In 000 EUR	2018	2017
Net income before tax	(244)	(27 870)
Standard tax rate	34,43%	34,43%
Theoretical income tax expense	(84)	(9 596)
Adjustments to determine the effective tax rate		
- CICE employment tax credit	1 903	2 197
- Charges	(621)	(526)
- Effect of taxes on the spreading out of borrowing expenses	771	2 794
- Effect of change in tax rate	(1 825)	1 288
- Other tax effects on permanent differences (1)	(2 884)	9 158
- Reclassification of the CVAE tax as ordinary income tax	(3 289)	(1 622)
- Use of unrecognized tax losses	-	(24 468)
- Other differences	(466)	(2 124)
- Difference between company and consolidated tax rates	-	(341)
Actual income tax (expense) / income	(6 327)	(4 049)

(1) the effect of the neutralization of intragroup provisions and the cancellation of regulated provisions

Unrecognized deferred tax assets on loss carry-forwards amount to €91,213 thousand at 31 December2018.

8. NOTES TO THE STATEMENT OF FINANCIAL POSITION

8.1. Goodwill

Goodwill is mainly attributable to the acquisition of:

- 100% of Financière Quick SAS' share capital (for €171 million) by Burger King France SAS, in December 2015,
- of BDBK and PINTO (for €76 million) in 2017.

The table below shows the change in goodwill over the year.

In 000 euros	31/12/2017	Acquisition	Disposal	31/12/2018
Goodwill	263 099	9 280	-	272 379
Impairment of Goodwill	(24)	-	-	(24)
Total net value	263 075	9 280	-	272 355

The changes in goodwill in 2018 are mainly attributable to the acquisitions made duringthe year. These acquisitions are shown in the table below.

Company	Acquisition / Asset transfer	Date of takeover	% of interest at 31/12/2018	Consideration transferred in in K€	Fair value of identified assets/liab.	Goodwill in K€
BK Expansion	Acquisition	26/02/2018	84,44%	510	434	76
BK Développement	Acquisition	26/02/2018	73,12%	1 466	2 338	(872)
Flagship	Acquisition	26/02/2018	50,71%	1 272	1 003	269
Vadek	Acquisition then AT	01/01/2018	100%	748	280	468
Ange	Acquisition then AT	28/02/2018	100%	226	96	130
Pop's Drive	Acquisition	01/10/2018	100%	642	90	552
Ecurest	Acquisition	01/11/2018	100%	502	9	493

8.2. Intangible assets

Intangible assets acquired separately are initially recognized at cost while those acquired in a business combination are recognized at their fair value at the date of acquisition.

After their initial recognition, intangible assets are not remeasured. Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life. Useful lives are reviewed at each balance sheet date. Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, or more frequently if there is an indication of impairment (see Note 8.4).

The "Quick®" brand

The "Quick®" brand is an intangible asset with an indefinite useful life, in consideration of the fact that it is almost 40 years old and its reputation. It should be noted that there is no foreseeable limit to the period during which the brand will generate net cash inflows for the Group.

Following the acquisition of Financière Quick by Burger King France on December 17, 2015, a plan was prepared to convert Quick restaurants in France to the Burger King brand over a four-year period. This conversion plan began in mid-2016 and will be completed by mid-2020.
The net value of the Quick brand was maintained at €113 million at 31 December 2018.

An impairment test of Quick royalties revealed no impairment at 30 December 2018.

Research and development

Research expenditures in view of acquiring new scientific or technical knowledge are expensed when incurred.

Development expenditures in view of applying research findings to a plan or concept in order to make new or significantly improved products and processes are capitalized if all of the recognition requirements of IAS 38 - "Intangible Assets" are met.

Leasehold interests

- Leasehold interests acquired through business combinations are the commercial and construction leasehold interests that Financière Quick acquired when it acquired Quick Restaurants, and which are initially recognized at their fair value in accordance with IFRS 3 - "Business Combinations". They are subject to the same amortization rules as leasehold interests acquired separately.

- Leasehold interests acquired separately are those acquired after Financière Quick's acquisition of Quick Restaurants.

In France, construction leasehold interests are amortized over the term of the lease (from 30 to 35 years) and are classified as intangible assets with a finite useful life.

Commercial leasehold interests are not amortized and are classified as intangible assets with an indefinite useful life. In France, the lessee of a commercial lease is entitled to an almost unlimited number of lease renewals. If the owner wishes to terminate the lease, the lessee is entitled to an eviction indemnity equal to the value of the business at the date of termination. Accordingly, the useful life of the leasehold interest is indefinite as there is no foreseeable limit to the period during which the leasehold interest is expected to generate net cash inflows.

The value in use of non-amortized leasehold interests is allocated to the restaurant CGU and is tested for impairment annually or whenever there is an indication of impairment.

In 000 EUR	Closing date 31/12/2017	Acquisitions	Disposals	Provisions / Reversals	Change in scope	Reclassifications and scrapping	2018
Concessions, patents and similar rights	31	-	(44)		33	6	26
Software	7 316	803	(828)		48	1 158	8 497
Leasehold interests	105 576	3 821	(9 471)		836	(5 242)	95 520
Brand	300 000	-	-		-	-	300 000
Intangible assets	**412 923**	**4 624**	**(10 343)**		**917**	**(4 078)**	**404 043**
Amor/Imp of conc., patents & similar rights	78	-	-	(78)			-
Amor/Imp of software	(4 708)	-	762	(6 169)	(24)	79	(10 060)
Amor/Imp of brands	(187 000)	-	-	-	-	-	(187 000)
Amor/Imp of leasehold interests	(14 448)	-	251	2 294	(130)	119	(11 914)
Amor/Imp of intangible assets	**(206 078)**	**-**	**1 013**	**(3 953)**	**(154)**	**198**	**(208 974)**
Total net value	**206 845**	**4 624**	**(9 330)**	**(3 953)**	**763**	**(3 880)**	**195 069**

The change in leasehold interests is due to the closure of Quick restaurants and the acquisition of Burger King restaurants.

Other intangible assets with finite useful lives

Other intangible assets with finite useful lives consist mainly of software and patents, licenses and concessions. Amortization of other intangible assets with finite useful lives is calculated on a straight- line basis over the estimated useful life.
Their useful lives are shown in the table below.

	Number of years
Software	3 to 7
Patents, licenses and concessions	5

8.3. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss. This cost includes the cost of purchasing or making the asset and the expenses that are directly incurred to install and use the asset. Where an item of property, plant and equipment comprises significant components that have different useful lives, these components are recognized and depreciated separately.

Borrowing costs directly attributable to the acquisition, construction or production of an eligible asset are included in the asset's initial cost, in accordance with IAS 23. The Group has identified no assets at 31 December 2018 that require restatement for this.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated useful life. Useful lives are reviewed at each balance sheet date.

The following estimated useful lives of property, plant and equipment are used:

	Number of years
Buildings	20 to 30
Fixtures and fittings	8 to 12
Restaurant furniture and equipment	7
Other PPE	5

In 000 EUR	**Closing date 31/12/2017**	**Acquisitions**	**Disposals**	**Dep/Imp**	**Change in scope**	**Reclassifications and scrapping**	**2018**
Land	34 941	1 188	(4 107)	-	147	3 931	36 100
Buildings	339 570	15 958	(61 107)	-	6 972	66 149	367 542
Technical installations and equipment	67 818	2 573	(17 547)	-	3 010	9 901	65 755
Property, plant and equipment in construction	6 150	83 346	(4 780)	-	558	(74 520)	10 754
Other property, plant and equipment	82 022	2 094	(15 864)	-	2 555	(7 107)	63 700
Property, plant and equipment	**530 501**	**105 159**	**(103 405)**	**-**	**13 242**	**(1 646)**	**543 851**
Impairment of land	(10 069)	-	2 010	(716)	(3)	(333)	(9 111)
Dep/Imp of constructions	(178 404)	-	45 652	(20 015)	(926)	(1 726)	(155 449)
Dep/Imp of tech. installations & equipment	(41 454)	-	12 097	(7 622)	(591)	156	(37 414)
Dep/Imp of other PPE	(46 379)	-	11 269	(5 716)	(953)	2 213	(39 536)
Total Dep/Imp of PPE	(276 306)	-	71 028	(34 069)	(2 473)	310	**(241 510)**
Total net value	**254 195**	**105 159**	**(32 377)**	**(34 069)**	**10 769**	**(1 336)**	**302 341**

The main changes in fiscal 2018 are explained below:

- Purchases: €105 million, mainly consisting of investments required to open new restaurants orto convert existing Quick® restaurants to the Burger King® brand
- Change in scope: €17.6 million, mainly resulting from the acquisition of Flagship, BK Développement and BK Expansion.

- Disposals: -€33.5 million, mainly due to the scrapping of fixed assets during the conversion of restaurants to Burger King or when permanently closing restaurants.

8.4. Asset impairment

Whenever warranted by a significant internal or external event or circumstance, the Group performs impairment tests on its goodwill, other intangible assets and property, plant and equipment. Goodwill, intangible assets with indefinite useful lives and assets under construction are also tested annually for impairment.

These impairment tests consist in comparing the recoverable amount of the asset or cash-generating unit (CGU), with its carrying amount.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less the cost of disposal.

A CGU is defined as the smallest group of assets whose cash flows are largely independent of the cash flows of other assets or groups of assets. Value in use is the present value of the estimated future cash flows expected from the use of an asset or a CGU.

In accordance with IAS 36, the Group discounts future cash flows using a WACC rate that is based on market assumptions. This rate is calculated using the risk-free interest rate[2], the market risk premium [3] and a size premium[4]. It does not include the Group's debt and tax structure.

When the recoverable amount is less than the net book value of the asset or group of assets tested, an impairment loss is recognized for the difference. In the case of a group of assets, the impairment is initially charged to goodwill.

[2] the risk-free rate used is based on the historical average of the yields of eurozone long-term government bonds.

[3] The market risk premium used is 7%. It is based on a historical average of equity market returns observed in the eurozone.

[4] The size premium is the excess return that is necessary to compensate for the risk associated with the company's size relative to other companies in its market. The size premium used is 3.7%.

If the recoverable amount of an asset other than goodwill rises back above its net book value at a later date the impairment loss recognized on this asset may be reversed. This reversal cannot exceed the impairment loss initially recorded less any depreciation or amortization that would otherwise have been recognized. Impairment losses on goodwill cannot be reversed.

The Group performed asset impairment tests at the following three levels:

- the CGUs identified at the Burger King France Group level as a restaurant, whether operated by the Group or by a franchisee. The recoverable amount of a CGU is its future after-tax cash flows discounted over 5 years plus a terminal value.
- The brand, using the method described in section 3.13.
- The Group level, i.e. all of the Group's fixed assets including goodwill, the brand, all other intangible assets and PPE. The impairment testing of the above assets compares their balance sheet value with their discounted after-tax future cash flows over 5 years plus a terminal value.

These three types of tests constitute the various steps of the impairment testing process.

Restaurant CGU

The Group tested each restaurant individually and impaired those for which impairment was warranted.

The table below shows the main assumptions for the restaurant impairment tests.

			Value in use		
In 000 euros	Net book value of associated PPE	Net book value of associated intangible assets	2018 discount rate	2017 discount rate	Perpetual growth rate
Restaurant CGU	182 177	87 938	8.10%	8.5%	2.00%

The table below shows the impact on the income statement of the net impairment losses for intangible assets and PPE.

In 000 euros	31/12/2018	31/12/2017
Intangible assets	(4 359)	3 958
Property, plant and equipment	2 047	(390)
Total	(2 312)	3 568

The results of the sensitivity analysis performed on Restaurant CGU at 31 December 2018 are shown below:

In 000 euros	
Impact of a 100 bp increase in the discount rate	(287)
Impact of a 50 bp decrease in the perpetual growth rate	(126)

Quick brand impairment test

The impairment test on the Quick brand was performed using the royalties method and required no recognition of impairment of the brand, the net book value of which is €113 million.

The main assumptions for this test were the royalties rate, changes thereto, and the discount rate. The Group also performed sensitivity analyses with the following assumptions:

- A 20 bp decrease in the perpetual growth rate
- A 10 bp increase in the discount rate.

The results of these sensitivity analyses do not require the recognition of impairment for the brand.

Group CGU impairment test

					Value in use		
In millions of euros	Net book value of associated PPE	Net book value of the brand	Net book value of other associated intangible assets	Goodwill	2018 discount rate	2017 discount rate	Perpetual growth rate
Group CGU	302	113	82	272	8.10 %	8.5 %	2.00 %

The Group also performed sensitivity analyses during the Group CGU and goodwill impairment tests with the following assumptions.

- a 50 bp decrease in the perpetual growth rate
- a 100 bp increase in the discount rate.

The above scenarios would not require impairment of goodwill.

8.5. Deferred taxes

Deferred tax assets and liabilities must be measured at the tax rates that are expected to be in effect in the year when the asset is realized or the liability settled, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized if the temporary difference is likely to reverse in the foreseeable future and there is likely to be a taxable profit to which the temporary difference may be applied.

Deferred tax liabilities on interests in subsidiaries and joint ventures are recognized unless the timing of the reversal of the temporary difference cannot be controlled and the temporary difference is not likely to reverse in the foreseeable future.

The table shows deferred taxes by type.

In 000 EUR	2018	2017
Deferred tax assets on loss carry-forwards	6 503	5 976
Spreading forward of entry fees (IFRS 15)	2 463	-
Spreading forward of bond issuance expenses	(4 743)	(5 514)
Temporary differences	2 393	2 513
Fixed assets (harmonization of dep./amort. periods, valuation adjustments, etc.)	(10 394)	(10 122)
Recognition of financial instruments	279	474
Deposits and guarantees	97	(1)
Pension provisions	20	26
Provisions (excluding pension provisions)	(1 667)	(1 238)
Restatement of finance leases		
Effect of change in tax rate	751	1 288
TOTAL DEFERRED TAXES	(4 298)	(6 598)

8.6. Financial receivables and other non-current assets.

Loans and guarantees are mainly provided for operating leases. They are paid when a new lease is agreed. These financial assets are held with a view to receiving contractual cash flows. When initially recognized, they are measured at their fair value at the acquisition date, which is generally the price of the transaction. Subsequently, if they are not hedged they are measured at the amortized cost using the effective interest rate method.

Derivatives are held for trading (to be sold relatively rapidly or without predetermined contractual cash flows) and are initially recognized at fair value through income, since they are designated as hedging instruments.

In 000 EUR	2018-12	Closing date 31/12/2017
Loans and guarantees net of provisions	11 205	11 216
Fair value of derivative instruments	200	1 083
Receivables on equity interests	-	755
Other	(19)	(19)
Total	**11 386**	**13 035**

8.7. Leases

Leases are classified as finance leases if substantially all of the risks and rewards of ownership are transferred to the Group.

Leases under which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

As a lessee

Recognition of finance leases

Finance leases are initially recognized as assets and liabilities at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease if this can be determined. Otherwise the lessee's incremental borrowing rate is used. The direct costs initially incurred by the lessee are added to the recognition amount of the asset.

After the initial recognition, the minimum lease payments are allocated between the finance charge and the amortization of the remaining liability. The finance charge must be allocated to each period of the lease so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. Leased assets are also depreciated using a method that is consistent with the method the Group's normally uses to depreciate its assets.

Types of finance leases

The Burger King France Group classifies restaurant POS leases and real property leases as finance leases. Restaurant POS leases have an average term of 3 to 5 years and include a renewal or buyback option. The average term of real property leases is 12 years.

In 000 euros	Minimum future payments		Present value of minimum future payments	
Finance lease payables	2018	2017	2018	2017
Less than 1 year	(2 877)	(5 689)	(3 841)	(5 454)
From the 2nd to 5th year inclusive	(1 211)	(401)	0	(398)
More than 5 years	0	(3)	0	0
Total principal + interest	(4 088)	(6 092)	(3 841)	(5 852)
Less future financial charges	248	240	0	0
Present value of finance lease obligations	(3 840)	(5 852)	(3 841)	(5 852)

The change over the period is exclusively attributable to payments made on leases.

The decrease in the current portion (less than 1 year) is due to the reclassification from short-term to long-term of property lease liabilities for which the exercise of the purchase option has been deferred beyond 2019.

Recognition of operating leases

Lease payments under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Any amounts received or to be received by the lessee as an incentive for signing the lease agreement are also recognized in the income statement on a straight-line basis over the lease term.

Types of operating leases

Operating leases are mainly construction leases and commercial leases.

Future minimum payments under non-cancellable operating leases:

In 000 euros	2 018	2 017
Minimum payments on operating leases recognized in income	(64 422)	(57 251)
Less than 1 year	(62 332)	(48 477)
From the 2nd to 5th year inclusive	(217 195)	(176 893)
More than 5 years	(204 433)	(218 765)
Total minimum payments on operating leases	(483 961)	(444 135)

Future minimum lease payments from franchised restaurants are subject to the Guaranteed Minimum Income (GMI) clause in the property or business lease agreement.

Furthermore, the Group's gross profit margin substantially exceeds the amount of rent it pays.

The increase in total minimum lease payments in 2018 is attributable to the increase in the number of restaurants.

Undiscounted payments on operating leases totaled €484 million at 31 December 2018.

As a lessor

Recognition of finance leases

Assets held under finance leases as lessor are presented as receivables for the net investment in the lease.
Lease payments are recorded as financial income.

Recognition of operating leases

Leased assets are presented in the balance sheet according to the nature of the asset. Income from operating leases is recognized on a straight-line basis over the term of the lease, unless another method is more representative of the time pattern of the decline in the benefit derived from the use of the leased asset.
Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the term of the lease on the same basis as lease income.
The method used to depreciate leased depreciable assets is consistent with the method the lessor normally uses to depreciate similar assets.

As lessor, Burger King Group France considers business leases, business leases with investments and real property leases to be operating leases.

The term of business leases is 9+9 years for Burger King® restaurants, and from 3 to 12 years for Quick restaurants.
Shared franchise agreements for Quick have a term of nine years.

Future minimum payments to be made under non-cancellable operating leases:

In 000 euros	2018	Closing date 31/12/2017
Less than 1 year	54 631	40 172
From the 2nd to 5th year inclusive	175 407	130 944
More than 5 years	106 637	75 527
Total minimum payments to be received on operating leases	336 675	246 643

Lease payments received in 2018 totaled €76,614 thousand.

8.8. Inventories

In 000 euros	31/12/2018	Closing date 31/12/2017
Raw materials, supplies and merchandise in restaurants	2 818	2 926
Supplies and merchandise at Logirest	6 987	10 381
Gross total	9 805	13 307
Impairment	(1 103)	(327)
Net total	8 702	12 980

Inventories are stated at the lower of their cost or net realizable value.

The Group's inventories consist of supplies, equipment and food products. They are recognized at cost, which includes the purchase price plus customs duties, other non-recoverable taxes, and the costs of transportation and handling incurred in bringing inventory items to their storage site.

Equipment inventory is valued using the weighted average cost method.

The food products inventory is valued using the FIFO method (First in, First Out) given the rapid turnover of this inventory and the rules that apply to its management.

8.9. Trade receivables

In 000 euros	2018-12	31/12/2017
Trade receivables	51 594	56 985
Total trade receivables at nominal value	51 594	56 985
Impairment for doubtful debts	(4 965)	(6 493)
Total	46 629	50 492

Trade and other operating receivables are initially recognized at their fair value, which is generally their nominal value. There are no trade receivables that are pledged or insured.

In accordance with IFRS 9, the Group uses the simplified method to measure trade receivables and recognizes expected credit losses over the life of the receivable. Expected credit losses are estimated using an allowance matrix that is based on historical credit loss experience and is adjusted for specific factors relating to the creditor, current general economic conditions and forecasts of future economic conditions that are obtainable at the balance sheet date without incurring undue cost or effort. The expected credit losses measured using the simplified approach totaled €72 thousand for 2018.

8.10. Other current assets

In 000 EUR	31/12/2018	Closing date 31/12/2017
Current tax assets	8 797	6 363
Tax receivables excluding income tax	28 168	26 111
Receivables on fixed asset disposals	1	97
Prepaid expenses	7 341	7 082
Other financial receivables	14 867	9 371
Other	9 792	8 376
Total	**68 966**	**57 400**

Tax receivables excluding corporate income tax are mainly for deductible VAT, which increased in 2018 due to the increase in sales.

Prepaid expenses are rent and network entry fees paid in advance by the Group.

Other financial receivables consist mainly of €14,867 thousand of France Quick's cash assets which were attached and frozen in November 2016 and March 2018 as a result of legal action taken by our former franchisee in Turkey, the merits of which we have disputed (see Note 8.13).

"Other items" consist mainly of discounts, rebates and refunds.

8.11. Cash and cash equivalents

In 000 EUR	12 - 2018	12 - 2017
Cash	61 106	127 296
Deposit accounts	44	-
Cash assets	61 150	127 296
Bank overdrafts	(617)	(73)
Cash liabilities	(617)	(73)
NET CASH	**60 533**	**127 223**

The decrease in net cash in 2018 is mainly due to the payment of the balance of the BDBK acquisition for €15.9 million and investments to convert Quick restaurants to the Burger King® brand.

8.12. Consolidated equity

Share capital

At 31 December 2018, Burger King France's share capital consisted of:

- 5,836 ordinary shares
- 5,667 Class A preferred shares
- 8 Class B preferred shares.

Class A ordinary and preferred shares have a par value of one euro.
Class B preferred shares have a par value of EUR 5,000,000.

Dividends

Burger King France did not pay any dividends in 2018.

Share premium

The share premium totaled €163.3 million at 31 December 2018.

Share-based payments

The Group's share-based payments and settlements comply with IFRS 2 "Share-based Payments".

Pursuant to this standard, share subscription and purchase options and performance shares granted to employees are measured at their fair value, which must be recognized in income over the vesting period with corresponding increases in equity. The latter amounted to €899 thousand in 2018.

The valuation models used to determine this fair value of options and rights are based on the terms of the vesting plan, the market data available at the grant date and the assumptions of the Group's management.

The Group implemented an RSU plan in 2018.

Non-controlling interests

The non-controlling interests are:

- The sub-group consisting of Agaquick SAS and its subsidiaries[5], in which the Group has a 50% stake
- BK Expansion, BK Development and Flagship.

[5] The Group has agreed to sell its stake in Agaquick via a put option.
Burger King France considers this put option to be a transaction between shareholders and has observed the following mixed accounting treatment:

1) The put liability was recognized against the carrying amount of the non-controlling interests and the difference between the liability recorded for the purchase commitment and the carrying amount of the non-controlling interests is deducted from the Group's share of equity.
2) A share of Agaquick's net income is allocated to the non-controlling interests in the consolidated income statement.

The table below shows the key financial figures of these non-controlling interests taken from their consolidated financial statements.

In 000 euros	2018	2017
Income statement		
Sales and franchise revenues	44 968	27 150
Profit from operations	14 245	13 692
Net profit (loss)	(45)	136
Group's share	176	69
Share attributable to non-controlling interests	(220)	67

In 000 euros	2018	2017
Statement of financial position		
Non-current assets	46 997	29 002
Current assets	17 789	8 047
Non-current liabilities	14 647	2 566
Current liabilities	19 952	6 899

8.13. Long-term provisions

A provision is recorded when the Group has a legal or constructive obligation at the balance sheet date that:

- results from a past event,
- is likely to result in an outflow of resources, and
- may be reliably estimated.

The provision is the best estimate of the amount that is required to settle the current obligation as of the balance sheet date.

Liabilities incurred from restructuring are recorded when the persons concerned are informed.

In 000 EUR	Commercial, legal and employee dispute risks	Employee benefits	Other provisions	Total
At 1 January 2018	**5 761**	**3 551**	**711**	**10 023**
Provisions	1 156	58	-	1 214
Reversals used	(283)	(113)	(711)	(1 107)
Reversals not used	(634)	(398)	-	(1 032)
At 31 December 2018	**6 000**	**3 098**	**-**	**9 098**

The change in provisions in 2018 is mainly attributable to employment and tax disputes.

"Litigation" consists in particular of a provision of €2.5 million for an ongoing dispute with our former franchisee in Turkey, which was provisioned in 2016.

At the end of November 2015, France Quick terminated its franchise and Quick brand usage contracts with its franchisee when it was brought to its attention that the franchisee had registered a number of trademarks containing the name "Quick" in violation of the contractual provisions.
At the end of January 2016, the franchisee filed an arbitration claim against France Quick with the International Chamber of Commerce in Paris.
The former franchisee:

- challenges the grounds for terminating the franchise and brand usage contracts
- claims damages.

The International Chamber of Commerce in Paris is expected to render its decision in the first half of 2019.

The group's legal advisors and management dispute the validity of the franchisee's action and have decided to maintain the €2.5 million provision in their accounts.

During the arbitration period (the procedure was completed when our consolidated financial statements for 2018 were published, but the decision had not been rendered), the former franchisee had two attachment orders issued on France Quick's accounts. An attachment of €9.4 million was effected for an initial claim in November 2016 and was recorded under "Other financial receivables". A second attachment of €5.5 million was effected in March 2018 for a second claim that was made for a significantly higher amount. France Quick has contested both of these attachments and these two actions are still pending as of the date of publication of our 2018 consolidated financial statements.

8.14. Employee benefits

The post-employment benefits granted by the Group in a specific locality depend on legal requirements and the policy observed.

The Group's employees receive short-term benefits (paid leave, sick leave, etc.) and post-employment benefits under defined contribution plans (lump-sum retirement payments and supplementary pension plans). All Group entities expense short-term benefits the year the expense is incurred.

Defined contribution plans

Under a defined-contribution plan contributions are regularly paid to an external organization that is responsible for the administration of the plan and the management of its assets. Such plans release the employer from any future obligation, as the external organization assumes responsibility for paying the amounts due to employees under the basic social security pension plan, the ARRCO and AGIRC supplementary pension plans and the employer's defined-contribution plan.
The Group's payments are recognized as an expense in the period in which they are incurred.

Lump-sum retirement payments

In France, lump-sum retirement payments under wage agreements are the only type of defined-benefit post-employment benefit. The Group's wage agreement provides for the payment of a lump-sum benefit that is a function of the employees' length of service with the Group and his or her salary at the time of retirement.

Main assumptions used for the calculation of defined benefit plans

Actuarial assumptions	2018	2017
Discount rate at 31 December	1.60%	1.25%
Salary growth rate	3.00%	3.00%
Retirement age	Burger King and Quick head-office personnel: 63 yr Burger King and Quick restaurant personnel: 62 yr	Burger King and Quick head-office personnel: 63 yr Burger King and Quick restaurant personnel: 62 yr
Mortality table	Insee 2011-2013	Insee 2011-2013

The discount rate is based on the yields of high-quality, long-term corporate bonds with maturities equivalent to the term of the liabilities measured.

Change in the present value of the defined benefit obligation

Change in commitments	2018	2017
Present value of commitments at 1 January	3 346	3 060
Normal cost	229	312
Interest on the commitment	40	43
Benefits paid	(113)	(180)
Acquisitions	-	-
Assumed actuarial gain/(loss)	(341)	73
Actual actuarial gain/(loss)	(121)	37
Present value of commitments at 31 December	3 040	3 346

Included in other comprehensive income	2018	2017
Actual gain/(loss)	(121)	37
Assumed gain/(loss)	(341)	73
- o/w other assumptions	(341)	73
Total	(462)	110

Defined benefit plan expenses recognized in income

Pension expense for the year	2018	2017
Normal cost	229	312
Interest on the commitment	40	43
Plan curtailments and settlements	(113)	(180)
Cost for the year	156	175

The service cost is recorded in general and administrative expenses, while the interest expense is recorded in financial expenses. The 35 basis point increase in the discount rate did not have a material impact on the valuation of liabilities at 31 December 2018.

Other employee benefits

At 31 December 2018, the Group recognized €58 thousand for length-of-service bonuses and long-service awards (vs. €205 thousand in 2017).

8.15. Other non-current liabilities

In 000 EUR	2018-12	Closing date 31/12/2017
Deposits and guarantees	2 515	2 667
Fair value of derivative instruments	126	207
Deferred income on entry fees	4 174	-
Other	31	-
Total	**6 846**	**2 874**

8.16. Financial liabilities

With the exception of derivative instruments, all financial liabilities, in particular borrowings, trade payables and other payables, are initially recognized at fair value less transaction costs, and subsequently at amortized cost using the effective interest rate method. Given the normally rapid payment of trade payables, they are generally recognized at their nominal value.

The effective interest rate is determined for each transaction and is used to calculate the carrying amount of the financial liability by discounting its estimated future cash flows until maturity or until the date nearest to repricing at the market rate.
This calculation includes transaction costs and any premiums or discounts. Transaction costs include any cost that is directly related to the acquisition or issuance of a financial liability.

Non-current financial liabilities

In 000 euros	2018	2017
Non-current finance lease liabilities	1 117	398
Other non-current financial liabilities	627 326	614 289
Bank loans	13 715	3 077
Convertible bond issues	0	0
Ordinary bond issues	625 000	625 000
Spreading forward of refinancing expenses	(11 389)	(13 788)
Other financial liabilities of more than 1 year	2 500	3 500
Total	630 943	618 187

Non-current financial liabilities consist mainly of bonds (see "Significant events of the year").

The increase in bank loans in 2018 is attributable to the entry into the consolidation scope of the debts of the three investment vehicle companies acquired in 2018, which had cumulative long-term debts of €8,800 thousand, and to a new long-term €4,500 thousand-euro credit line for the Agaquick JV to finance restaurant conversion CapEx, less loan repayments over the year.

The decrease in other financial liabilities of more than one year is due to debt repayment over the year.

Other non-current financial liabilities

During the year, the Group entered into a put option with Picpain to buy its stake in Agaquick. The exercise price of this option was calculated using a predetermined formula. In accordance with IAS 32, the purchase commitment for this fully consolidated subsidiary is recognized at the present value of the estimated exercise price. The Group has presented the amount of the "minority put" directly on the consolidated balance sheet.

The Group has treated this put option as a transaction between shareholders. The put liability was recognized against the carrying amount of the non-controlling interests and the difference between the liability recorded for the purchase commitment and the carrying amount of the non-controlling interests is deducted from the Group's share of equity. In future periods, this liability will be recorded at amortized cost and subsequent changes will be recorded in equity.

Current financial liabilities

In 000 euros	2018	2017
Finance lease liabilities maturing during the year	2 723	5 454
Other borrowing maturing during the year and bank overdrafts	7 291	10 629
Other long-term liabilities maturing during the year	2 969	6 498
Bank overdrafts	894	357
Accrued interest on Notes	5 861	6 058
Spreading forward of refinancing expenses	(2 434)	(2 284)
Other financial liabilities maturing during the year	2 188	1 000
Total	12 203	17 083

Current financial liabilities include bank overdrafts and accrued interest on loans.

The decrease in short-term financial liabilities over the period is mainly due to the reclassification of a portion of real property lease debt from short-term to long-term following the deferral beyond 2019 of the possibility to exercise early buyback options for some restaurants.

Gross debt

The Group's gross debt at 31 December 2018 consisted of the following:

In 000 EUR	Capital	Accrued interest	Total
Fixed-rate tranche	315 000	3 149	318 149
Floating-rate tranche	310 000	2 712	312 712
Spreading forward of refinancing expenses	(13 823)	-	(13 823)
RCF	-	-	-
BPI France	3 500	23	3 523
Finance leases	3 841	-	3 841
Other (including bank overdrafts)	894	119	1 013
Burger King Restauration loan	543	0	543
AgaCICE+ Vadek loan	1 047	-	1 047
BKF CICE loan	-	-	-
Investor franchisee loans	8 539	8	8 547
BNP France Quick loan	3 077	15	3 092
SG LILLE AGA loan	4 500	3	4 503
Total	**637 118**	**6 028**	**643 146**

Bonds accounted for most of the Group's debt at 31 December 2018.

On 21 April 2017, the Burger King France group refinanced its debt on the High Yield bond market by issuing €315,000 thousand in fixed-rate bonds and €250,000 thousand in floating-rate bonds.

On that same day, the group repaid all of the bank loans that Burger King Restauration had contracted with a banking pool to finance the openings of Burger King restaurants and part of the Financière Quick bond loan arranged in 2014. The balance was repaid in May 2017.

On 19 December 2017, the Burger King Group refinanced more debt in the High Yield bond market by issuing a €60,000 thousand tranche in addition to its €250,000 thousand floating-rate issue under the same terms, thus increasing its floating-rate issuance to €310,000 thousand.

Group debt at 31 December 2017:

In 000 EUR	Capital	Accrued interest	Total
Fixed-rate tranche	315 000	3 149	318 149
Floating-rate tranche	310 000	2 713	312 713
Spreading forward of refinancing expenses	(16 072)	-	(16 072)
BPI France	4 500	30	4 530
Finance leases	5 852	-	5 852
Other (including bank overdrafts)	357	143	500
AgaCICE loan	827		827
BKF CICE loan	4 133		4 133
BNP France Quick loan	4 615	24	4 615
Total	**629 212**	**6 058**	**635 270**

Bond debt

In 000 euros	Carrying amount	Nominal amount	Maturity date	Payment	Rate
High-yield bond • Fixed-rate tranche	315 000	100 and multiple of 1 above this amount	01/05/2024	In fine	6%
High-yield bond • Floating-rate tranche	310 000	100 and multiple of 1 above this amount	01/05/2023	In fine	Euribor +5.25%

The Burger King France bond issue of 21 April 2017, which was completed on 19 December 2017, is composed of the following two tranches:

- A fixed-rate €315,000 thousand tranche, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on 1 May 2024 and paying 6% interest (semi-annual)

- A floating-rate tranche of €310,000 thousand, senior secured with a nominal value of €100,000 and a multiple of 1000 above €100,000, maturing on 1 May 2023 and paying Euribor +5.25% (quarterly). This tranche was issued in two phases: initially on 21 April 2017 for €250,000 thousand, with proceeds of 99.5% and the balance recognized as an issuance discount, and subsequently on 19 December 2017 for €60,000 thousand, with proceeds of 101.75% and the balance recognized as an issuance premium.

Bond issuance expenses totaled €16.9 million.

Debt breakdown before and after hedging instruments

	31/12/2018		31/12/2017	
In 000 EUR	Debt before hedging	Dept after hedging	Debt before hedging	Debt after hedging
Fixed rate debt	332 841	332 841	327 222	327 222
Hedged floating-rate debt	-	205 769	-	207 692
Floating-rate debt	310 305	110 710	308 048	100 356
TOTAL	643 146	649 320	635 270	635 270

	31/12/2018	31/12/2017
% (fixed-rate + floating with cov.) / debt after hedging	82.95%	84.20%

Gross debt maturity

The Group's credit lines are denominated in euros.

The Group's gross debt by maturity at 31 December 2018:

In 000 EUR	Due during the year	From 2 to 5 yr	> 5 yr	Total > 1 yr	Total
Non-current finance lease liabilities	-	1 117	-	1 117	**1 117**
Other non-current financial liabilities	-	324 056	317 159	641 215	**641 215**
Finance lease liabilities maturing during the year	2 723	-	-	-	**2 723**
Other borrowing maturing during the year and bank overdrafts	9 725	-	-	-	**9 725**
Other financial liabilities maturing during the year	2 188	-	-	-	**2 188**
Spreading forward of refinancing expenses	(2 434)	(10 577)	(812)	(11 389)	**(13 823)**
Total at 31 December 2018	**12 203**	**314 596**	**316 347**	**630 943**	**643 146**

The Group's gross debt by maturity at 31 December 2017:

		31/12/2017			
In 000 EUR	Due during the year	From 2 to 5 yr	> 5 yr	Total > 1 yr	Total
Non-current finance lease liabilities		398	-	398	**398**
Other non-current financial liabilities		6 577	625 000	631 577	**631 577**
Finance lease liabilities maturing during the year	5 454			-	**5 454**
Other borrowing maturing during the year and bank overdrafts	12 913			-	**12 913**
Other financial liabilities maturing during the year	1 000			-	**1 000**
Spreading forward of refinancing expenses	(2 284)	(10 667)	(3 121)	(13 788)	**(16 072)**
Total at 31 December 2017	17 083	(3 692)	621 879	618 187	635 270

Share / restaurant purchase commitments at 31 December 2017 included the balance of €15,917 thousand to be paid for BDBK's shares.

8.17. Financial instruments

Derivative financial instruments are recognized on the balance sheet under other non-current assets or as current or non-current financial liabilities depending on their maturity and accounting classification, and are measured at their fair value on the date of the transaction.

The method used to recognize changes in the fair value of derivatives depends on whether there is a documented hedging relationship as defined in IFRS 9:

- in the absence of a hedging relationship, changes in fair value are taken to income
- if there is a documented relationship for hedging cash flows, the change in the fair value of the effective portion of the hedging derivative is initially recorded in other comprehensive income while that of the ineffective portion is directly taken to the income statement.

Both of these situations apply to the Burger King Group. The Group uses caps and swaps to hedge its variable-rate financial liabilities. These derivatives enable the Group to hedge its exposure to rising interest rates and consequently its financial expenses.

The amounts recorded in other comprehensive income are taken to the income statementsymmetrically with the recognition of the hedged items.

The fair value of financial instruments

		Breakdown by accounting classification				31/12/2018	
		Fair value through	Fair value through		Liabilities at		
In 000 EUR	Measurement level	income	equity	Loans and receivables	amortized cost	Carrying amount	Fair value
Assets							
Hedging instruments	Level 2		200			200	200
Financial receivables and other non-current assets	Level 3			11 186		11 186	11 186
Trade receivables				46 629		46 629	46 629
Financial receivables and other current assets				17 134		17 134	17 134
Other financial receivables	Level 1			14 867		14 867	14 867
Cash and cash equivalents	Level 1			61 150		61 150	61 150
Liabilities							
Non-current financial liabilities	Level 2				630 943	630 943	630 943
Other non-current liabilities		20	126		6 700	6 846	6 700
Current financial liabilities					12 203	12 203	12 203
Trade payables					88 057	88 057	88 057
Other tax liabilities					31 109	31 109	31 109
Employee and social liabilities					29 713	29 713	29 713
Other current liabilities					14 105	14 105	14 105

In 000 EUR	Measurement level	Breakdown by accounting classification				31/12/2017	
		Faire value through income	Fair value through equity	Loans and receivables	Liabilities at amortized cost	Carrying amount	Fair value
Assets							
Hedging instruments	Level 2		1 083			1 083	1 083
Financial receivables and other non-current assets	Level 3			11 952		11 952	11 952
Trade receivables				50 492		50 492	50 492
Financial receivables and other current assets				15 555		15 555	15 555
Other financial receivables	Level 2			9 371		9 371	9 371
Cash and cash equivalents	Level 2			127 296		127 296	127 296
Liabilities							
Non-current financial liabilities	Level 2				618 187		
Other financial liabilities					15 611		
Other non-current liabilities			207		2 667		
Current financial liabilities					17 083		
Trade payables					87 814		
Other current liabilities					35 211		

The following methods are used to determine fair value:

- Debt: the fair value of debt is determined for each loan by discounting future cash flows at the closing market rate which is adjusted to account for the Group's credit risk. For floating-rate loans and bank overdrafts, the fair value is approximately equal to the net book value.
- High yield bonds: these bonds are valued on the basis of observable market data.
- Other long-term financial liabilities: the fair value of other long-term financial liabilities was determined by discounting the future cash flows of each liability at an interest rate that takes into consideration the Group's credit risk at the balance sheet date.
- Derivative instruments: the market value of derivatives held at the end of the year was determined using standard valuation models and the available market data.

The following fair value hierarchy is observed, in accordance with the revised IFRS 7 standard on "Financial Instruments: Disclosures:"

- Level 1: fair value based on prices quoted in an active market
- Level 2: fair value measured using observable market data (other than the quoted prices included in Level 1)
- Level 3: fair value determined using valuation techniques based on unobservable market data.

8.18. Other current liabilities

In 000 EUR	2018-12	Closing date 31/12/2017
Deferred income	13 425	17 536
Dividends payable	31	31
Share/restaurant purchase commitment	649	17 644
Total	**14 105**	**35 211**

Deferred income includes rent received in advance on certain subleases or leases.

Share / restaurant purchase commitments at 31 December 2017 included the balance of €15,917 thousand to be paid for BDBK's shares.

9. RISK MANAGEMENT

9.1. Capital management policy

The Group's primary objective in managing its capital is to maintain a good credit risk rating and capital ratios, in order to facilitate its business activities and maximize shareholder value. There was no change in its management objectives, policies and procedures in 2018. The Group's financial indicators are described in Note 14.

9.2. Risk management policy

The Group's day-to-day business activities are exposed to interest-rate and currency risks.

The Group is exposed to the risk that an increase in interest rates may increase its variable-rate debt. To manage this risk the Group uses caps or swaps with first-class counterparties.

Foreign exchange risks are immaterial due to the limited volume of import purchases in non-euro currencies and the lack of income in these currencies.

The Group has little exposure to credit risk because its income comes mainly from restaurants, where payments are made almost immediately (in cash or by bank card, restaurant voucher, etc.) and from its franchisees, most of whom are in good financial health.

9.3. Interest rate risk

The derivatives used are qualified as hedging instruments and are treated as cash-flow hedges on the caps and swaps.

Hedging is considered to be effective if the Euribor fixing on the hedged loan is strictly equivalent to the fixing of the hedging instrument.

In 000 EUR	Non-hedging derivatives	Fair value hedging derivatives	Cash flow hedging derivatives	12 - 2018
Interest-rate derivative assets	-	-	200	200
Interest-rate derivative liabilities	106	-	20	126
Total	**(106)**	**-**	**180**	**74**

In 000 EUR	Non-hedging derivatives	Fair value hedging derivatives	Cash flow hedging derivatives	12 - 2017
Interest-rate derivative assets	-	-	1 084	1 084
Interest-rate derivative liabilities	156	-	50	206
Total	**(156)**	**-**	**1034**	**878**

The table below shows the effectiveness of interest rate hedges at 31 December 2018.

	0.5% decrease in interest rates		0.5% increase in interest rates	
In 000 EUR	Impact on equity	Impact on income	Impact on equity	Impact on income
Investments	-	(190)	-	190
Floating-rate debt	-	-	-	(620)
Fair-value hedged debt	-	-	-	-
Swaps designated as fair-value hedges	-	(113)	-	113
Options designated as cash-flow hedges	-	-	-	400
Options (Trading)	-	-	-	-
TOTAL IMPACT	-	(303)	-	83

To hedge its exposure to interest rate risk, the Group uses financial instruments that enable it to fix and/or cap the interest rate paid on a significant portion of its debt.

Interest rate risk is managed centrally using simple instruments, swaps and/or options that are eligible for hedge accounting.

The table below shows the effectiveness of interest rate hedges at 31 December 2017.

	0.5% decrease in interest rates		0.5% increase in interest rates	
In 000 EUR	**Impact on equity**	**Impact on income**	**Impact on equity**	**Impact on income**
Investments	-	-	-	-
Floating-rate debt	-		-	(620)
Fair-value hedged debt	-	-	-	
Swaps designated as fair-value hedges	-	-	-	
Options designated as cash-flow hedges	-	(146)	-	779
Options (Trading)	-		-	
TOTAL IMPACT	**0**	**(146)**	**0**	**159**

9.4. Credit risk

Credit risk includes all forms of counterparty default and is closely monitored by the Group.

The Group considers that the following financial assets have little exposure to credit risk:

Financial receivables and other non-current assets, in particular guarantees on leases arranged with recognized financial institutions.
Cash and cash equivalents are exposed to very little risk, since:

- they are invested with first-class banks or with Bertrand Holding, which ensures that the Group has day-to-day access to funds and is not exposed to capital risk, by selecting appropriate banking partners and investments vehicles.
- they are invested exclusively in money market instruments.

Monitoring of trade receivables risk:

Trade receivables are the amounts owed by franchisees. Credit risk assessment and the decision to impair a trade receivable are made on a case-by-case basis.

Given the large number of customers, there is no risk of concentration of trade receivables.

9.5. Currency risk

The Group's exposure to currency risk is very limited as most of its business is conducted in Europe. The main currency exposure is to the USD, subsequent to the purchase of various merchandise in this currency.

The Group uses derivatives to hedge the currency risk on these foreign currency purchases. Hedging is carried out using either forward exchange contracts or currency options. Each hedging transaction must be approved in advance by the Group's senior management.

There were no currency hedging commitments at 31 December 2018, as was the case at the end of 2017.

Given the limited exposure to foreign exchange risk at 31 December 2018, the US dollar's volatility over the year did not have a material impact on income.

9.6. Liquidity risk and outstanding debt

The prepayment of the Group's financial liabilities is only required when there is a contractual change in the control of a group entity.

Management believes that the Group is not subject to liquidity risk at 31 December 2018.

The Group's policy is to ensure that it has sufficient liquidity to meet its obligations. There is limited short-term liquidity risk as cash assets and credit lines can be quickly mobilized to cover current liabilities.

The table below shows outstanding debt at 31 December 2018.

	< 1 year	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	5 to 6 yr	6 to 7 yr
Medium-term loans contracted with credit institutions	15 187	12 234	7 783	4 141	2 814	1 080	-
Ordinary bond issues	625 000	625 000	625 000	625 000	418 333	105 000	-
Finance leases	2 479	1 117	1 117	1 117	559	-	-
Short-term loans and bank overdrafts	800	800	800	800	800	800	800
Other liabilities of a financial nature	3 523	2 000	1 000	250	-	-	-
Accrued interest	6 000	6 000	6 000	6 000	3 300	400	400
Less financing/borrowing costs	(12 606)	(10 095)	(7 427)	(4 590)	(1 971)	(406)	-
Total gross debt	**640 383**	**637 056**	**634 273**	**632 717**	**423 835**	**106 873**	**1 200**

The table below shows outstanding debt at 31 December 2017.

	< 1 yr	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	5 to 6 yr	6 to 7 yr
Medium-term loans contracted with credit institutions	16 928	14 501	10 681	4 571	63	0	0
Finance leases	2 683	163	0	0	0	0	0
Short-term loans and bank overdrafts	-	-	-	-	-	-	-
Other liabilities of a financial nature	625 000	625 000	625 000	625 000	625 000	418 333	105 000
Accrued interest	5 292	5 292	5 292	5 292	5 292	4 275	1 890
Less financing/borrowing costs	(15 174)	(12 834)	(10 347)	(7 703)	(4 893)	(2 069)	(337)
Total gross debt	**634 729**	**632 123**	**630 626**	**627 160**	**625 462**	**420 539**	**106 553**

Financial covenants

The Group is subject to the following financial covenant at 31 December 2018.

Covenant to be observed	Borrowing subject to covenant	Testing frequency
Consolidated net debt / Consolidated EBITDA must be less than 7.5 if over 35% of credit line is used	Burger King France's €60,000 thousand RCF	Quarterly

The RCF credit line was unused at 31 December 2018 and the Group was in compliance with its financial covenants.

10. OFF BALANCE SHEET COMMITMENTS

In 000 EUR	31/12/2018	31/12/2017
Commitments given		
Other leases (1)	**1 538**	-
Property and business leases	**483 961**	444 135
Assets under construction	**6 567**	7 047
Total	**492 066**	**451 182**

(1) Vehicle and hosting server rental

Detailed information on leases is provided in Note 8.7.

The Group has made the following off-balance sheet commitments to provide collateral for the €625 million in bonds issued in 2017:

- Pledging of bank accounts
- Pledging of intra-group receivables
- Pledging of BH receivables due under the cash management agreement
- Pledging of shares held in Financières Quick, BKQ Services, France Quick, Burger King Construction, Burger King Restaurant and Burger King Restauration.

In 000 EUR	31/12/2018	31/12/2017
Capital commitments received		
Property and business leases	**336 675**	246 643
Total	**336 675**	**246 643**

Detailed information on leases is provided in Note 8.7.

11. RELATED PARTIES

11.1. Compensation of key senior managers

In 000 EUR	2018	31/12/2017
Total remuneration of the company's Management Board members (including social security charges)	3 433	2 691

11.2. Transactions with other related parties

Transactions with other related parties involve the following services and agreements:

- two service agreements in relation to the capital transaction entered into with TOPCO on 12 July 2018
- a cash pooling and management agreement between Burger King France and BH SAS
- a business development agreement between Burger King France and BH for 2018.

12. STATUTORY AUDITOR'S FEES

The Group paid its statutory auditors the following fees for 2018:

	KPMG		EXELMANS	
	2018	%	**2018**	%
Certification of company and consolidated accounts				
• Burger King France	141	33%	35	32%
• Subsidiaries	273	64%	68	62%
Other work and services directly related to the statutory auditor's engagement				
• Burger King France and its subsidiaries	15	3%	7	6%
Statutory auditor fees	**429**	**100%**	**109**	**100%**

13. POST BALANCE SHEET EVENTS

On January 8, 2019, Burger King Restauration (a wholly-owned subsidiary of Burger King France) acquired minority interests of 3.21% in BK Croissance and in BK Exploitation for €75 thousand. The effect of this acquisition was retroactive to 1 January 2019. The terms of these transactions gave the Group effective control. The two companies will therefore be fully consolidated as of that date.

14. KEY FINANCIAL INDICATORS

The Group's key financial indicators are defined below.

Net debt

Net debt is the sum of current and non-current bank and bond debt, less cash and cash equivalents.

EBITDA

EBITDA is earnings before interest and taxes (EBIT), depreciation and amortization.
EBIT is operating profit less general and administrative expenses and other head-office income and expenses.

General and administrative expenses

This includes all head-office operating costs including external expenses (for energy, office supplies, professional fees, travel, IT, etc.) and the expense of head office staff, taxes and occupancy (mainly rent and depreciation).

Other head-office income and expenses

This includes the Group's ancillary business expenses and income from marketing services provided to partners.

Other non-recurring income and expenses

This term refers to a very limited number of unusual, infrequent and significant income and expense items at the consolidated level which the Group presents separately in its income statement to facilitatethe understanding of its day-to-day business performance (see Note 9).

15. CONSOLIDATION SCOPE

The companies that entered the Group's scope of consolidation in 2018 are shown below.

No company left the consolidation scope during the year.

	2018 - 12			31 /12 /2017		
Company	% Interest	% Control	Consol. method .	% Interest	% Control	Consol. method.
BURGER KING France	100%	100%	FC	100%	100%	FC
BURGER KING RESTAURANTS	100%	100%	FC	100%	100%	FC
BURGER KING RESTAURATION	100%	100%	FC	100%	100%	FC
BURGER KING CONSTRUCTION	100%	100%	FC	100%	100%	FC
BK IDF	100%	100%	FC	100%	100%	FC
BK OU	100%	100%	FC	100%	100%	FC
BK N	100%	100%	FC	100%	100%	FC
BK SE	100%	100%	FC	100%	100%	FC
BK E	100%	100%	FC	100%	100%	FC
BK Services	100%	100%	FC	100%	100%	FC
MGL	100%	100%	FC	100%	100%	FC
Quick Restaurants	100%	100%	FC	100%	100%	FC
Financière Quick	100%	100%	FC	100%	100%	FC
France Quick	100%	100%	FC	100%	100%	FC
Quick Invest	100%	100%	FC	100%	100%	FC
Montmirail (ex Coquelles)	100%	100%	FC	100%	100%	FC
Pyramides	100%	100%	FC	100%	100%	FC
Agaquick	50%	50%	FC	50%	50%	FC
Agaquick Exploit	50%	50%	FC	50%	50%	FC
AGAQUICK EXPLOITATION 2	50%	50%	FC	50%	50%	FC
Agaquick Invest	50%	50%	FC	50%	50%	FC
Iena SAS	100%	100%	FC	100%	100%	FC
Ulm SAS	100%	100%	FC	100%	100%	FC
Quick immo	100%	100%	FC	100%	100%	FC
Eylau	100%	100%	FC	100%	100%	FC
Friedland	100%	100%	FC	100%	100%	FC
Tastyrest	100%	100%	FC	100%	100%	FC
Logirest France	100%	100%	FC	100%	100%	FC
AURO202	100%	100%	FC	100%	100%	FC
MINADRIVE	100%	100%	FC	100%	100%	FC
Ligny	100%	100%	FC	100%	100%	FC
Montereau	100%	100%	FC	100%	100%	FC
PINTO	100%	100%	FC	100%	100%	FC
BDBK	100%	100%	FC	100%	100%	FC
FDDH	50%	50%	EM	50%	50%	EM
FDDH 1	50%	50%	EM	50%	50%	EM
FDDH2	50%	50%	EM	50%	50%	EM
Aga BK	50%	50%	EM	50%	50%	EM

	2018-12			Clôture au 31/12/2017		
Units	% Interest	% Control	Consol. method	% Interest	% Control	Consol. method
DURENSTEIN	-	-	NC	100%	100%	FC
CROOL	-	-	NC	100%	100%	FC
ZE4US	-	-	NC	100%	100%	FC
NILO	-	-	NC	100%	100%	FC
Lodi SAS	-	-	NC	100%	100%	FC
Arcole Immo SAS	-	-	NC	100%	100%	FC
BK Développement	73.12 %	73.12 %	FC	-	-	NC
Flagship	50.71 %	50.71 %	FC	-	-	NC
QUICK GESTION	100%	100%	FC	-	-	NC
POP'S DRIVE	100%	100%	FC	-	-	NC
ECUREST	100%	100%	FC	-	-	NC
AGA BK INV	50%	50%	EM	-	-	NC
BK Varennes	100%	100%	FC	-	-	NC
BK Expansion	84.44 %	84.44 %	FC	-	-	NC
LC RESTAURATION	-	-	NC	-	-	NC
VADEK	-	-	NC (1)	-	-	NC
ANGE	-	-	NC (1)	-	-	NC

Abreviations of consolidation methods:

NC means Not Consolidated

FC means Fully Consolidated

EM means Equity Method

(1) Universal asset & liability transfer ("TUP") in 2018

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Burger King France S.A.S.

Société par Actions Simplifiée

50, avenue du Président Wilson - Parc des Portes de Paris - Bât 123 - 93214 La Plaine Saint-Denis Cedex

Share capital: €.40.011.503

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2018

KPMG S.A. Tour Eqho - 2, avenue Gambetta – CS 60055 92066 Paris La Défense Cedex France	EXELMANS AUDIT & CONSEIL 21, rue de Téhéran 75008 Paris France

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by French law, such verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Burger King France S.A.S.

50, avenue du Président Wilson
Parc des Portes de Paris – Bât 123 –
93214 La Plaine Saint-Denis Cedex

Share capital: €.40.011.503

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2018

To the annual general meeting of Burger King France S.A.S.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Burger King France S.A.S. for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements applicable to us, for the period from January 1, 2018 to the date of issue of our report, and in particular we have not provided any services that are prohibited by the French Code of Ethics (*code de déontologie*) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Notes 2.7 to the consolidated financial statements relating to the effects of the first-time adoption of IFRS 15 – Revenue from Contracts with Customers – and IFRS 9 – Financial Instruments – , on January 1, 2018. Our opinion is not modified in respect of this matter.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

As stated in Note 8.4 to the consolidated financial statements, "Impairment of intangible assets",   goodwill, intangible and tangible assets are subject to impairment tests. We have analyzed the methods of implementation of the impairment tests as well as the cash flow forecasts and assumptions used by the management to perform impairment tests, and we have assessed the appropriateness of the disclosures in Note 8.4.

As stated in Note 8.13 to the consolidated financial statements, "Long-term provisions", a provision is recorded when the Group has a legal or constructive obligation. Concerning the ongoing litigation with the former franchisee operating in Tunisia, as described in Note 8.13 "Long-term provisions" to the consolidated financial statements, based on information available as of today, we have appreciated the amount of the provision by obtaining an understanding of the process implemented by the Company with the support of its external counsels to estimate the provision. We have assessed reasonable assurance on the estimate and the information disclosed in the note 8.13 "Long-term provisions" to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the President.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.
As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains 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 internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management’s 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 Company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

French original signed at Paris-La-Défense and Paris, on March 15, 2019, by

The Statutory Auditors

KPMG S.A.

Eric Ropert
Partner

Adrien Johner
Partner

EXELMANS AUDIT & CONSEIL

Stéphane Dahan
Partner